

**Getting Out and Getting into Poverty:
An Exploration of Poverty Dynamics in Eastern Tarai, Nepal**

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A. INTRODUCTION

Background

“As long as I do not have to beg for a living, I do not consider myself as poor”, a 53 years old, Magar man simplified his definition of poverty. During the course of our field study in a small village of east Nepal, he was introduced to us as one who sharply fell down from relative prosperity to poverty during his lifetime. In the same location we met a Chhetri man of 62 years, who was a popular example in the vicinity for his struggle to rise from scratch to relative prosperity. He said, “I have seen the days of extreme hardship, I always learned from the mistakes but never gave up; therefore, I am in this position. But, I never consider myself as rich, I am still struggling to live a better life”.

We wanted to understand the poverty dynamics in the local context and explain how a person gets out of poverty during a lifetime or gets into a poverty trap. The statements of those two, a Magar and a Chhetri¹, instead, made the notion of poverty more complex, and led us to discern culturally perceived poverty and material poverty. Thus, the term appeared to be more ambiguous and subjective as Pieterse (2001) rhetorically puts ‘poverty is in the eye of the beholder’ (pp. 100).

People having relatively homogenous social systems, cultural practices and livelihood strategies may have different perceptions of poverty and prosperity; therefore, households with similar assets possession and social characteristics that are considered relatively poor in one village can be relatively better off in another village. Hence, it did not take long for us to understand that the term poverty carries along a different set of meanings even in a single, relatively homogenous village. Nevertheless, lack of material goods, lack of or limited resources, including natural, human, financial and social-cultural, vulnerability, exclusion, dependency, etc. were the common indicators used to determine the poverty level.

¹ Magar is an ethnic group, whereas Chhetri is a ‘high caste’ group.

With this, we assumed that there could not be a standard definition of poverty, which is squarely applicable in the micro context. Unlike in many economic analyses, poverty and prosperity seemed to be fluid and relative terms.

Considering poverty as a 'culturally and historically variable notion' (Rahnema, 1992, pp. 69), which is 'complex and multidimensional' (Khan, 2001); this study tries to examine the mechanisms of getting out of or being trapped into poverty, over one's own lifetime. This study, therefore, intends to neither measure poverty nor set any poverty line based on the findings. With the help of the prolonged and in some cases repeated interviews with 40 individuals representing 40 families, from Morang District of East Nepal, this paper illustrates how a particular family get out of relative poverty to relative well-off positions. What are the major pathways the studied population carved to get out of poverty? The analysis also looks into whether the larger- structural context or an individual agency is more important in getting out of poverty.

The paper is broadly divided into three sections. First section describes the background, conceptual aspects and methods of the study. The second section presents the findings and offers explanations. The third section concludes the study drawing some major conclusions based on the analysis.

Poverty, a multidimensional social reality

We begin this study acknowledging that the term poverty is defined in various ways across different times and spaces; and from different disciplinary vantage points. Common to all is that they describe poverty as a lack of food, clothing, water, and shelter, which are essential items needed for proper living. Others would add education and health, which are required for dignified living.

Generally, it is common among economists to define poverty in terms of income as a major indicator of poverty (since income can be used to buy food, clothing etc). Income is of course a major indicator, but only one of several, as for example, health cannot automatically be purchased in a market. To put this simple, poverty is a condition where people are unable to

eat, go to school, or have any access to health care, regardless of their income. UN's World Summit on Social Development, the 'Copenhagen Declaration' described poverty as "...a condition characterised by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information." Some would even argue to include the lack of political influence as also one of the conditions of poverty (see Banik, 2006). The term poverty therefore is a multidimensional concept and a complex phenomenon, which is difficult to define.

On the other hand, sociologists often define poverty as a 'social problem' (Haralambos 1998:140) and separate the categories of absolute poverty, relative poverty and subjective poverty. According to Haralambos (1998), absolute poverty that is often known as subsistence poverty, 'is concerned with establishing the quality and amount of food, shelter and clothing deemed necessary for a healthy life; that is, the definition is based on the assessment of minimum subsistence requirements. It is usually measured by pricing the basic necessities of life, drawing a poverty line in terms of this price, and defining as poor those whose income falls below the figure'. This definition fails to incorporate the idea of 'basic cultural needs' – man being a cultural animal- such as education, security, leisure and recreation, and so on.

Absolute poverty is apparently another version of income poverty, where a household's income is compared to an absolute income poverty line. The World Bank considers a person poor 'if his or her consumption or income levels falls below some minimum level necessary to meet basic needs...' (<http://www.worldbank.org>).

Relative poverty is measured in terms of 'judgements by members of a particular society of what is considered a reasonable and acceptable standard of living and style of life according to the conventions of the day'. Hence, it is fluid and changes according to the needs and demand of the changing society'. In our case, ethnicity, class, age, religion, region, etc. may vary judgements of reasonable living standards. In such a case, comparison of the poor in the same society over time becomes complicated and virtually impossible. Poor no longer is a homogenous group.

In case of the idea of relative poverty also, the notion of 'lack' or 'deficiency' remains as one of the major defining denominators. This in fact complicates the concept of relativity, for example, 'when poor is defined as lacking a number of things necessary to life, the question could be asked: what is necessary and for whom? And, who is qualified to define all that?' (Rahnema, 1997).

Haralambos (1998) puts forward the idea of 'subjective poverty' where 'a formerly wealthy individual reduced by circumstances to a modest lower-middle-class income and life style may feel poor but other members of society may not regard him as such. Conversely, individuals and groups judged in terms of majority standard to be in poverty may not see themselves as poor'. The concept of subjective poverty thus appears to be useful as people act in terms of the way they perceive and define themselves. In the meantime, Majid Rahnema sees poverty as 'a myth, a construct, and the invention of a particular civilization' (Rahnema, 1997). These discussions further lead us to accept poverty as 'real' but a 'concept' rather than a 'fact'. To conclude, Rahnema, (1997) postulated four dimensions of poverty: the materiality; the subject's own perceptions of his condition; how the others view the poor, and, SPIMs (socio-cultural space-time) affecting various perceptions of poverty (Ibid.).

Hence, poverty is a 'constructed' notion, where one's own perception and others' subjective points of view is counted. Materiality provides us the objective criteria to measure poverty, but which is also affected by socio-cultural and space-time factors.

Study of Poverty Dynamics and Anthropological Challenges

Unlike sociologists, anthropologists have paid little attention to the study of the concept of poverty. Anthropologists instead studied similar phenomenon applying concepts such as marginality and development. One of the pioneers in studying poverty, Lewis (1966), argued that 'poverty was not simply a question of economic deprivation and social disorganization, but generated a way of life with its own features of strategy and order' (as quoted in Scupin and De Course, 2009).

Anthropologists would talk about the ‘culture of poverty’, that was particularly developed in situations of rapid social change, but when in existence it acquired a considerable stability as it was passed on by generation-to-generation (Seymour-Smith, 1986). People having a sense of fatalism, apathy and hopelessness with respect to aspirations for economic or social mobility maintained the ‘culture of poverty’ (Scupin and DeCourse, 2009:568). Thus, poverty and hopelessness were perpetuated from generation to generation, which economists would call ‘persistent poverty’ (Khan, 2001). However, this has been vehemently criticized as a way of ‘blaming the victims’ (Scupin and DeCourse, 2009:568), and the critics argued that the culture-of-poverty is not perpetuated from generation to generation, and one should rather look at the political-economic structure and socioeconomic factors. Nevertheless, poverty is a cultural phenomenon, it has a cultural dynamics, and will in terms of perceptions and cognitions therefore vary from one cultural to another.

Since, anthropologists were preoccupied with the notion of ‘culture of poverty’, they ignored the ‘agency’ aspect of individuals, therefore, strategic decision making by the poor that are crucial for upward or downward mobility has not been adequately researched. This paper, hence, tries to fill that gap to some extent, and I hope to contribute to a new tradition of anthropological study of poverty in Nepal’s context.

Methods of Study and Analyses

Information used in this paper was collected using the life history method, capturing the contextual and historical details attributed to the poverty dynamics of selected households. Forty household heads were purposively selected from three VDC, namely Letang, Motipur and Kadmaha of Morang district of eastern Nepal. There was no panel/baseline data to compare with; therefore, we had to rely on information gathered through recall method². The methodology enabled us to explore people’s perception and understanding of the complex and dynamic realities of their lives, as we focussed on exploring the informants’ actual and lived

² The poverty level of entire eastern Tarai region, Morang being a part of the same region, has declined from 37.2 in 1995 to 22.2 by 2010 (Hatlebakk and Ringdal, 2013).

experiences: how did they manage or cope with poverty and related external factors, including government policy and the development of physical and social infrastructure, which could not have been revealed by standardized surveys only.

Reliability of the information is often questioned in such studies, therefore, each individual case has been put in a larger context; for example, infrastructural development, including roads, educational institutions, industries, etc., public policies, development interventions by GOs/NGOs, group formation and benefits, interaction with urban/foreign labour markets, etc. These are considered as important events while talking about poverty dynamics even at the individual household level. Therefore, while talking, we collected life histories of individuals, information and knowledge of the local history, where they lived and what they experienced, as well as information on the 'social field' Juxtaposing local-historical trajectories and individual life trajectories, and drawing from each other is considered also as methodological apparatus. Local history is corroborated with larger national history. Analysis also follows the key variables, namely, economic capital, social capital and cultural-symbolic capital (Bourdieu, 1986), and the processes of their convergence as well as conversions between different types of capital.

For the validation and triangulation of the information collected, selected informants were interviewed repeatedly. The narration thus collected was verified by others during *kurakani*, the informal chitchats with the locals. We also used observation as one of the methods to gather information, construct further questions, and verify the information.

Three types of household were selected for the interviews.

1. Households who were able to escape from poverty
2. Households who did not experience mobility in their wellbeing, mostly households who remained poor throughout
3. Household that fell into poverty

Households were selected following some 'objective' or objectified parameters as well as some subjective parameters. This was to gain a more embedded perspective on poverty and poverty dynamics. For this we adopted Bourdieu's formulation of forms of capitals (Bourdieu: 1986).

Bourdieu believed in a broad interdisciplinary-based human science whose goal was to reintroduce capital “in all its forms and not only in the one form which is recognized by economic theory” (Bourdieu: 1986). Thus, it becomes possible to outline the practice of the social worlds as directed not only towards the acquisition of economic capital but of all forms of capital. He recognized four different forms of capital, economic, social, cultural and symbolic, or symbolic-cultural in one (Bourdieu: 1986).

One form of capital converts and/or converges into another, and eventually to economic capital; similarly, the different types of capital can be derived from economic capital, the primary determinant of the state of poverty and/or wellbeing. Therefore, exploring the roles of these four forms of capital in determining the poverty/wellbeing of an individual will be the basic framework.

B. IN AND OUT OF POVERTY: FINDINGS AND ANALYSIS

Out of 40 life histories, 21 reported that they were able to get out of poverty. Of which, 12 mentioned that they definitely did better than a generation ago, whereas eight of them maintained that the situation has become better but only satisfactorily. At the same time, only six of them reported of worse life than what they had before; whereas, 13 others reported that they did not see much mobility. There were some cases where they saw several vicissitudes over the years but eventually settled where they were before.

In any case, the factors identified to be responsible for the mobility in any direction are varied. Even for an individual case, not a single but multiple factors were reported indicating that usually composite factors play the roles in poverty dynamics, and not a single one.

The process of upward or downward mobility is facilitated or obstructed by availability or lack of different forms of capitals, viz., economic, social, cultural and symbolic (often cultural-symbolic combined into one). Despite the fact that poverty is primarily manifested in terms of lack of economic capital, it is not independent of other forms of capital. As discussed above, we will also analyse how one form of capital enable or facilitate the accumulation of other forms of capital and how they are converted from one form to another.

Land, the Primary Asset: the Most Influential Factor

In an agrarian community, like the study site, land represents the source of economic prosperity, social prestige and political power; therefore, the prime mover of poverty dynamics. Alternative sources of income available are labour migration to India, and a few to Malaysia and Gulfs, and wage labouring in the factories in nearby towns. A few were found venturing new business in the recent years. But land remains central in determining the poverty vis-à-vis wellbeing level of the majority of the households. Accumulation or loss of land is interpreted as the prime indicator of economic mobility of the households.

Land transaction in the study area is the major form of asset transfer. Among the Tharus and *Madhesis* (people of the Tarai/plain who for long have migrated from across the southern border of the country), marriage is one of the major mechanisms of land transaction. Land is given to daughters on their marriage in the form of dowry. Such land remains her private property, and will not be shared with other family members. That has helped many Tharu families to start up a new nuclear family following family partition. Such practice of land gifting to the daughters as a form of dowry is not a traditional practice among the Tharus; rather they imitated the neighbouring *Madheshi* community. Now, giving land in the form of dowry is common among them

A 57 years old Tharu man of Motipur now cultivates 5.5 *bighas* of land; he had inherited 4 *bighas* of land and got 4 *bighas* as dowry. He later had to sell some of the land for daughters' marriage, 3 more daughters and a son is studying in colleges in Biratnagar. Had he not owned land, it could have been difficult for him to manage all this. He was a son of a proprietor, and therefore could marry a girl from another proprietor. He managed to arrange the marriage of his daughters to well-to-do families. He is affording education for his children in Biratnagar. Hence, he expanded his social network and invested in the education of the children, which, he thinks, will reward him later.

There is a clear distinction between people of hill origin and plain origin in particular when it comes to acquiring or loss of land. The hill migrants of the study area acquired land by different

means, including by clearing the forest, a popular colloquial term for which is *jhoda fadani*. The pattern shows that most of the hill migrants were first or second generation to the study area. Most of them had a single strategy to accumulate more and more land as a source of livelihood. They largely succeeded in doing so; which led to a better and more prosperous life compared to the past.

Generally, land is mortgaged or used as collateral to get money for financing labour migration. Those who can keep the land and thus benefit from the produce are the ones who are able to finance education, money lending, migration and other businesses, and thus eventually move up in the wellbeing ladder. Hill 'high caste' households are found efficient in doing so.

However, Tharus have a strong belief that land is the only security in old age, but many of them have lost the inherited land. Those who were able to hold on to the land are now living a secured life. A Tharu widow of 70 years from Motipur-6 feels secured as she still holds enough land. Following the death of her husband, she inherited 10 *bighas* of land in the prime location of the VDC. She had 11 children. She sold 5 *bighas* of land for children's marriage and now she owns 5 *bigha*. She can meet all expenses with the surplus production. In addition, she makes *rakshi* to sell; her daughter-in-laws also help her with this. Hence, even though she is a single woman, she feels secure for the rest of her life.

At the same time, some households from the same locality reported that they slid down the poverty ladder due to the loss of land over the years. One respondent recalls with a long sigh, "Our grandfather had 75 *bighas* of land, now I live here as a wage earner. I have only a few *kathhas* of land left". His story was mentioned by many as an example of how the descendents of a big landlord ended up in a nearly landless state.

Often, Tharus of the study area possess less land than what their parents used to own. This is for two reasons: family partition and selling of land for different purposes. Some of the Tharus mortgaged the land, but could not pay the loan back on time, and eventually had to sell the land. Most of the loan is sought for financing labour migration to Malaysia or Gulf countries. They also mortgage or sell the land to meet culturally and socially obliged expenses; and in

some cases, for health services. A Magar man, 53 of Motipur, had to sell the land his father had accumulated in order to meet the expenses for the treatment of his father and wife, who suffered from illness for long.

On the other hand, very few of the hill migrants have sold the land for any purposes; rather they sold the produces for necessary expenses, where the major expenses included expenses for the children's education, buying health services, and reinvestment in the land. By this, they have not only maintained their wellbeing level, rather they have improved.

One Tharu elderly man from Motipur remarked, "When these hill people first came here, they did not know how to plough the field, as they were not used to farm in the plain, now they are champions as compared to us. They started with a small plot of land; in some years' time, they became big landowners. Land was not as important as it is today. Therefore, we sold our land, and became poorer".

Education in Poverty Dynamics

Unanimous to all sites across all social and economic classes, investing in education is considered important and necessary for future benefits. Each household we interviewed placed investing in childrens' education in high priority. Several examples were cited of their own and of others to illustrate how education helped to get access to new sources of incomes; through information and access to the job market, in particular.

They illustrated education as one of the reliable vehicles to get out of poverty. This is based on their own experiences and observations. Some of the interviewees who were able to make an upward mobility had themselves benefitted as they were educated.

In recent years, due to government policies and programs, coupled with NGOs interventions for promoting child education, people know the importance of education, and school enrolment has increased considerably. However, they also think, 'education alone cannot be enough, as one has to have someone to pick him/her up and put in the right place'. For them, education is the basic, but one has to have skills to do better in life.

Mr. Yadav 36 of Kadmaha is a high school teacher in the same VDC and running a boarding school of his own with hostel facilities. He even did not have money to pay his fees when he was himself in school. However, the Head Teacher of the school found him very keen in study; therefore, he financed his high school fees. After high school, he graduated from Biratnagar, where many friends and distant relatives supported him. His was a poor family, and they did not have enough space to live in. Now he is regarded as one of the most prosperous people in the village. One of his neighbours, Mr. Mandal, 52, commented that, "it was very dramatic, I had never seen such a big change within 10-20 years time. Education is the only thing he had".

Dev Naryan of Kadmaha was probably the first to pass the SLC exam from the Bantar (a Dalit group) community. He passed SLC in 1989. He remained landless forever, the only land he had was 1 kathas of land he received as dowry from his in-laws. He had been living on public land where his fellow community members lived. However, in contrast to the others he has had some success as a trader in readymade garments to different *Hatiyas*, weekly markets. He says, "I am not making much money so that I can invest in land, however I am earning enough to support my family. I can send my children to school". He believes that education enabled him to learn skills and explore new possibilities, He is hopeful that he might do even better in the days to come. "The education I have gives me the confidence. If I fail in this venture, I will go for another one. I won't easily give up".

Citing some concrete evidence that education has provided benefits, people refer to education as one of the major vehicles to get out of poverty. An elderly Tharu from Motipur commented, "Education gives knowledge. A man with knowledge never starves. Education is a wealth, unlike other wealth, nobody can steal it".

During several occasions, informants maintained, "If we could have education, we would not have lived like this! What to do, our parents could not send us to school. Then education was not as important as it is today". Likewise, some of the parents repented for not being able to send their children to school. "How will they live without education in coming days; a person without education is like a blind. How can one progress if he does not have education? We poor need education more than any others do. They have property, but, we have nothing!"

For them, education means one of the main means of accessing income. There was not a particular case reported where a household slid down the ladder of wellbeing simply because he or she did not have education. However, it was frequently referred in a speculative terms as, “if we had education...we could have done better”.

Social Networks and Trusts for Upward Mobility

Mr. Chhetri (63), from Letang VDC, now a successful entrepreneur started it all from scratch. His father died when he was just 2 years old. His father was Thari-Jimmuwal, an appointee responsible to collect the land tax of a village on behalf of the state. “In 2007 BS (1950 AD), our father fled the village as the anti-Rana movement had affected even the village level. And, since our father used to be a Jimmuwal, he was also targeted by the agitators considering him as a local ‘*samanta*’, a ‘feudal’. He took shelter at his ‘*Sasurali*’ (in-laws house, i.e. , wife’s maternal home), in Kerabari, in Morang. After a month, thinking that the situation improved, he decided to go back home to Pakhribas. On the way back, he suffered from fever, and died in a few days from unidentified illness.” His mother died in 1959, when he was just 8 years old. He worked as a cowherd to live.

Since then he traversed through several ups and down. He got into business, and continued despite several shocks and failures. He is not only a successful businessperson, political cadre, and social worker. His youngest daughter did her MA, married to an agricultural scientist, and is living now in the US. The youngest son is a medical doctor, MD, working in one of the Medical Colleges; he was married to a daughter of a leading UML leader of Morang.

His neighbours comments, “Mr. Chhetri has connections with ‘influential’ people and he is good in maintaining such relations. He is well connected with political leaders, businesspersons and social workers, and he is good in utilizing all these networks. His networks and the trust he has gained have remained instrumental in whatever he gained today”.

In Mr. Chhetri’s case, it was his attitude to be connected with politically and economically influential people, and he was shrewd in utilizing the network. In addition, his entrepreneurship and resilience capacity helped him to move upward. His connection with politically influential

and affluent people remained instrumental in his earlier days. Then, he extended his network up to one of the ex-PMs of Nepal. He joined the politics of one of the communist parties of Nepal, which gave him a new height as a politician and social worker, too. On top of that, it expanded his network; eventually he was able to establish family relationship with the influential political leader. Hence, in his case, primarily it was the social capital he could accumulate that led him to a prosperous and economically affluent life.

Mr. Khatiwada of Letang-8, a poor Brahmin, migrated from the hills to escape extreme poverty. He had nothing to do when he arrived there. He knew some people where he could stay, who later helped him to set up a small hut. Then he started cattle rearing and selling of milk for a living. This was an easy occupation as there was free grazing available in the adjoining forest. He continued and eventually established a milk collection centre and formed a cooperative.

Cattle rearing were one of the works he and his family could begin with, as they were rearing cattle for generations in the place of origin too. It was a sort of culture that they had inherited from their ancestors. He 'invested' the 'cultural capital', and earned money in return. In addition, the ecological condition allowed him to take up the occupation of his interest and capacity.

Social networks, thus, work as social safety nets, then serves as opportunity ladder, as in the cases of other South Asian societies (*c.f.*, Kabeer, 2002). A distinct form of such social capital is kinship network, which needs a separate discussion.

Kinship Network: Notion of Aafno manchhe

Aafno manchhe, one's own person, most often referring to their close kin and relatives, is always considered as the key to get access to any resources, including jobs. Dor Bahadur Bista, a noted Anthropologist of Nepal discussed the notion of *afno manchhe* in his much-acclaimed book *Fatalism and Development (1991)*. Bista explains *afno manchhe* as 'own secure inner circle', where an individual feels 'safe and secure' (Bista, 1991:97).

Kinship in the study area, as elsewhere, consists of two major types: affinal (established by marriage), called *ista-mitra*; and consanguineal or lineal, known as *aafanta*. Marital relations are usually established in nearby areas, but since clan exogamy is strictly followed, such networks extend to villages and districts further afield as well. Married daughters have strong relations with the natal home (*maiti*). A third type of relationship, unique to Nepal, is *mit* or *miteri* relationship³. In addition, patron-client relationship also creates strong social networks. People within these networks are collectively called as *afno manchhe*. These relationships are often tied emotionally, economically, socially and culturally; and, have instrumental significance since they form part of the 'social capital' of the individuals involved. Kinship network is maintained through reciprocity of cash, labour, goods, services, honour; and is reproduced through rituals and cultural practices.

In the cases we gathered of upward mobility most had support and cooperation from *aafno manchhe*, in one form or another. Interviewees felt good about telling that they had *aafno manchhe* to help them out in getting a job or to begin some new venture, which proved fruitful to lift them up.

We interviewed three brothers from the same parent, but in different places and on different dates. The eldest one was 51 years of age, the middle one of 42 and the youngest one was of 40. The eldest one is the Chairman of the irrigation committee, who has maintained a good social-political connection, the son is a contractor, and he has good connections with businesspersons and government officials. The middle one runs a pharmacy in the village, and therefore he is known as 'doctor' in the locality. He has good earnings and has kept his land intact, and, moreover, he is also a money lender. And, the youngest one is a money lender who

3. *mit* or *miteri* relationship is a form of fictive kinship common but unique to many parts of the country. These relationships are emotionally, economically, socially, and culturally tied, and often have instrumental significance since it forms part of the 'social capital' of the individuals involved. This is the only kinship type that can be established across the castes/ethnicities; i.e., a 'high-caste' Brahmin can have *miteri* relationship with a Dalit. Such relation is established through certain ritual process, which, however, varied across the space.

has maintained a good social network. He keeps poultry and his wife runs a small shop where she also has a tailoring job. They have rented out the land on a share-cropping basis.

All three brothers had a common understanding and stated that they want each of them doing well in their respective places; therefore, they back each other up. “We do not interfere with each other, but whenever needed, we come together to help each other. It is for the pride of our family; after all, *afno manchhe is afno manchhe*”, the youngest one explained.

In several interviews, people unanimously maintained that one needs *afno manchhe* to access opportunities. *Afno manchhe*, often functions as catalyst to make better utilization of other capabilities of an individual.

Many of the informants who experienced downward mobility during their lifetime reiterated that they did not have *afno manchhe*, one’s own kin, in positions where they can extend support if they were in trouble. “If our own people had been in the place, they could have saved us”, believes Mr. Khan of Motipur.

It is commonly perceived that the ethnic groups, in contrast to the high castes, have better social safety nets; however, this study revealed that those safety nets could not help them. We rather found that Brahmin and Chhetris cooperate better whenever they are in need. Many Brahmin and Chhetris reported that they could get loan from their relatives and kin, whenever they were in trouble. However, those who could not perform well and became poorer than they were before, reported that they had no one to support them. In sum, we found that more Brahmin and Chhetris are doing well in utilizing their social networks, compared to other social groups.

Development Interventions

Government policies and development interventions by governmental and non-governmental organizations certainly play roles in improving the lives of the people. However, it is not easy to decipher how it actually works in everyday lives of ordinary people. Mr. B.B., 53, a successful farmer of Letang, is recognized as a social personality as he is involved in various social

activities, but primarily spends his time in his farmyard and with business dealings. He was the first one to start commercial vegetable farming in the village. He narrated his story of success to us.

“The land where I grow vegetables was not good for paddy cultivation, as it was sandy. Several years ago, the river had flooded this area. Some 20 years ago, an NGO came to the village to promote commercial vegetable farming. Many did not listen to the NGO person, a few attended the meeting but only a couple of them were interested. I was curious. I thought they could provide some alternatives to our almost barren land.

In the following years, the DDC constructed an irrigation canal, which encouraged us to do better, and I in fact did better. Then, others began to follow me. Market was still a problem. We had to carry the products to Letang Bazar. It was not only difficult to cross the river to get there, but sales and prices were always unpredictable. Thanks to DDC, they opened a track here to connect this place to the highway, and, traders began to come to collect our products here.

Thus, his case illustrates the role of development interventions from government and non-government agencies. The District Agricultural Development Office also provided technical support and other facilities. When the village got electricity some years ago, they started a milk collection centre. Farmers are encouraged to do integrated farming system there. They grow major grains, vegetable, keep cattle and have biogas plants in many households in this village. Therefore, it is not only Mr. B.B. but the entire village that benefits from the physical infrastructure development, as the villagers carved out various pathways out of relative poverty.

Our observations also suggested that all households of a given village couldn't benefit equally from development interventions. The spatial location of houses and the land also played important roles. Prices of household plots and other land located near the main road went up dramatically. In addition the rent of such houses and land created new opportunities to those households, whereas other houses did not benefit equally.

Hill to Tarai Migration

A saying that goes, 'rolling stones collect no mosses' may be used to describe migrating people. Our study revealed that a few households could gather experiences and resilience capacities following repeated shocks, and eventually have performed better in terms of climbing the wellbeing ladder, often forging unconventional pathways out of poverty.

T. P., a 75 years old Brahmin, of Motipur, had migrated to Assam and stayed there for 26 years. He had to come back with nothing, and virtually nowhere to go. He started with a small parcel of barren land on the bank of the river where nobody would care, with a support of a relative. He now has two big parcels of paddy field in the same place. In addition, he now owns a shop, set up a grain-trade business, does money lending with high interest rate, and so on. One may find him busy managing all these activities. His son is in Malaysia. He has bought 1 katha of land along the East-West Highway. "It all looks like a dream. I had never thought I would reach to this position again. I saw and experienced many ups-and-downs, here in Nepal and in Assam; therefore, any difficulties were normal to me. I never gave up; kept on trying one after another venture. Failed in some but succeeded in many".

He further narrated, "We were from Bhojpur. There was nothing at that time; therefore, I had to migrate to Assam along other fellow migrants. That was the most common strategy then of escaping from poverty and hardship of the hills. Therefore, there was no meaning to go back to the hills again. I had heard that many from the hills had migrated to *Madhes* (the plains, here referring to Morang) and doing well. I had no contact with anyone. In any case, I had decided that I would not go back to the hills again and try whatever comes in *Madhes*. To those who can, *Madhes* is the place of fortune".

His experiences correspond to the observations that those who have migrated from hill to tarai also have done well in maintaining upward mobility. They migrated to the plains just a generation or two ago: 1950s, to the earliest, after the eradication of malaria in the plain. The major stream of hill to plain migration to that region was observed in 1960s. In 1964, government declared the land reform program, and a land survey was to be followed. It was an

incentive and motivational factor to the hill migrants. The more people would migrate to the tarai and cultivate the land the more revenue the state could collect. Therefore, a stream of population migrated to the plains, where they cleared the forest and settled; some bought land at a low price from those who possessed land above the ceiling⁴. Those who owned more than the ceiling feared that their land would be confiscated. Therefore, some of them sold land in cheaper price; some distributed among the relatives and the *haruwaas*, the ploughmen; and a few donated to different trusts and educational institutions.

Many who reported upward mobility included hill Brahmins and Chhetris. If they had not migrated to Tarai, then they could not have accessed the productive resources there and therefore could not have invested in education of their children and would not have achieved what they have done.

On the other hand, migratory movements of a few Santhals and Musharas and Rajbansi of Kadmaha are also frequent. None of them we interviewed was living in the present place of residence for more than 20 years. They had the common feature that they are living on public land and have no land ownership certificate. All of them migrated to the present place following information provided by their in-laws. In this case, migration did not serve them as well as it served the hill Brahmins and Chhetris. Therefore, hill to tarai migration had a distinct pattern and outcomes, as compared to other types of migration. Most of the hill migrants could secure some land while they migrated to the plain, which was not the case with the tarai migrants.

Accessing Jhora Land: Access to the Resources

B.K., a Brahmin (63), of Budhbare, Letang, came to this place simply because he had information that the land was cheaper here, and once one buys some land near jungle, he could always clear some jungle, annexed to it to his private land and cultivate it. This was what he did, and later in 1980s, when there was a land survey, he registered all the land, and legally

⁴ According to the Land Reform Act 1964, the land ceiling fixed to Tarai region was 25 *bighas* for agricultural land and 1 and 3 *bighas* as residential land in urban and rural areas respectively.

owned the land. Thus, he became a landowner. This was not a single and unique case. There was such pattern among hill migrants to the inner terai foothills.

B.K. had migrated to the plain to get out of the difficulties he had in the hills. Access to the market and information, education for the children, everything was better than in the hills. They made use of those opportunities. The nation's land policy, availability of resources, and access to information were the factors that helped Mr. B.K.'s family to move upward.

B.M. Niroula, of Takiyatole, Motipur, came to the present place where he was living now. Though that was on the plains, it was still remote. He had to walk all day to get to Biratnagar. He started cultivating land which was covered with tall rids. He eventually was able to register four bighas of land in Fadani. The biggest achievement for him was to educate his four sons. Now, all are educated and have government jobs. They still live in a joint family and own a house in Kathmandu, too.

On the contrary and coincidentally, many of the respondents from Kadmaha, and a few from Letang complained that they do not have the land ownership certificate for the land where they have been living and cultivating for decades. Had there been ownership rights, they could have used the land as assets, for example, in mortgaging them to access loans, etc.

Those who could not move up or slid down had a common explanation among others that they did not have rights to the land where they had been living, due to which many of their other opportunities are threatened. They were deprived of social protection measures, too. As in the case of Kadmaha, Musharas and Santhals complained that due to the denial of their rights over the land, they are not 'recognized' by the VDC office. Likewise, in some cases it was found that they were not included in different users groups, including in the community forest groups. Thus their access to the social and natural resources are denied; consequently, they become more vulnerable.

The legal entitlement appears to be equally important to use the land they had been cultivating. Once their ownership is recognized, that opens other avenues so that they could eventually find pathways out of poverty.

Labour migration, the Preferred and Common Strategy

The Economic Survey 2012 of Nepal revealed that the real GDP growth rate is 3.6 percent, where growth of agriculture sector is 1.3% and non-agriculture sector growth is 5 percent for that year. At the same time, there was a 21.3 percent rise in remittances. Against this backdrop, the contribution of labour migration to the household economy appears essential. We observed two trends in labour migration. Most hill migrants, both Brahmin, Chhetri and ethnic groups have migrated to Malaysia or to the Gulf countries. Muslims of Kadmaha migrate to the Gulf countries. However, Mushars (Tarai Dalits), Santhals, Rajbanshi and other Tarai middle castes group migrate to India, which are often seasonal and low-paid one.

Those who have gone to Gulf countries have contributed to the upward mobility of their households, whereas seasonal labour migration to India have not significantly contributed to upward mobility; however, that still remains as one of the major sources of incomes of those households. Remittance received from Gulf countries are invested in land, house construction, education, and other assets.

Whereas income from India is used for daily consumption, some clothing, a mobile, or a TV bought in India, at maximum. Chunku Hasada, 50, a Santhal, of Kadmaha, is still, unlike many others, optimistic and looking forward to some changes to happen as his son is working in Punjab, India, in construction work. He is informed that he is doing well.

Non-farm Enterprises and Employment

A growing trend observed in the study villages in the recent years is to explore new avenues of economic activities. This is also because whoever tried new businesses or found non-farm employment have done well in improving their economic condition. In many cases, those who had land to support them or had some level of education seemed to have tried new pathways.

Kirti (46), a Tharu of Lohasur, Motipur, has not only done tremendously well in accumulating prosperity, but also have been a role model for many. Now he owns a multipurpose mill, where rice/flour/oil pressing can be done. In addition, he runs a shop that sells daily consumption

goods. His wife helps him to run the shop and mill. With the income from mill and shop, he has bought several pieces of land. Both running a mill and a shop are unconventional to Tharus. Mr. Kriti thinks that if he had not taken education, he could never access the necessary information about mills and businesses.

Dev, 44, a Bantar from Kadmaha, has a similar experience. He has been trading with readymade garments. He buys the cloths in cheaper price from India, and sells them going to different *Hatiya*, the weekly markets, keeping a relatively good profit margin. He told, “If my father had not thought about sending us to the school, we would have been living a similar life of fellow Bantar in the neighbourhood”.

Hence, in both cases, they attributed their new ventures and successes to education. But even without extended education, another Bantar (40) from the same place works as *Haruwa* and is still encouraging his sons to find a different occupation than what they have traditionally been doing. Three of his sons now work as wagers in the rice mills. He mentioned, “After my three sons started working in the rice mills, we are having a relatively better life. Our condition has improved. At least they did not end up as bonded labourers”.

Opening a small shop in their own village is seen as a common non-farm activity; usually women with some school education are found running such shops, by combining it with their daily household chores. This has turned out to be an additional source of household income.

Ms. Kiranti, 50, runs a small shop near a small town in northern Morang. Her main source of income is brewing *rakshi*, local liquor and selling them in the market. She explained, “Being a daughter of Kiranti, (an ethnic group of eastern hill), this is what we learned from our mother and grandmother at home. Now, this skill has helped to keep the family going”. The skill of preparing local liquor is a ‘cultural capital’ of the ethnic groups in Nepal, and all ethnic groups attach ritual and social-cultural significance to thus prepared liquor. As she lives near a small town where there is high demand for locally brewed *rakshi*, market is not a problem. She has managed to buy some paddy land with the money she could make primarily by selling liquor.

A former schoolteacher, Mr. Rai is in his fifties now. When he was a schoolteacher, he was also in left-wing politics. He could not earn much as a schoolteacher; and at the same time he could not spend time on extra income generating activities due to the politics. Realising his situation, his relatives suggested him to leave both the job of schoolteacher and politics. They supported him to run a shop. Running a stationary shop was his interest, therefore he started a shop in a small town of northern Morang. He reflects, “My family would have been ruined if I had continued as a school teacher and in politics. I could save nothing and it was hard to feed the children. Thanks to my relatives, they suggested and helped me to go for such an unconventional venture”.

Hence, those who ventured into non-farm economic activities, which is unconventional to their parents, have done well in economic wellbeing. However, one should enter with at least some forms of ‘capital’ to such a new venture.

Some Negative Attributes

There are certain processes that contribute negatively in poverty dynamics. Natural disasters and shocks, poor health and social exclusion are all potential barriers for people who search for pathways out of poverty. We will now discuss some cases where negative barriers played an important role.

Poor health condition

Dhruba, a Tharu man of Kadmaha is 39 years old, but he has been bed-ridden for years. He was a mason and specialised in marble work. Therefore, he had good income and savings, too. They had a happy life. Due to some unknown reasons, he fell ill some 5 years ago. He had to spend a ‘huge’ amount of money for the treatment. He is not recovered yet. His wife informed that he is still taking medicines for some ‘mental illnesses. Now, his wife is supporting the family by rearing pigs and brewing *rakshi*. It was a health hazard, a shock that he could not cope with. He became poor in a few years’ time, as he no longer could work, and all savings and earnings were spent for his treatment. With a sad tone, he maintained that, “I do not think I can be fully recovered and go back to work again. My life is gone”.

There were several cases reported either of the main earning male member falling sick and thus losing the access to income sources, or dependent family members becoming chronically ill, which thus lead to long-lasting medical treatments.

Hari, Tharu man of 55 from Motipur, describes, “My son is in Gulf, he had received 5 kathas of land as dowry, and further added some land by selling the surplus. With the income from Gulf, we constructed a new house. Unfortunately, my wife was paralyzed 3 months ago, I have already spent NPR. 30 000 (=300 US\$) for her treatment. I do not know how much more I have to spend and for how long. I have already borrowed some money, if this continues for some times, we will be nowhere”.

Deterioration of the health condition of the main earning member of any family is a major barrier to improvements of the household economic situation; rather, this would lead to a downward spiral. In addition, the larger family size and more economically dependant population have also contributed negatively, particularly to the small holders and have no sustained incomes.

Deterioration of the health condition of the main earning member of any family is a major barrier to improvements of the household economic situation; rather, this would lead to a downward spiral. Moreover, the situation would be more aggravated the larger is the family size, or more precisely the larger is the number of economically dependant family members, particularly among small holders without regular and sustained incomes.

Caste based discrimination and social exclusion

Even though on the decline, caste based discrimination is still common in the study area. Dalits in general and poor Dalits, in particular, shared their experiences of discrimination in public places like temples, local tea-shops, VDC offices, public meetings, and so on. Due to such discrimination they also hesitate to approach government offices, including the VDC office, and are devoid of information and benefits. This leads to various forms of social exclusion.

Some Mushar women of Kadmaha have been members of saving-credit groups in their neighbourhood. They found it not as helpful as they thought at the beginning. Some members left the group, as they could not make the regular savings. The members have to make the weekly saving on the exact day and time. Some members even felt that they are not trusted while given the loan. Thus the system is designed in such a way that the saving-credit initiative in the village is exclusionary for those contingent earner and low-income people.

Panchu, a Santhal man, soon had to construct a house to live in. He had heard about a government program called 'housing for the poor'. He wanted to know more about the program, but he could not get the right information from the VDC office and from any other organization. "Nobody gives us right information; nobody cares about us. We have never received any benefit given to the poor by the government. Actually nobody wants to talk to poor people like us".

Nobody from the settlement we visited went to school. Even today, most of the children are not attending school; and parents do not have information about the government scholarships that exist for Dalit children. Parents are conscious that their children's future will not be better since they are not getting any education now, but they cannot afford even the 'free education' for their children. There was never an approach to bring those out-of-school children from school or any other organization.

Some elderly and widows reported that they are not getting the social security fund of the government, apparently due to lack of proper information, and proper documentation. Some of the elderly people and widows do not even have citizenship certificate that states their age and status. They even do not have landownership paper with them and certified document of migration or any other legal document to claim social security fund distributed by the VDC. As they satirically said, 'VDC does not recognize us', is unfortunately the real situation.

Often they are not invited in any public discussions and meetings. Even if they are invited, they are reluctant to attend as they say, people 'ignore' them and 'nobody listen to them'. Hence,

their voices are neither raised nor heard in the public. Due to such circumstances, they are excluded from participation in the public spaces and the political processes, as well.

Social and Cultural Obligations

S.N. Khan, 60, inherited 2.5 *bighas* from his father. He was in politics, and less involved in agriculture or any other income generation. He now owns 10 *kattha* (0.5 *bigha*) of land. He had to sell land for marriage of his two daughters and a son. “Dowry to daughters cost much”, he lamented. He was not feeling proud of that. “We cannot escape from our social obligations. This is making us poorer and poorer, day by day”.

Many Tharu informants during formal interview and informal conversations often said that, “We spend a lot during marriages and feasts. We have to do that to maintain our social position, among our own relatives and kin. If we fail to maintain that, relatives and kin tease us, they look down to us”. Some critics refer to this as a “self-annihilating culture” (*c.f.*, Mohan, 2011). Hence, on one hand, it is an ‘investment’ to accumulate ‘social capital’, status, and self-worth; while on the other hand they are getting economically weaker, due to the cost of investment. A point to note here is the transaction between different forms of capital may not be on equal terms.

Similarly, there are **other factors** reported to be responsible for downward spiralling of some of the households. Interpretations for such downward mobility of any particular household consist of negative connotations. Informants are comfortably explaining, “Probably, it was our fate”. It was probably to console oneself. However, such faith-based views may undermine one’s own agency and make it harder to search for pathways out of poverty and to create opportunities for oneself. For example, one Brahmin respondent of Motipur commented, “They [who blame their fate] do lack the aspiration to do better, they are lazy, otherwise they could have done far better than us. We were nothing when we came here, but they had enough but did not try to improve their own situation. As long as they have grains in their granary, they do not care, at all”. For him, the years he lived were much harder and had already tried several ways to get out of the hardship so that he did not let any opportunity go to improve his life condition. In

addition, as he explained he had some intrinsic drive that led him towards more success compared to his own past life, and also compared to the neighbours.

Stagnation in Poverty Dynamics

As we saw, there can be both upward or downward mobility in the same location. However, some households described that they did not experience much mobility in the level of poverty. These include two groups of people: those who were already rich and those who were landless. Those who were already rich were able to diversify their investment and thereby their sources of income, and thus maintained a relatively good economic position. On the other hand, those who did not have access to agricultural land in the first place also lacked other capabilities to improve their wellbeing. They were not necessarily disappointed; as their economic position did not worsen, but they had complaints for not being able to improve their situation.

While among the landless we find, for example, a Magar of Letang who sometimes finds himself in a state of confusion and tell, “I have not seen a single day of ‘plenty’, always remained in poverty; I have never seen a single day of rest, but why we remained always poor?” He described that their labour is not well paid.

Similarly, a Tharu, 52 of Motipur, narrates, “I have been working all my life. I worked in the factory, now my son works in my place. I bought some land, and sold it to make some profit, but that did not work. We are also working as *Kamtiya*, caretaker of a farm on behalf of the landowner who gets certain amount of grain in the end, but we are not progressing at all from what we had earlier”. He thinks, they have not been able to utilize their earnings properly.

Mostly Mushars, Rajbanshi, Santhals of Kadmaha reported that they were poor and remained poor throughout their life. They are staying in public land, as squatters, living from daily wage labouring. None of them we interviewed inherited land from their parents.

The political movements that they have experienced have brought some changes in their lives, but they are yet to experience long-term changes. In Kadmaha, a group of landless peoples are settled in a strip of public land, they were supported by the then Maoists before the first

constituent assembly. They promised them that they would provide the landownership certificate. They did not. Now, eventually they are living on public land as they were before; and the condition is no better. To come here with the expectation of getting their own land, they had to break some of the social contracts with the landowners, but did not yield anything better. The story could have presumably been better if they had been given the rights to the land they are living in now. Some mentioned that they became even more vulnerable.

C. CONCLUSIONS: Transactions of Different Forms of Capital and Poverty Dynamics

We have found three distinct patterns of poverty dynamics: upward mobility, downward and relative stability. The reasons for either of the conditions are not always similar; however, they exhibit some common patterns.

The cases discussed have led us to conclude that poverty is a complex and multidimensional social phenomenon, where there is no single cause of poverty or a single way out of it. Some of the households are living in persistent or chronic poverty with no upward mobility. Some other households were in a state of transient poverty⁵; and therefore could come out of it (but potentially also fall back in to poverty). Some other households fell down from where they used to be a generation ago in terms of poverty level. The variation can be explained by variation in land ownership, caste/ethnicity, gender, and spatial location, i.e., distance and access to markets, including the labour market. Membership in social groups, including saving-credit groups, political connections and kinship networks have played roles for upward mobility in particular. These different factors affected an individual's life in different ways. In this process, shifts to the non-farm sectors, particularly in the job market created by the private sector have appeared to be, as the evidences and our observations suggested, one of the pathways of upward mobility and poverty reduction.

Education seems to have played important roles in finding pathways out of poverty, which is lately being facilitated also by the interventions of NGOs; therefore, hope is there for the

⁵ Hulme and Shepherd (2003) define, 'households who experience poverty and deprivation for prolonged periods are chronically poor and those who move into and out of poverty (temporary) are the transient poor.'

future. We will argue that government interventions have been less effective in poverty reduction. The pathways discussed here were somehow the continuation of the main pathways that Hatlebakk (2008) observed from 1995 to 2003, which were ‘landless farm workers who became subsistence farmers, construction or manufacturing workers, and subsistence farmers who added to their income by working in the same trades of construction and manufacturing industries, or as migrants to India’. Labour migration to Malaysia or Gulf countries as well as finding salaried employment are more recent trends. Government policy has little to do with these changes.

The following paragraphs present the major conclusions drawn from the analysis of the cases we have studied.

Land Ownership, Land Tenure and Transactions, the Major Factor in Determining Poverty Level

Land, as a primary asset, has determined the wellbeing of a household. Land transaction therefore is one of the major processes of asset transfers from one person/family to another. The empirical cases discussed in the preceding paragraphs have shown that the access to and ownership of land has remained essential in explaining the poverty dynamics of any household. We observed four processes of land transactions in the study area. First, inheritance of land as a parental property, second, receiving land as a form of dowry from bride’s family, third, receiving land as a *mohiyani hakk* (tenant’s right), which used to be, but no more in recent years, one of the common forms of transfer of ownership of land; and the fourth one, buying and selling of land. In addition, acquiring public land, usually by clearing the forest or occupying fallow land, was also reported.

Land is thus an effective and functional instrument for determining poverty vis-à-vis prosperity of a household. The more land one has, the more he/she accumulates social prestige, connections and social power, which later can be instrumental in accumulating financial capital. More land allows a particular household to maintain cliental or patronage relationships, and to enhance one’s social prestige and power. The household can have comparatively better access

to financial resources by selling surpluses, mortgaging the land or by selling it, which they invest in social ceremonies and education of the children.

Inheritance is the non-competitive but most common form of land transaction. This means that children of landed parents have guaranteed access to land, and have thus better chances of doing better in terms of enhancing the wellbeing of the households, often by exploring unconventional pathways for further betterment.

In case of those households that did not experience much mobility in their wellbeing or poverty level, it is, based on observations and life histories, primarily because they neither inherited any land from their parents or received any land in form of dowry, nor they managed to get any land by themselves. Due to the lack of landownership and citizenship certificate, and their frequent mobility to find jobs and a place to live, they are also deprived of accessing social security allowances distributed by the government. Such monthly allowances, 500 NPR per month for a single woman and elderly person, which are usually distributed on a quarterly basis, could mean a lot for them. In addition, they could not extend their social network to the level that could make any difference to the individual's life.

A major conclusion can be drawn here that land reform that guarantee at least a piece of land of his own still seems to be a critical prerequisite for upward economic mobility for the majority of rural households, who are predominantly landless, small and marginal farmers, share-croppers and tenants or agricultural wage labourers. Similar cases from across the globe also illustrated that the state's land reform policy and programs among others are critical but necessary step for pro-poor growth (*c.f.*, Akram-Lodhi et al., 2007). Bourdieu (1986) has established that, "the different types of capital can be derived from economic capital" (Bourdieu: 2007, p.53).

Employment in Non-farm sectors: Pathways out of poverty

Land remains central in poverty dynamics as it offers diverse opportunities to individual households for reinvestment in various sectors and forging new pathways out of poverty or upward mobility. Most of the households we interviewed were subsistence farmers; therefore

there was little or no chance of moving up by continuing the same. Those who came out of subsistence farming, and ventured opportunities in non-farm sectors have done better. Private sectors and labour migration have been providing such opportunities. It is indicative enough for us to argue that if investment climate and -environment, which Gary S Fields (2003) considers as 'two pillars' in the fight for poverty reduction, are provided, then more sources of income generation will become available for the rural poor and visible outcomes against poverty can be expected.

In addition, small enterprises, for example, tailoring, shop keeping, commercial vegetable farming, etc. have also appeared as sustainable pathways out of poverty. Hence, the roles of private sectors in economic mobility are recognized. If the government could provide a sustainable and inclusive institutional framework, infrastructural development, inclusive education and health policy and facilitate private sectors, then Nepal may have a good potential for further poverty reduction.

Education apparently has played a major role in encouraging openness in ideas and pursuing new ventures. Suggestively, imparting potential labour migrants with required technical capabilities may help them to earn more than today, which in turn will have a direct bearing on the economic mobility of the remittance-receiving households.

Government policy and social exclusion

Poverty reflects economic exclusion (see Bhalla and Lapeyre, 2004). To include the excluded ones into the economic benefit sharing, the government is expected to adopt 'transformative social and public policy' that provide the opportunities for the households for systematic upward mobility. This may include a range of policies, from housing rights to minimum employment guarantee; similarly, land to the tillers to rations of food for identified poor households, and many other policies targeted to the poor, not all households have equal access to and get benefits from such policies. Whatever policies are claimed to have been implemented they have been less effective in overcoming marginalization, social exclusion and poverty traps.

Government physical infrastructure development programmes have positive impacts on those who could build on their existing assets or resources, and find a way to climb the ladder. Those who had land benefitted when the government constructed roads, irrigation canals and electricity, as they can grow commercial vegetables and sell to the market, or for example build a cooling centre for dairy collection. In such cases, one does not have to approach the market, rather the market will approach the producers. An individual with some assets, land in particular, will have more choices and look for a higher profit. Those who do not have assets sometimes may have to experience even negative impacts of such interventions. For example, those depending on sharecropping might lose it as the mechanisation and commercialization of agriculture make it easy for the landholders to cultivate the farms by themselves with a few skilled labourers.

Social protection measures for the vulnerable sections of society are not of much help, as they regularly do not get access those services due to lack of political and social connections. For example, no one in the study area were found to be accessing any of the social protections measures that the government has offered, ranging from Dalits scholarships, via interest-free credit to Dalits, minorities and other marginal groups, to different employment schemes of the government. Many were found to be unaware of the existence of those programmes, and, a few explained that they do not have *aafno manchhe*, or linkages to those who provide such opportunities. Hence, let alone the programme, information have not reached the targeted sections of the populations. The Government of Nepal has realized that, despite some success, it has largely failed to achieve the set targets of poverty alleviation in the country, “due to the problems like discrimination and inequality, weakness in structure of the economy, small production base, low productivity, weak governance, exclusion and discrimination, discrepancy in policies, weak redistribution system, and ineffective targeted programs” (*Three Year Plan Approach Paper (2010/11 - 2012/13. p.60)*). ‘Policy interventions may support the inclusive growth process’ (Hatlebakk, 2008); however, except a few development interventions, there is still much to be done when it comes to policies that can lead to a fair and more equitable economic growth.

In the field, people hoped that the current political transition would lead to a political stability, which, in turn, may deliver pro-poor development policies and plans.

NGOs have but limited roles in poverty dynamics

One of the common components of NGO programs that are aimed at poverty alleviation is micro-credit. Most of the informants had been members of one or another saving credit group. However, only a few have been found utilising the financial resources to diversify their livelihood portfolios and enhanced income generation. Hence, the access to micro-credit has reduced the burden of high interest rates on loans taken from local moneylenders, but has not been so effective, except a few exceptions, in reducing the poverty level of the member households. It is noteworthy that the poorest of the poor are often excluded from getting benefits even if they are members of such groups. Different benefits, whether they are economic (employment, loans, direct financial support, etc.), social (social safety nets, social security, free health and education, etc.) and political (political positions and representation), are not equitably shared among the members. This conclusion corresponds with the conclusion drawn by another study that I carried out in the same district (*cf.*, Dhakal, 2010; 2008).

At the same time, there are households who used the opportunity and have done better. It appears that people who have an idea for further investment and opportunities can benefit from micro-credit. But the groups do not focus on those extra requirements to start businesses. Just being in a group is not a sufficient condition for poverty reduction.

A few cases of upward mobility were attributed to micro-credit, however they were 'deviant cases'. NGOs in the study area have not been contributing substantially to reach the poorest of the poor and uplift them from poverty. However, NGOs have played a limited role in poverty reduction in some villages, particularly for the landless poor.

Shocks and Vulnerability

Those who had to spend on health care and treatment of any of its household member, particularly on chronic health problems, reported loss of money and opportunities and

therefore were bound to be poor. If it is the main earning person of the family, the case becomes even worse. Those who did not have to experience such shocks had better chances of moving upwards. Earlier, social safety nets or social capital seemed to work in those cases. Now, the traditional, community based, customary mechanism that worked well in the past to protect members of the community is gradually degrading or eroding, and has not been able to prevent its weaker members from becoming relatively more vulnerable. Traditional social security systems that were believed to be embedded in family, clan, caste/ethnicity, community, village, religion and so on are degrading.

Those living along the embankment of irrigation canals, or alongside the rural trails and river banks are legally insecure as they do not have any ownership certificate and thereby cannot use the land as an asset. In addition they are prone to be vulnerable, as they anytime can experience shocks, and it is less likely that they have any resilience capacity to recover from shocks, since the resilience capacity also depends on the assets possessed by an individual.

Forms of Capital and Transactions

We saw that a household's poverty is manifested in terms of lack of assets, land in particular; lack of access to political institutions, government social security schemes, lack of education and information, and exclusion or isolation. Combination of different forms of capitals, viz. economic, social, cultural and symbolic, shapes the process and nature of poverty dynamics. Hatlebakk *et.al.* (2013), have also found that 'household social networks' is crucial in getting 'lucrative migrants jobs and attractive government jobs in Nepal'. However, our study demonstrated that there is no distinct pattern; as the situation may vary from case to case. As Bourdieu (1986) clarified that 'convertibility of the different types of capital is the basis for the reproduction of capital'; however, such conversion of one form of capital into another in general and from non-economic to economic capital, in particular, was not patterned and predictable, at least in the study of poverty dynamics.

We saw a dichotomous situation, where at one end one with limited social-political connections were able to accumulate economic capital, which is further reinvested to strengthen the social

and political connections, thus building more trust and consequently moved up. On the other hand, other people maintained their patron-client ties, and therefore felt secure, but could not participate in the outside market and were thus deprived of opportunities where they could potentially have done better. People still today tend to maintain such 'moral relationships', although they remain in a static position, but they perceive that they are in a safe position. Therefore, even if the patron-client relationship works as a safety net in some cases, it can also obstruct one from participating in the larger market, including the labour market. At the same time, a person with strong ties cannot expand his social network, as he always has to maintain a good relationship with his patron, and therefore, is always dependent, too. This is sometimes criticized as the 'culture of poverty' (c.f., Mohan, 2011), which can justify injustice and inequalities. Therefore, Mohan (2011) argues, "Poverty is a product of systemic inequalities sustained by a predatory culture" (p.3). This appears to be relevant also because many of the cultural traditions based on unequal exchange, e.g. patron-client relationships between a landlord and a Haruwa, or a 'high caste' and a Dalit, have irreparably been ruptured, which have opened up new possibilities and avenues for the subordinate one in the previous dyadic relationship.

Likewise, fulfilling the cultural obligations cost a lot, in comparison to the remaining benefits. They no longer function as they used to function in the past. It is now more symbolic, justifies the self-worth, but may not necessarily help to accumulate more economic capital, and to move up the well-being ladder.

Hence, poverty dynamics is dependent on various factors, from the levels of assets or vulnerability of a household to individual agency or structural processes. Likewise, household size, ratio of economically dependent members compared to economically active members in the family, spatial location of the houses, education, etc. also characterize the poverty level. In all cases, assets, land as a prime asset in the given case, remain the pivot around which all other processes of change – upwards or downwards, revolves. In the meantime, it can also be concluded that the individual skills and opportunities, either created by one-self or by external agencies, affect whether people can invest and utilize the different forms of capitals they have,

be that economic or social (symbolic) ones. And even if a general pattern can be identified, it is still local and individual case specific, but not delinked from the larger context.

Finally, poverty dynamics, a process of accumulating, maintaining and utilizing the different forms of capital to gain more economic capital, and, reinvesting the economic capital to accumulate and enhance other forms of capital, or vice versa is a multidimensional process. The constant transaction between economic capital and other forms of capital gives the motion to poverty dynamics. This paper would suggest a deeper study in Nepal to explore the forms of transactions, process of conversions, measurement of the magnitudes, and weighing of the outcomes, combining qualitative and quantitative techniques. In addition, studies of how far structural factors vis-à-vis individual agency can explain these processes may contribute in theorizing poverty dynamics and contribute to the methodology of studying poverty dynamics. Finally, the empirical cases and analysis presented in this study enable us to understand and explain the factors of poverty dynamics, which may have implications for the design of pro-poor policies targeting poverty and vulnerability of resource poor populations.

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