



# South-Eastern Nepal Hotspot Annual Report

2019



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## 1. Operating Context

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In 2019, Nepal experienced a mixture of political and economic success and disruption. The Nepal Communist Party, which maintains a two-thirds majority in Parliament and control over the majority of the seven provinces, continued to devolve fiscal and policy implementation from the federal level government down to provincial and municipality levels. Overall, the country experienced good economic growth for a third year in a row, reaching 7.1 percent in 2019. Greater political stability and the expansion of federalism together with public investment in infrastructure, higher remittances and a surge in tourism have all contributed to this economic growth.<sup>1</sup>

Despite the economic success, the current government experienced turbulence from within its own party. The two biggest communist parties in Nepal merged in 2018 to form the unified Nepal Communist Party. However, throughout 2019 the two factions within the party have been locked in a power struggle which continues to impact policy decisions, political appointments and the country's leadership.<sup>2</sup> In November 2019, the Prime Minister had a significant reshuffle of ministers in an attempt to balance internal party rifts.<sup>3</sup> The Labour Minister, Gokarna Bista, who was credited with trying to safeguard migrant workers was sacked in the reshuffle. In addition to the party disputes, the Prime Minister, KP Oli, has been battling ill health for some time and underwent a second kidney transplanting early 2020, which is likely to reduce his ability to perform his duties over the coming months.<sup>4</sup>

In 2019, the government made strong commitments to address the needs of the most vulnerable and poor communities in Nepal, making specific references to providing support for current and former bonded labour groups.<sup>5</sup> In May 2019, the Minister of Finance announced, during his speech in the House of Representatives, the allocation of 5.1 billion NPR for the Prime Minister's Employment Programme and said the programme would target former Kamaiya, Haliya, Harawa-Charawa, Kamlari, marginalised, endangered and poor communities. The Minister of Land Management, Cooperatives and Poverty Alleviation, during her parliament speech in June 2019, revealed that the ministry has prioritised economic growth and development for Dalits, Haliya, Kamaiya, Harawa-Charawa and Kamlari through the 15<sup>th</sup> plan of Nepal.

Civil society has become increasingly concerned about legislation being prepared by the Home Ministry to regulate non-governmental organisations (NGOs) in Nepal. The Social Welfare Council (SWC) has been responsible for supervising NGOs in Nepal since 1992. However, the Home Ministry will take over the regulation, registration and supervision of NGOs under the new proposed legislation. Civil society representatives are concerned that the new legislation will control and restrict NGOs rather than regulating and facilitating them.<sup>6</sup> The legislation could limit the ability of NGOs to conduct advocacy activities and hold the government to account.

<sup>1</sup> The World Bank, 2019, <https://www.worldbank.org/en/country/nepal/publication/nepaldevelopmentupdate>

<sup>2</sup> Nepali Times, 2019, <https://www.nepalitimes.com/here-now/which-way-nepali-politics-in-2020/>

<sup>3</sup> Nepali Times, 2019, <https://www.nepalitimes.com/banner/honest-heads-roll-in-nepal-reshuffle/>

<sup>4</sup> The Kathmandu Post, 2020, <https://kathmandupost.com/national/2020/03/04/prime-minister-oli-s-kidney-transplant-surgery-completed>

<sup>5</sup> Harawa-Charawa, Haliya and Kamaiya are groups that are at different stages of their liberation and recovery from agricultural bonded labour. The Government of Nepal has declared the Kamaiya and Haliya freed from bonded labour and attempted to provide a rehabilitation package. These rehabilitation packages have been missed by many families and have not addressed the key needs of these communities who still live in poverty, are mostly landless, do not have access to alternative livelihood options and are at risk of returning to bondage for survival means. The government has not officially recognised the Harawa-Charawa as being in bonded labour and has not provided a support package to address their issues.

<sup>6</sup> Human Rights Watch, 2019, <https://www.hrw.org/news/2019/11/14/nepal-new-ngo-law-should-protect-rights>

## 2. Progress Towards Systems Change

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### Policy/legislative changes

#### **Harawa-Charawa access jobs through the Prime Minister's Employment Programme**

The Government of Nepal, through the Prime Minister's Employment Programme, aims to provide jobs to unemployed people between the ages of 18-51. Under the scheme, unemployed Nepali citizens can access 100 days of paid employment per year. The government are managing the scheme through employment coordinators located in each of the 753 municipal level government offices. In August, the government reported that it had created over two million days of work for 175,000 people.<sup>7</sup> The Freedom Fund's local partners DJKYC, JDS, SCDC and BDC have utilised the employment program to help over 400 Harawa-Charawa to access employment. Those who entered the scheme received about 520 NPR per day and engaged in primarily cleaning and construction work.

#### **Government introduces important amendments to provide land to landless in Nepal**

In 2018, the government passed the seventh amendment to the land act which provided a legal framework for the constitutional requirement to provide land to landless Dalits. In 2019, the government passed the eighth amendment to the land act to provide land for 'landless squatters' and 'unmanaged dwellers'. The eighth amendment also outlines how much land should be allocated to landless people in each region of the country. The Harawa-Charawa Network have been making direct demands to the ministry of land to address the issue of landlessness, particularly among Harawa-Charawa communities. These amendments are significant advances towards addressing the issue. However, our partners and the Harawa-Charawa Network will now need to engage the government to make sure it identifies all landless people and provides land as per the act.

#### **Province 2 passes Dalit Empowerment Act**

The parliament in Province 2 passed the Dalit Empowerment Act on the 11<sup>th</sup> November 2019. The act ensures the participation of Dalits in social, cultural, political, civil, economic and educational development and reaffirms their constitutional rights against untouchability and discrimination. The act provides full scholarship to Dalit students and technical education as well as ration cards and health benefits. The act also proposes to introduce caste discrimination and untouchability monitoring committees at local levels, which will be responsible for sensitising the public about Dalit rights and removing hurdles impeding the development of Dalit communities in the province. Our partners have been advocating with the provincial and municipality governments for the provision of essential services to Harawa-Charawa communities, who are predominantly Terai Dalits. They will be working to unlock the benefits of this act so that they are provided to Harawa-Charawa and Dalit communities.

### Political will

#### **Our partners experience greater political will from local government to address Harawa-Charawa issues**

Our partners have been reporting greater political will from municipality governments to do more to address key issues facing Harawa-Charawa communities. In recent years, local governments have been focusing a

<sup>7</sup> Kathmandu Post, 2019, <https://kathmandupost.com/national/2019/08/02/government-says-prime-minister-employment-programme-created-over-2-2-million-days-of-work-for-over-175-000-people>



large amount of resources on developing infrastructure in Province 2. While they continue to invest in infrastructure, our partners have reported that municipality governments are becoming more sensitised and willing to take action on Harawa-Charawa issues. In Dhanusha District, three municipality governments provided funding and resources to two of our partners to collect data on Harawa-Charawa households. Across three districts, municipalities have been supporting our savings and credit groups to register as cooperatives, providing tuition support to Harawa-Charawa children, health support and in some cases providing funds for leadership and capacity building of Harawa-Charawa community members. While local government needs to continue increasing its efforts to support Harawa-Charawa communities, it is showing willingness to work with our partners and the Harawa-Charawa communities to address key challenges.

## Government performance

### **Municipalities introduce minimum wage policies**

Municipality governments in our program districts have started to introduce minimum wage policies, including for agricultural workers. The Labour Act, which was amended in 2017, states that the minimum wage for workers should be reviewed and updated every two years by the federal government. Municipality government are responsible for implementing, reviewing and monitoring the implementation of the minimum wage at a local level. Our partners have worked with a number of municipalities to develop written directives for fixing the minimum wages and working hours in their localities. As a result, many Harawa-Charawa labourers are now able to access minimum wages for the first time. Our partner HURYC worked with the local municipality to secure a wage increase for 150 Harawa-Charawa women workers from 150 rupees per day to 500-600 rupees per day. An increase of more than 200% in daily wage significantly improving their income level and means these women are now paid a wage equal to that of free working men – a turning point in centuries of discrimination. Our partners and the Harawa-Charawa communities will continue to engage with the municipalities and employers to ensure that wages are provided and reviewed on a regular basis.

## Community Organisation

### **The Harawa-Charawa Network holds its first elections**

The Harawa-Charawa Network experienced significant growth and development during 2019 as it held its first elections in three districts. Community groups from across these three districts were engaged in a democratic election process to elect representatives at the ward, municipality and district levels. The Freedom Fund's local partners, in collaboration with the network, facilitated the elections, which attracted large numbers of the community people as well as local and provincial level government representatives. 964 participants attended the first election in Saptari District including the Minister of Land, Agriculture and Cooperatives of Province 2. In his speech, he recognised the difficult issues facing the Harawa-Charawa and committed to supporting their development. 787 people participated in the Siraha District election and the Minister for Industry, Tourism, Forestry and Environment of Province 2 was the chief guest. Finally, 350 people participated in the Dhanusha District election.

Since it was established three years ago, the Harawa-Charawa Network has gone from being a loose group of community activists to an organised network with a strong structure of elected representatives and thousands of community members engaging with it. In 2020, the network will hold its national election process and general assembly and will move to register the network with the government.

### **Forced Labour Elimination Advocacy Group (FLEAG) highlights the bonded labour of Harawa-Charawa**

The Freedom Fund has been providing support and working with the FLEAG platform, a network of forced labour survivor groups, activists and NGOs, to implement coordinated activities and advocacy on forced and

bonded labour in Nepal. In 2019, 22 members of FLEAG travelled to Province 2 to carry out a fact-finding mission to document the socio-economic condition of Harawa-Charawa communities. The group visited communities in two districts to gather information. Following the community visits, FLEAG produced a short report and series of recommendations in response to the situation facing Harawa-Charawa communities. Among the findings, FLEAG found that there are many Harawa-Charawa families in situations of bonded labour, where they are forced to work for landlords and repay illegally high loans. FLEAG also found that the communities are predominantly landless, do not have adequate food supplies, do not have important documentation such as citizenship and birth certificates and struggle to access government services. The FLEAG group presented their findings and recommendations to the Chief Minister of Province 2 and called for urgent action to be taken. The Chief Minister listened carefully to the concerns raised by the group and has committed to address the key issues facing the Harawa-Charawa. In 2020, FLEAG will be following up to this visit and carrying out further advocacy activities at provincial and federal levels to put pressure on the government to liberate the Harawa-Charawa from bonded labour and provide support for their recovery.



## 3. Hotspot Outputs & Outcomes

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### 3.1 Headline Results

#### **473 Harawa-Charawa liberated with support for recovery**

In 2019, Freedom Fund partners supported 473 Harawa-Charawa to be liberated from bonded labour and provided support for their recovery. This is an increase of 324 liberations from the end of 2018. The increase comes at the end of a two-year grant period during which time the partners have been delivering a range of support services to Harawa-Charawa communities. Our partner SCDC supported 67 liberations in 2019, which includes 29 adults and 38 children. SCDC reported that accessing alternative livelihoods and income as well as supporting children to enrol in school and providing tuition support have been effective strategies for liberation.

#### **1,807 children enrolled in school**

We have supported 1,807 Harawa-Charawa children to enrol in school in 2019. Harawa-Charawa families have reported that education provides a key support mechanism and path for Harawa-Charawa children to stop engaging in child labour and to access opportunities for future livelihoods. Our partners have been running school enrolment campaigns through which they raise awareness about the right to free education and support families to enrol their children. Alongside school enrolment, our partners have been also been providing scholarship and tuition to support out-of-school children to get into and stay in school. In 2020, we will be advocating and working more closely with local government to increase their enrolment of Harawa-Charawa children in school and handover the management of tuition classes so they can be run sustainably. Some partners such as Samriddha Foundation, BIDD, and SCDC, have already secured commitments from their municipalities that they will run the tuition classes in the next academic year.

#### **2,456 community members gain access to government services**

We have supported 2,456 community members to gain access to essential government services in 2019, an increase of 371 from 2018. Many Harawa-Charawa do not have basic documentation which means they cannot access government services. Our partners have supported Harawa-Charawa to get citizenship, birth registration, marriage certificates and death certificates. These documents enable the families to access services such as education, social security allowance, and healthcare. BIDD supported 505 community members to access government services this year, which include pregnancy tests, vaccines and access to the electricity grid.

#### **9,188 community group members**

We have supported 9,188 community group members through our freedom groups, savings and credit groups and youth and children's groups. Community groups have become a large and important network of Harawa-Charawa who are increasing their knowledge on their rights, government entitlements as well as taking collective action against employers and government on the issue of bonded labour. Our partner JDS supports 99 community groups with over 3,000 members. JDS have empowered these community members who are now demanding change and action from the local municipality government. The municipality is responding positively to the communities and is providing education and livelihood support as well as registration documents.



## 3.2 Progress towards hotspot objectives

### Hotspot Objective 1: Sustained liberation of Harawa-Charawa community

#### **Savings and credit groups reduce dependence on landlords for loans and increases access to finance**

We have supported 2,700 community members to engage in 95 savings and credit groups in 2019.

Community members frequently report that savings and credit groups provide access to low interest loans that reduce the need to take high interest loans from landlords. The group members use the loans to establish and support their livelihoods, health, education for children and general household needs. Some partners have supported the savings and credit groups to register as cooperatives with local government, meaning they will be recognised officially by the government and potentially be able to access government schemes, such as livelihood development support. BIDC has helped to register three cooperatives with 317 members. They have also convinced the local government to provide support to the cooperatives including a room for an office, funding to renovate the office, a hand pump for drinking water and a toilet. We plan to help more savings and credit groups to register as cooperatives in 2020, which will help secure their sustainability.

#### **Harawa-Charawa community members open bank account for first time**

Many Harawa-Charawa do not have access to banking facilities, which creates challenges for saving and accessing credit. Harawa-Charawa can often be blocked from opening bank accounts for many reasons including illiteracy and not having citizenship or registration documents. DJKYC have helped 195 Harawa-Charawa to open bank accounts for the first time, which they are using to save wages from their agricultural work. DJKYC has liaised with a local bank to help support setting up accounts. They also invited the bank to come into the communities to talk directly with the community members. Each month people have been savings between 1,000 to 5,000 NPR in their account, with the average earning being around 15,000 NPR per month. The new account holders report that they are keeping the savings in the bank so they will have some money during a time of crisis, such as a death or flooding. Typically, they do not have savings when these problems arise, and they are forced to take loans from landlords.

#### **Skills training unlocks employment opportunities for Harawa-Charawa**

In 2019, our technical assistance provider Manakamana provided 30 Harawa-Charawa with skills training and support access to jobs. Manakamana trained 20 people on poultry farming and 10 on becoming an electrician. Manakamana also supported the trainees to go through the government skills testing and certification process, the National Skill Testing Board (NSTB), with 95% of poultry technicians and 80% of electricians passing. After the training, many of the trainees have gone into employment with electricians now earning between 6,500 to 12,000 NPR per month up from 3,000 to 5,000 NPR as a labourer. It will take a little bit of time before we know the income of poultry farmers as their businesses are only starting, but it is estimated they should earn 10,000 to 12,000 NPR per month. Despite these successes, this project has revealed a number of key challenges for Harawa-Charawa getting and staying in employment. Firstly, tradespeople, such as electricians, need experience to get into jobs and this can be difficult for Harawa-Charawa. For businesses such as poultry farming, people need access to credit to enable them to set up the business and grow it. Access to markets is also a challenge, particularly for women who are unable to leave the home. These types of jobs can be good alternative livelihood options for Harawa-Charawa. However, the government needs to invest more in skills training to deliver it at scale and provide greater business and employment support.

#### **Government funds mental health services for Harawa-Charawa Communities**

In 2019, our technical assistance partner, the Centre for Mental Health and Counselling (CMC), provided psychosocial counselling services to 222 people. Among these, 86 cases were closed due to improvements in their mental health, 11 were referred for more intensive services at local hospitals and the rest are continuing to receive counselling. Clients reported that the counselling has helped them to discuss stress, depression and improve their mental well-being. CMC has been working closely with local government mental health services and advocating for the provision of more services. CMC has succeeded in making agreements with two municipalities in two districts to carry out mental health awareness activities and provide mental health training to health professionals. In addition, CMC has convinced the local government to provide funding for CMC's community-based model and for two counsellors to continue their psychosocial counselling. Other municipalities have shown interest to also support the mental health work and CMC will be continuing to develop these relationships with local government.

## Hotspot Objective 2: Wider social mobilisation and government action against Harawa-Charawa bonded labour

### **Partners engage provincial government to take action on Harawa-Charawa issues**

The provincial level government has an important role in setting key priorities and allocating budget for development in each province. In 2019, our partners have been working with the Harawa-Charawa Network to advocate to the Province 2 government to ensure that the needs of the Harawa-Charawa are incorporated into their policies and programs that impact the most marginalised and vulnerable. In June, our partners and the network led a delegation to the provincial government to submit a memorandum demanding that the Harawa-Charawa be liberated from bonded labour and provided with services for recovery. The Minister of Social Development along with a number of provincial state assembly members participated in the program. The provincial government made commitments to address the issues facing Harawa-Charawa and other marginalised groups. In 2019, the Province 2 government introduced the Dalit Empowerment Act which will benefit many of the Harawa-Charawa families.

### **Harawa-Charawa elected as local representatives**

This year 30 Harawa-Charawa women, for the first time, have been elected as ward level representatives. As elected representatives, they will be responsible for representing the needs of the wider community and working with the ward and municipality level government. In Saptari district, the Harawa-Charawa Network representative, Lagendra Sada, was nominated to be a member of municipality working committees on roads and schools. We will be supporting more Harawa-Charawa to build their capacity and leadership skills and actively take part in local politics.

### **Legal cases**

The Freedom Fund has supported a number of legal cases in 2019 and helped Harawa-Charawa to access justice. We supported 4 Harawa-Charawa women to demand child support from the fathers. These men, who are all upper-caste community members and/or landlords, had relationships with the women but abandoned them when they became pregnant. In these cases, the courts ordered DNA tests to determine the fathers of the children. In one of the cases, the DNA test confirmed the man as the father and he has been order to provide support to the mother and child. We are awaiting the judgements of the other cases.

With the expansion and development of new roads, landless communities are being evicted and provided with no viable alternatives for settlement. In 2019, we supported a number of cases in which Harawa-Charawa had been threatened with eviction. In Saptari district, 30 Harawa-Charawa families were being threatened with

eviction so that a new road could be built. Our local partner SCDC supported the families in a legal case and the judge ruled that the families should not be evicted and have a right to remain on the land.

### **Government data collection of Harawa-Charawa**

In 2019, the Freedom Fund's local partners Community Improvement Centre (CIC) and Dalit Society Welfare Committee Nepal (DSWCN) supported 3 municipality governments to collect data on Harawa-Charawa households. The municipality governments wanted to collect data on the Harawa-Charawa households to understand what conditions they are currently living in and what resources and services the local government needs to provide to support them. The municipality governments provided grants to our partners to support the data collection. To support on the technical aspects of the data collection, the Freedom Fund contracted CSRC to provide technical assistance to our partners and the government and help guide the process. Data was collected from 3,636 Harawa-Charawa households.

There have been some challenges in completing the verification of the data which has resulted in the process taking longer than anticipated. We are expecting the process to be completed within the first 6 months of 2020. The initial findings from the data collection highlight the key challenges facing the surveyed families including lack of access to government services, food insecurity, health needs and landlessness. The results also reveal that many of the surveyed households are in debt bondage and are forced to work as agricultural labourers for landlords. Once the verification of the data is completed, our partners will hand over the data to local government and request them to address the key needs of the surveyed households.

### **Hotspot Objective 3: Increase civil society's capacity**

#### **Community of practice meetings**

In 2019, we have facilitated community of practice meetings for our implementing and technical assistance partners. The meetings are important opportunities for the Freedom Fund to build the capacity of partners, for partners to share information about challenges and successes, and to have greater coordination of program activities. This year we have engaged the Harawa-Charawa Network more in the community of practice which has built their capacity and also engaged the network more closely in the activities of the partners and the joint advocacy activities.

#### **Partners share tactics to help Harawa-Charawa gain access to electricity**

Our partners are learning from each other and increasingly working together to address the issues facing Harawa-Charawa communities. In 2018, our partner DJKYC advocated with a local municipality government in Siraha District to provide electricity supply to a marginalised Harawa-Charawa community. They were successful and the government installed electricity for 45 community members for the very first time. DJKYC shared this success with other hotspot partners at one of our community of practice meetings. Following the meeting, SCDC from Saptari District decided to adopt a similar tactic and approached the local municipality government on the issue of electricity for Harawa-Charawa households. SCDC were successful in supporting 34 Harawa-Charawa families to gain access to electricity and in addition 84 Harawa-Charawa households received housing certificates, which confirms that a family has been living in a location of a certain amount of time. Through the community of practice meetings our partners will continue to share successful strategies and work together to support Harawa-Charawa communities.

#### **Partners and Harawa-Charawa Network hold rallies together**

In May our partners in Siraha district, CDF, DDF, DJKYC, BIDD and Samriddha Foundation, came together with the Harawa-Charawa Network to mark May Day (International Worker's Day). 500 people participated in a

rally in Lahan, which also included Action Aid Nepal and members from trade unions. The primary message of rally was to unite workers for social and economic advancement. In December, our partners and the network in Saptari District came together to celebrate International Human Rights Day. 850 Harawa-Charawa joined the rally which culminated in the network presenting a memorandum to the chief district officer (CDO). The memorandum called for greater protection of the rights of Harawa-Charawa as well as support and services to address their key issues. The CDO promised to take action to support the Harawa-Charawa as well as raising the issues to the provincial and federal level governments. The rally was also covered in a number of media articles.

#### Hotspot Objective 4: Support rigorous research and evaluation

##### **Independent Evaluation**

The Institute for Development Studies (IDS) has been implementing the research and evaluation component of the hotspot since 2016. This year, IDS carried out an external evaluation to provide an independent assessment of the hotspot particularly in regard to the relevance, effectiveness and efficiency of the model in reducing bonded labour in the districts of Dhanusha, Siraha and Saptari. IDS carried out 55 interviews with internal and external program stakeholders as well as reviewing key documents from the program such as program reports and previous research conducted by IDS.

There were a number of key findings identified through the evaluation. Community-based groups were found to be a highly effective in addressing the issue of bonded labour. Key benefits from the groups include savings and credit support, educational support for children as well as supporting access to government services and schemes. In particular, interview respondents stated that access to education and educational support was highly appreciated and viewed as a key step towards more lucrative earning opportunities and jobs. The evaluation also highlighted that the government has responded to the programs demands to enact policy and legislation to address bonded labour of Harawa-Charawa. Government at local, provincial and federal level have all taken action or made commitments to take action on this issue.

The evaluation revealed more work is needed to make sure communities and stakeholders are clear about what bonded labour is and how it takes place. Some stakeholders have misconceptions about bonded labour and consider it to involve severe forms of abuse and physical coercion, but when people are confined to work for a landlord due to high interest loans or threats of violence, community members accept this despite being conditions of bonded labour. Going forward, we will be using the findings from the evaluation to guide our work and program strategy.



## 4. Case study

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### Harawa-Charawa family gain financial independence through vegetable production



Jagati Saday and her husband had been working as Harawa-Charawa for a landlord in Siraha district for many years. While working for the landlord they experienced different types of abuse and violence, particularly if they made a mistake with their work. Despite their hard work in the fields, their wages were not enough to provide for their family, and they struggled to survive from day to day. Jagati decided to attend the savings and credit group run by our partner DJKYC in her local community. She was inspired by the savings and credit group and the opportunities it offered to break her cycle of poverty and become more independent. Jagati started to save diligently with the group and after some time she decided she could take a small loan to start vegetable farming in her small kitchen garden. She started to produce vegetables and each week would sell the surplus at the local market to earn money. After some time, she started to earn enough money to sustain her household and convinced her husband to leave the landlord and focus on growing the vegetables so they could become completely independent. Jagati and her family are now living independently and no longer rely on their landlord for loans. They are even earning enough to save some money each month to pay the loan back to the savings and credit group and have savings to make sure their family are secure. Jagati has broken the cycle of bonded labour and become independent.





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