

FROM LIBERATION TO LIVELIHOOD

**Pathways to decent work for formerly bonded
labour communities in Nepal**

SUMMARY REPORT

April 2024



ODI Global



THE FREEDOM FUND



 **Norway**

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Front cover image: To spread the message of the declaration of emancipation of Harawa-Charawa (HC) among various stakeholders, the Rastriya Dalit Network (RDN) Nepal, in collaboration with the Forced Labour Elimination Advocacy Group (FLeAG) and the Harawa-Charawa Network (also known as the Harawa-Charawa Rights Forum), organised a 4-day event called the freed Harawa-Charawa Rights Caravan.

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EXECUTIVE SUMMARY

Labour exploitation in Nepal’s agricultural sector reflects deeply entrenched social and economic inequalities, rooted in historical systems of debt bondage, land tenure arrangements and caste-based discrimination. Between 2021 and 2023, the ODI Global and the Nepal Institute for Social & Environmental Research (NISER) were commissioned by the Freedom Fund to investigate the economic and social drivers of working conditions and bonded labour in agriculture and identify implications for policies and programs to support decent livelihoods.

The mixed-method study focused on three communities who have experienced traditional systems of bonded labour: the Kamaiya (K), Haliya (H) and Harawa-Charawa (HC). All three communities (referred to collectively in this report as K/H/HC) were declared liberated by the Government of Nepal (GoN): the Kamaiya in July 2000, the Haliya in September 2008 and the Harawa-Charawa in July 2022.

Data for this study included face-to-face surveys with 451 households, 36 in-depth qualitative interviews, 12 focus group discussions and nine case studies. A market assessment was also conducted via 24 key informant interviews (KIIs) with policymakers, non-governmental organisation (NGO) staff and private and public sector employers at national and local levels. Of the households surveyed, 80% were from the Kamaiya, Haliya and Harawa-Charawa communities, while 20% were stratified to households with similar socio-economic conditions but not from traditionally bonded communities (referred to as non-K/H/HC respondents). The study used two complementary definitions of labour exploitation: self-reported bonded labour and forced labour as per the International Labour Organization (ILO) definition.

KEY FINDINGS

- 1

Bonded and forced labour remain widespread in the study areas, with the highest rates reported by communities who were most recently liberated. Based on households’ own self-reporting, experiences of bonded labour in the past five years were highest among Haliya households in Kanchanpur district (47%) and Harawa-Charawa households in Saptari district (35%), compared to 4% reported among Kamaiya households in Bardiya district and 4% among non-K/H/HC households.

In contrast, when applying the ILO’s criteria – examining involuntariness and coercive conditions – the rate of forced labour is high among all groups: 85% of Harawa-Charawa, 80% of Kamaiya, 61% of Haliya and 32% of non-K/H/HC households. This highlights that even the Kamaiya community, who were declared liberated more than 20 years ago, still face high degrees of marginalisation and exploitation.
- 2

Despite the legal declaration of liberation, formerly bonded labour communities continued to be highly vulnerable, particularly women and children. Over half (58%) of household heads had never attended school, ten times higher than district-level averages. Caste-based discrimination remained prevalent among Haliya and Harawa-Charawa families. Women often earned less than men for similar work and were relegated to the lowest-paid tasks. Child labour persists, especially among Harawa-Charawa families, often with little or no pay.
- 3

Agriculture was the predominant source of income for most Kamaiya, Haliya and Harawa-Charawa families – a precarious form of work marked by informal arrangements, inconsistent pay and long hours. Harawa-Charawa households in bonded labour reported the highest working hours (averaging 70 hours/week), whereas Haliya households in bonded labour reported the lowest (averaging 46 hours/week). Although many of these workers have extensive experience in agriculture, they were often involved in simple, routine and manual tasks with no opportunities for progressing into more lucrative roles.

4 Limited work options outside of agriculture – especially in the Haliya and Harawa-Charawa communities – pushed workers towards other, risky forms of work. During agricultural lean seasons, Kamaiya households often managed by taking up repair and construction work locally. In contrast, Haliya and Harawa-Charawa families tended to work abroad in India or the Middle East, exposing them to new forms of exploitation such as wage theft and fraud by middlemen. These economic circumstances prevented children from attending school, thus reinforcing or exacerbating longer-term vulnerabilities and rendering them unable to take advantage of economic opportunities requiring higher levels of literacy and education.

5 Unreliable earnings limited these communities’ ability to save and invest. This study observed a link between bonded labour among Kamaiya, Haliya and Harawa-Charawa households and work arrangements that do not pay a pre-set wage. Among workers who received a wage, it was often below the legal minimum rate. This income insecurity hindered households’ ability to save and invest, for example, in their children’s education or productive assets such as farming inputs further reinforcing a cycle of poverty and denying them the ability to improve their socio-economic status.

6 Low savings and intergenerational debt pushed some families towards further loans and exposure to exploitative lenders. The survey found that 34% of Harawa-Charawa and 25% of Haliya households had inherited debt, compared to only 5% of Kamaiya households. While formal financial institutions were a dominant source of financing for about half of Kamaiya and Haliya households, only 25% of Harawa-Charawa loans came from such sources. Over a quarter of Haliya and Harawa-Charawa households took loans from moneylenders, compared with only 5% of Kamaiya households.

7 Communities with greater access to rehabilitation packages and land ownership – especially the Kamaiya – reported the highest median incomes and savings, the lowest median debt and were more likely to use loans for investment and capital formation. Households who have received land as part of their rehabilitation were able to use this as a foothold to improve their economic prospects. However, over two-thirds of Harawa-Charawa, Kamaiya and Haliya households continue to live on government-owned land, leaving them vulnerable to eviction and discouraging long-term investment in land productivity.



Carpenters loading furniture in the van.
Photo credit: © Action Aid Nepal

RECOMMENDATIONS

The following recommendations combine the findings from this study with recommendations from study participants and feedback from a validation workshop held with key stakeholders from the Haliya, Kamaiya and Harawa-Charawa communities:

Land reforms:

- Speed up land allocation and registration as a part of the Government of Nepal’s rehabilitation package.
- Ensure that allocated land is suitable for agriculture, accessible and productive.

Agricultural reforms:

- Improve the productivity of small-scale farmers through increased access to modern farming knowledge and capital investment.
- Strengthen market access, support agro-enterprises and ensure fairer profit-sharing between landowners and landless farmers.

Non-agricultural employment reforms:

- Diversify job opportunities beyond agriculture by offering market-relevant skills training.
- Ensure that training is tailored for different populations, including women, youths and people of different ages and education levels.

Socio-economic and legal reforms:

- Strengthen monitoring and enforcement of existing minimum wage and labour laws.
- Protect vulnerable persons and their property by ensuring access to vital documents such as citizenship and birth registration.
- Develop community-based micro-savings schemes to break intergenerational cycles of debt.

Cross-cutting recommendations related to the scope and scale of intervention:

- Expand programs to include all vulnerable households by considering factors such as location, age, education and gender rather than solely focusing on ethnic identity.
- Develop programs to strengthen social protection, including promoting school attendance and protecting children from labour.

ABBREVIATIONS

BL	Bonded labour
FL	Forced labour
GoN	Government of Nepal
H	Haliya
HC	Harawa-Charawa
HH	Household
ILO	International Labour Organization
K	Kamaiya
KII	Key Informant Interview
MLMCPA	Ministry of Land Management, Co-operatives and Poverty Alleviation
NGO	Non-governmental organisation
NISER	Nepal Institute for Social & Environmental Research
K/H/HC	Kamaiya, Haliya and Harawa-Charawa community
NPR	Nepalese Rupee
NSO	National Statistics Office, Government of Nepal
USD	United States Dollar

Ufim is a member of a farming group made up of members of the Harawa-Charawa community who pooled their resources to lease a plot of land to grow fruits and vegetables. They sell the produce at market for a profit. The farming group was facilitated by Freedom Fund partner Community Improvement Center.

Photo credit: © Eva Jew/The Freedom Fund

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A Haliya standing outside his rural home.
Photo credit: © Bala Ram Bhattarai/The Freedom Fund

INTRODUCTION AND STUDY OBJECTIVES

Bonded labour in agriculture remains a practice in parts of Nepal based on historical factors, including land tenure and ownership patterns, social structure and economic conditions in specific locations and communities. While the predominant bonded labour communities such as Kamaiya, Haliya and Harawa-Charawa have been officially declared free by the Government of Nepal, slow rehabilitation efforts and continued socio-economic vulnerabilities leave many individuals from these groups at risk of returning to bonded labour-like situations or facing new forms of exploitation.

Between 2021 and 2023, ODI Global and NISER were commissioned by the Freedom Fund to carry out a mixed-method study to explore the economic and social drivers of labour conditions in bonded agriculture, how these conditions have evolved and what these changes imply for supporting decent livelihood opportunities. This includes exploring the barriers to decent employment and livelihoods and how these may be changing over time.

The study focused on three communities historically exploited through traditional systems of bonded labour: the Kamaiya (K), Haliya (H) and Harawa-Charawa (HC). All three communities have been declared liberated by the GoN: the Kamaiya in July 2000, the Haliya in September 2008 and the Harawa-Charawa in July 2022 (ILO, 2013; MLMCPA, 2022). The different stages of liberation affect the conditions in which they currently live and, therefore, the findings of this report reflect that.¹

Box 1: Classifications regarding bonded labour and forced labour

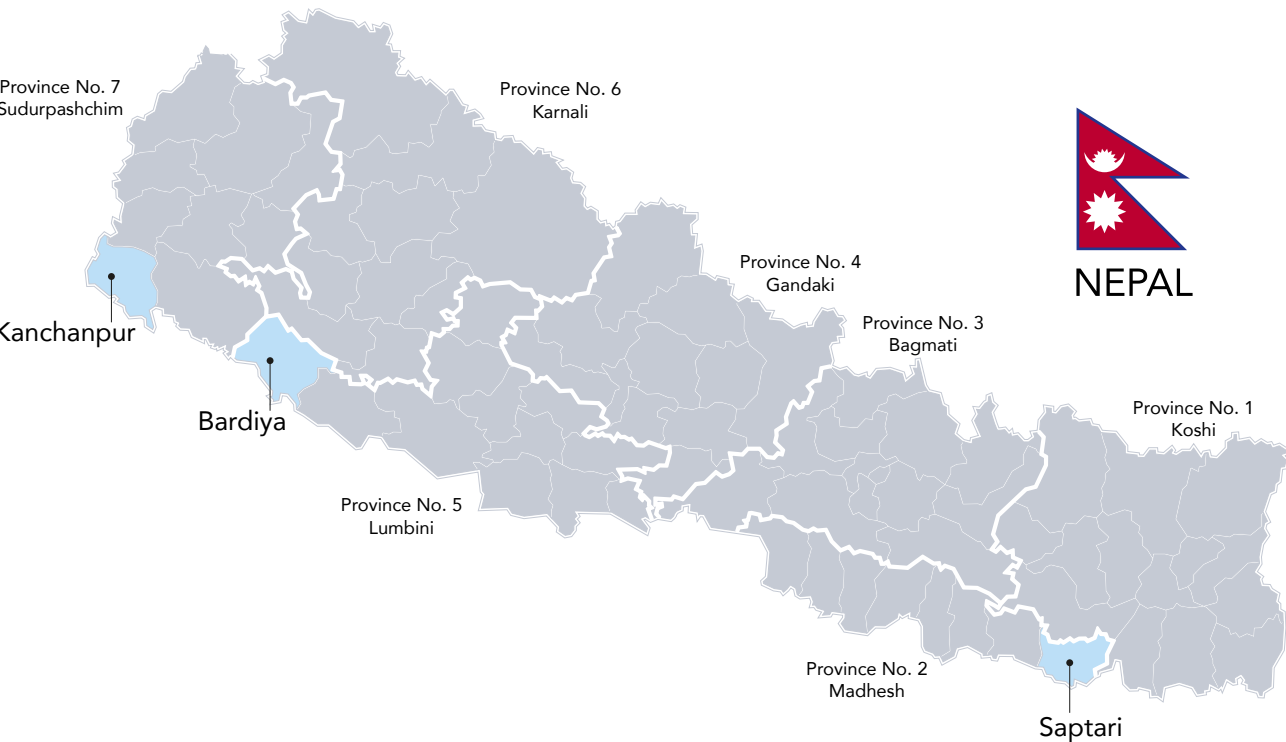
Two complementary classifications of restrictive/exploitative labour conditions were used for this study: one based on self-reported status of bonded labour and the other adapted from the International Labour Organization’s (ILO) definition of forced labour.²

- A household was classified as having household members in **bonded labour** based on respondents’ self-reporting and responses to questions that used the term “bonded labour.”
- A household was classified as having household members in **forced labour** based on a composite set of factors reflecting the ILO definitions of involuntary and coercive labour practices including lack of freedom to choose one’s employer, lack of freedom to negotiate one’s wage, working without pay in the last year and risk of facing adverse consequences for refusing employment.
- These two classifications are not mutually exclusive; households can be both in bonded labour and in forced labour, in only one of the two categories, or in neither.

The research took place in three districts of Nepal within three communities who have or have had large numbers of households in bonded labour – the Kamaiya community in Bardiya district, the Haliya community in Kanchanpur district and the Harawa-Charawa community in Saptari district (see Figure 1).

¹ While all three communities have been officially liberated by the government, for purposes of clarity in this report we do not use the word “former” on each reference to the communities and their previous members.
² The ILO defines forced labour as work performed under conditions of involuntariness, including the lack of free and informed consent, and coercion such as threats, penalties, or restrictions on leaving employment. These conditions can arise at any stage of employment and may involve deceptive recruitment, wage withholding, debt manipulation, abuse of vulnerability, or physical and psychological threats (ILO, 2022).

Figure 1: Study locations



Annex 1 provides information about these locations and the bonded labour populations concentrated in each district.

RESEARCH METHODS

This study draws on three main sources of primary data, as outlined in Table 1.

Table 1: Data sources

Data source	Number of participants/households
Face-to-face survey	451 households in 3 districts, selected through random sampling
In-depth interviews, focus group discussions and case studies	36 in-depth interviews, 12 focus group discussions and 9 case studies, selected through purposive sampling
Key informant interviews for market assessment	24 policymakers, NGO staff, local and national private and public sector employers

Eighty percent of the study sample were households of the Kamaiya, Haliya and Harawa-Charawa communities. The other 20% of households were stratified to similar socio-economic conditions but were not identified as communities traditionally in bonded labour. This allowed some level of comparison of the main research interest groups – Kamaiya, Haliya and Harawa-Charawa communities – with households from similar socio-economic backgrounds but not from these three communities. The qualitative analysis provided additional insights into contextual and socio-economic factors affecting these communities. The market assessment provided an understanding of the economic landscape within which these communities operate and how this differs between locations and has changed over time.

PROFILE OF STUDY RESPONDENTS

Table 2 shows some of the characteristics of the 451 survey respondents. Kamaiya households had on average consistently higher daily pay rates, higher median household savings and lower household debt than the Haliya, Harawa-Charawa and non-K/H/HC respondents. This consistent pattern of better economic conditions among Kamaiya households, when compared with Haliya and Harawa-Charawa, is discussed further below. In contrast, the Haliya and Harawa-Charawa are at present in the most economically disadvantaged conditions, even when compared to non-K/H/HC respondents.

Table 2: Characteristics of survey respondents by community (N=451)

Community	Kamaiya (n=117)	Haliya (n=118)	Harawa-Charawa (n=123)	non-K/H/HC (n=93)*	Overall (N=451)
District	Bardiya	Kanchanpur	Saptari	All 3 districts	–
Daily average pay rate	NPR 683 (USD 5.5) ³	NPR 463 (USD 3.7)	NPR 518 (USD 4.2)	NPR 544 (USD 4.4)	NPR 552 (USD 4.4)
Median household savings	NPR 14,000 (USD 112)	NPR 5,500 (USD 44)	NPR 3,000 (USD 24)	NPR 9,000 (USD 72)	NPR 7,745 (USD 62)
Median household debt	NPR 50,000 (USD 400)	NPR 200,000 (USD 1,600)	NPR 150,000 (USD 1,200)	NPR 100,000 (USD 800)	NPR 126,829 (USD 1,015)
Property ownership					
Own land	30%	31%	12%	26%	25%
On government land	69%	66%	86%	68%	72%
On employer's/ landlord's land	0%	2%	2%	0%	1%
Others (including rent, joint)	1%	1%	0%	6%	2%

*Of non-K/H/HC respondents, 33 were identified in Bardiya, 33 in Kanchanpur and 27 in Saptari.

³ All USD conversions in this report are based on conversion rates at the time the study was conducted (USD 1 = NPR 125) (<https://www.poundsterlinglive.com/history/USD-NPR-2022>).

KEY FINDINGS

Key finding 1: High rates of forced labour are present in all communities

The quantitative household survey carried out in Bardiya, Kanchanpur and Saptari asked about experiences of bonded labour and forced labour for household members (see Box 1 for definition of these terms). As shown in Table 3, 4% of Kamaiya, 47% of Haliya and 35% of Harawa-Charawa households self-reported being in bonded labour in the last five years. Kamaiya in Bardiya district have the lowest proportion of respondents self-reporting incidences of bonded labour in the last five years. Their levels were similar to the non-K/H/HC respondents (4%). Haliya (in Kanchanpur) and the more recently officially liberated Harawa-Charawa (in Saptari) had much higher rates of self-reported bonded labour (eight times or more).

The proportions of respondents meeting the ILO criteria were even higher, with 80% of Kamaiya households, 61% of Haliya households and 85% of Harawa-Charawa households meeting the ILO definition of forced labour in the last year, though much lower for the non-K/H/HC respondents (32%). The findings remain consistent for respondents who both self-reported bonded labour and met the ILO criteria for forced labour, with 3% of Kamaiya, 30% of Haliya and 31% of Harawa-Charawa respondents falling under this category. These findings demonstrate that while the Kamaiya have been officially liberated the longest and show a consistent pattern of better economic conditions compared with the Haliya and Harawa-Charawa, they continue to endure exploitative conditions as other forms of discrimination persist.

Table 3: Reported bonded labour and forced labour among survey respondents (N=451)

Community	Kamaiya (n=117)	Haliya (n=118)	Harawa-Charawa (n=123)	non-K/H/HC (n=93)
District	Bardiya	Kanchanpur	Saptari	All 3 districts
Self-reported bonded labour in last 5 years	4%	47%	35%	4%
Met the ILO criteria for forced labour in last 1 year	80%	61%	85%	32%
Met the ILO criteria and self-reported	3%	30%	31%	0%
Met the ILO criteria but did not self-report	77%	31%	54%	32%

The difference in rates of bonded labour and forced labour appears to be due to various historical factors, with Nepal’s legal definition of “bonded labour” not fully aligned with ILO indicators of forced labour. This reflects shifting forms of exploitation which are captured by the ILO indicators but not the legal definition. Thirty-five percent of the Harawa-Charawa respondents self-identified as being in bonded labour in the last five years. This finding is not surprising as the data collection took place in 2021 and 2022 and their official date of liberation was July 2022. On the other hand, the Haliya respondents, despite their official liberation in 2008, reported higher rates of bonded labour than the more recently liberated Harawa-Charawa. Among the Kamaiya respondents, a significant proportion described themselves as having exited bonded labour. However, this group has shifted largely to informal or daily wage work, continuing to endure exploitative working conditions despite being liberated the longest (since 2000).

According to recent government data (MLMCPA, 2022), among 16,322 Haliya, 85% (n=13,955 households) had received national identity cards and 78% had received rehabilitation packages. However, these data might not include Haliya who migrated from the hills to the Terai and worked as bonded labourers. The present study found that the majority of Haliya respondents from rural locations had no national identity cards at the time of the interview and consequently had not received the rehabilitation package. There were also anecdotal cases of voluntary continuation of being a Haliya when there were reciprocal benefits. Such respondents were mostly migrants from the hills, working for landlords who lived in the cities and owned large farms in the villages.

By contrast, the high proportion of forced labour among all respondents indicates that many households experienced exploitative or restrictive labour practices, including limited freedom to choose one’s employer, negotiate one’s wage, working without pay in the last year, and risk facing adverse consequences for refusing employment.⁴ The most surprising finding was the high rate of forced labour among Kamaiya respondents, who have been liberated the longest. It demonstrates the ongoing challenges faced by formerly bonded labour communities, even those that have received rehabilitation packages remain vulnerable to exploitation after liberation. This also suggests that the rehabilitation packages alone are insufficient to protect households from exploitation in the longer term and that the liberation of bonded labourers creates a market for new forms of exploitation. The lower rate of forced labour among non-K/H/HC respondents suggests that exploitative conditions are linked to the additional social discrimination faced by Kamaiya, Haliya and Harawa-Charawa communities. Workers living in close proximity and under similar economic conditions are not necessarily facing the same levels of exploitation.

⁴ This finding was deduced based on the ILO’s definition of forced labour, as outlined in Box 1.



Shyam Sundar Sada, Chairperson of District Harawa-Charawa Rights Forum from Siraha District, extracts paddy from a container inside his home
Photo credit: © Filmatory Nepal/The Freedom Fund

These high rates of bonded labour and forced labour in the three communities are a sharp reminder of the high levels of ongoing vulnerability faced by these populations, including low literacy and education and ongoing caste discrimination.

Key finding 2: Persistent socio-economic vulnerability impacts all formerly bonded labour communities, particularly women and children

Despite official declarations of liberation, all three formerly bonded labour communities continued to lag behind on socio-economic outcomes compared with other people in rural areas of Nepal, particularly women and children. About a third of each of the quantitative survey households identified as Terai Janjati, Terai Dalit and Pahadi Dalit categories, which are historically viewed as disadvantaged groups in Nepal.⁵

Unsurprisingly, the study found that the literacy and education levels were low in these communities (Table 4). Nearly 59% of Kamaiya, Haliya, and Harawa-Charawa household heads surveyed had never attended school. This was nearly seven percentage points higher than the non-K/H/HC respondents with similar poverty and agricultural household characteristics (data not shown in the table). When compared with the district-level data, the study shows that a numerically higher proportion of survey respondents had not attended school, particularly those who meet the criteria for forced labour (63% vs 38% who do not meet the forced labour criteria).

⁵ For further reading see: Bennett, L., Dahal, D.R. and Govindasamy, P. (2008). *Caste, Ethnic and Regional Identity in Nepal: Further Analysis of the 2006 Nepal Demographic and Health Survey*. Calverton, Maryland, USA: Macro International Inc. Available at: <http://dhsprogram.com/pubs/pdf/FA58/FA58.pdf>; Lawoti, M. (2005). *Towards a Democratic Nepal: Inclusive Political Institutions for a Multicultural Society*. Print.

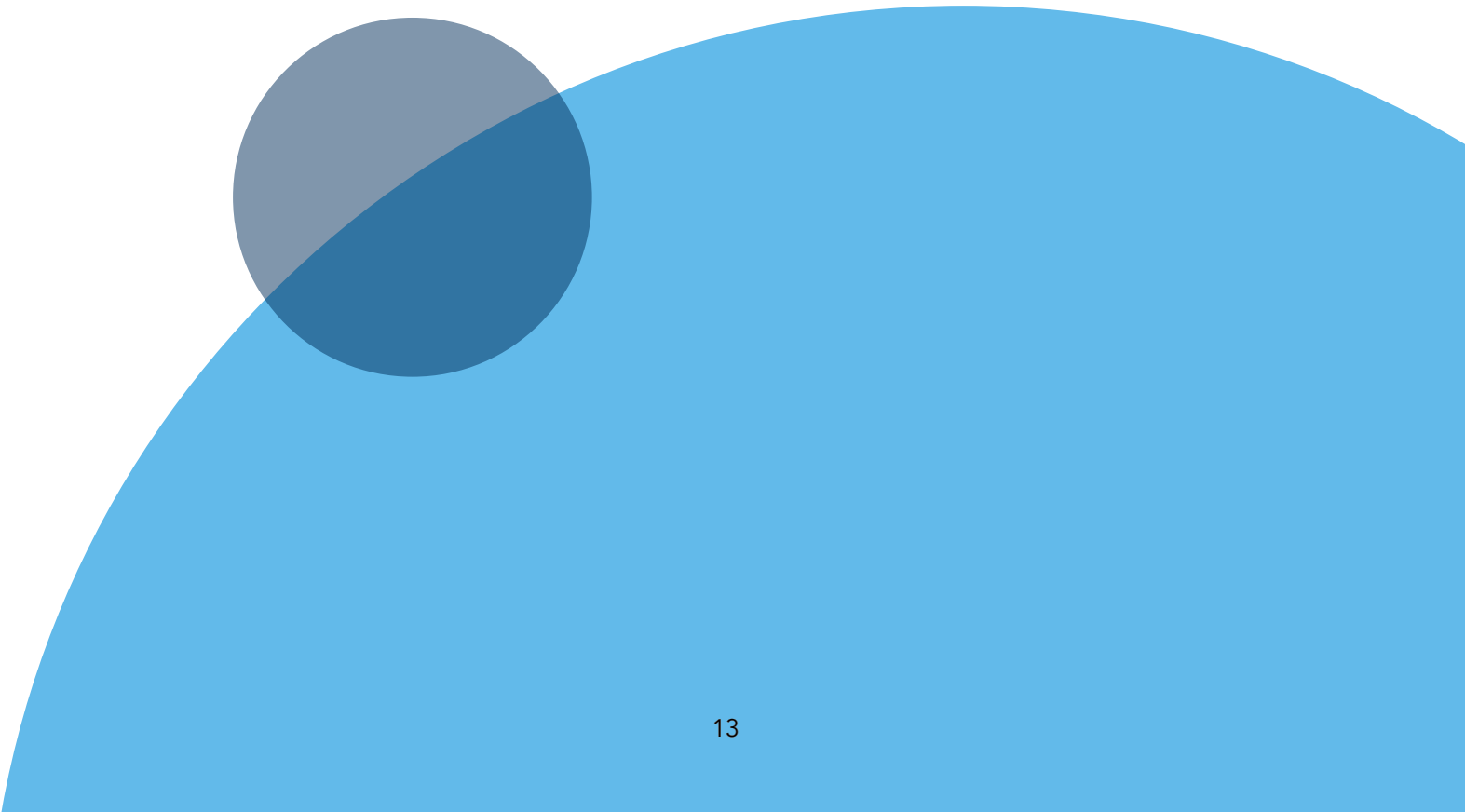


Traditional tharu house in Bardiya
Photo credit: © PACO COMO/Adobe Stock

Table 4: Characteristics of survey households compared with district-level averages (N=451)

Characteristic	K/H/HC combined (n=358)	People in bonded labour (n=107)	People in forced labour (n=301)	Bardiya*	Saptari*	Kanchanpur*
Ethnicity						
Terai Janjati	32%	4%	34%	N/A**	N/A	N/A
Terai Dalit	34%	42%	39%	N/A	N/A	N/A
Pahadi Dalit	32%	50%	25%	N/A	N/A	N/A
Other	2%	4%	2%	N/A	N/A	N/A
Level of education						
None/never attended	59%	51%	63%	6%	1%	3%
Primary school (grade 1-6)	21%	24%	21%	28%	29%	28%
Secondary school (grade 7-12)	15%	20%	12%	57%	59%	59%
Post-secondary (vocational or other education)	5%	4%	4%	3%	6%	5%
Others/ not stated	N/A	N/A	N/A	6%	5%	5%

* Source: District-level data from the National Population and Housing Census 2021.
** Census data do not correspond to the ethnicity categories used here (Terai Janjati, Terai Dalit, Pahadi Dalit).



Caste-based discrimination was reportedly still common for Haliya and Harawa-Charawa, who are largely from Dalit caste groups. During the qualitative interviews, Harawa-Charawa respondents shared that they were prohibited from entering houses and temples and touching food and water. Such discrimination was also reported among Haliya respondents, who were largely Dalits living in the very rigid and traditional society of the western hills. The Kamaiya, a non-Dalit group, did not face caste-based discrimination but reported being discriminated against in the past.

There were also important gender differences in livelihood needs and opportunities which increased the risk of vulnerability for women and children. The qualitative study found that, traditionally, women were automatically involved as bonded labourers when a husband or parent took on a bonded labour arrangement with a landowner. They did not receive a daily wage but rather only small in-kind payments such as clothes or food. There was mixed evidence as to whether this still occurs, with the survey results indicating that women do get paid, but often lower wages than men for the same work. For example, for some agricultural employment, such as weeding/clearing land, the daily wage labour rate was different between men and women (NPR 200 / USD 1.6 for women and NPR 300 / USD 2.4 for men). The respondents also generally reported that tasks having the lowest wages were given mostly to women.

The quantitative survey found some households reporting children being employed. Although the overall reported incidence was low, child labourers tended to be primarily in households that were categorised as being in bonded labour and/or in forced labour. Only half received a wage or salary, implying that the other half undertook informal supplementary work with potentially low or no remuneration. The qualitative study also found child labour in all three districts. Respondents reported that child labour (aged 17 and under) was most common among Harawa-Charawa and least common among Kamaiya communities. Apart from cooking, carrying water and looking after younger siblings, children worked in harvesting, weeding and planting during agricultural seasons.

My daughter helps to cook and do other household work when the mother is helping me in the field. She plants and cuts paddy. She carries paddy bundles.

Male, Harawa-Charawa community, Saptari

Child labour is often linked to lower levels of literacy and education, alongside greater economic instabilities and limited opportunities for affected communities. The evidence from the effects of the covid-19 pandemic (see Box 2) shows how children who were not able to remain in school were affected. School dropout and/or delays reinforce or exacerbate longer-term vulnerabilities and the inability to take advantage of better economic opportunities requiring higher levels of literacy and education.

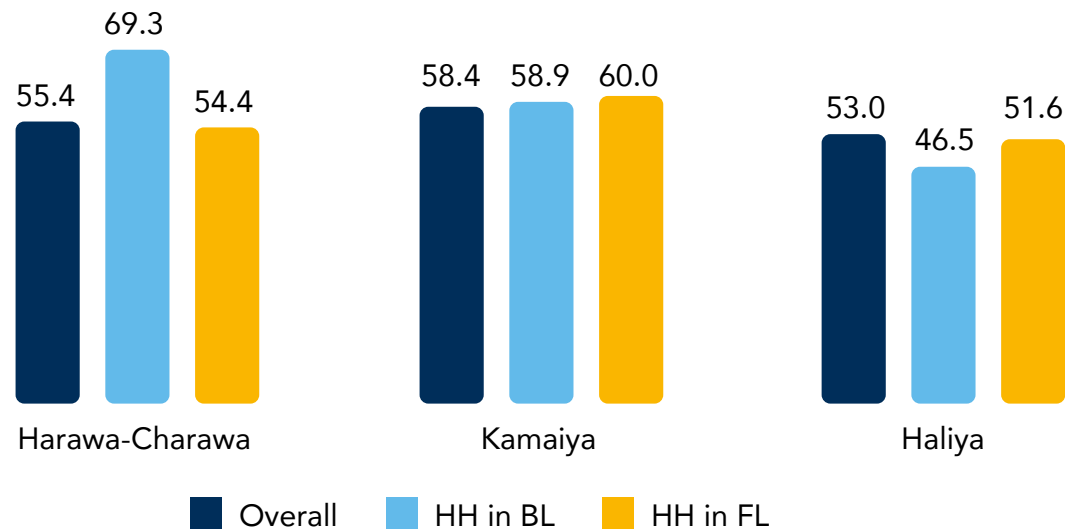
Key finding 3: Communities remain trapped in other exploitative practices

Although the GoN prohibits traditional forms of exploitative conditions by landlords, Kamaiya, Haliya and Harawa-Charawa remain trapped in other forms of exploitation. Survey respondents primarily reported daily wage employment as their main current source of household income. A high proportion of the respondents in all three communities were engaged in informal, temporary, casual and daily wage types of employment, which added to their economic uncertainty, except for a small proportion of Kamaiya (18%) (further discussed in Key Finding 5). Absence of stable economic conditions was reported as a major cause of households falling into bondedness and why they stay trapped in such exploitative labour conditions.

The high rates of forced labour described in Key Finding 1 demonstrate this vulnerability in both international migration and domestic work. More Kamaiya respondents stated that household members migrate to India or elsewhere for seasonal employment than Haliya or Harawa-Charawa respondents who reported facing exploitation. During the qualitative interviews, wage theft in India and fraud perpetrated by middlemen (who are mostly Nepali) were reported by former migrant workers from Kamaiya, non-Kamaiya, Haliya and non-Haliya communities. They shared that the middlemen and supervisors did not pay them salaries, particularly in construction work, and they sometimes ended up losing months' worth of wages. They also reported that delays in payment are common for work in India.

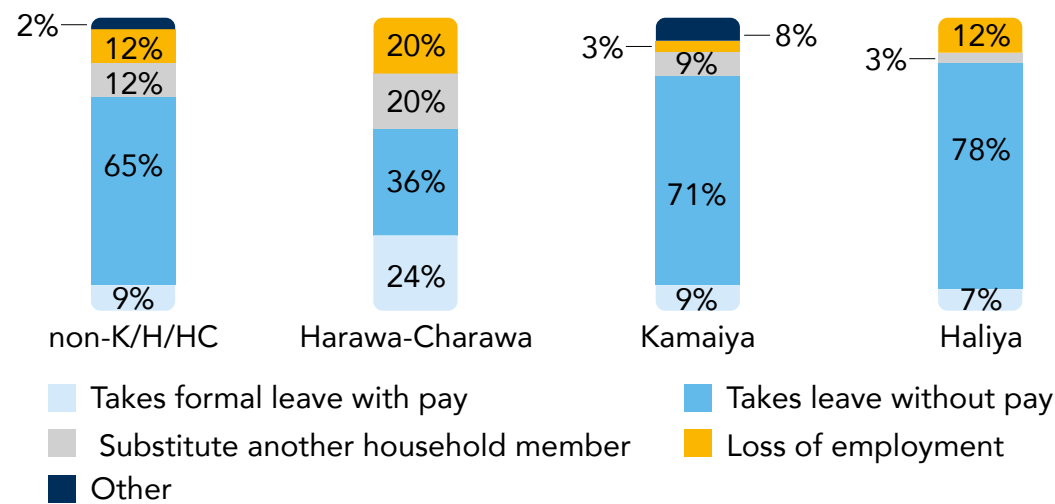
In addition, the study investigated working conditions, such as wages (discussed in Key Finding 5), working hours and leave. Across Kamaiya, Haliya and Harawa-Charawa communities, the average work week in informal and agriculture-related jobs was 50 hours, higher than the Nepal national average of 40-49 hours per week (ILO, 2017). People engaged in agriculture reported longer working hours during the agricultural season and fewer during other times if they did not take other jobs. As shown in Figure 2, Harawa-Charawa households in bonded labour appeared to work the longest (69.3 hours/week), whereas Haliya households in bonded labour reported working the fewest hours per week (46.5 hours/week). The weekly work duration in Kamaiya households seems almost unaffected by whether the household had been in bonded labour or forced labour. Overall, the quantitative survey found that Kamaiya appeared to be working slightly more hours than Harawa-Charawa and Haliya – although this could reflect differences in patterns and types of work available in the three locations and the fact that members of the Kamaiya community tend to have multiple livelihoods.

Figure 2: Average work duration (in hours/week) across communities (n=358)



On obtaining leave from work, respondents from Haliya and Harawa-Charawa communities working as bonded labourers during the quantitative survey said that it was impossible for them to take lengthy periods of leave, while even taking shorter absences (1-2 days) depended on the specific situation. In cases where they had to take time off due to sickness or care for someone in the household who was sick, the majority of respondents reported they either had to take unpaid leave or arrange for another household member to step in (Figure 3). In the case of daily wage labour, respondents said they would not get paid for days that they did not work. Additionally, the possibility of losing employment was highest among Harawa-Charawa – a reflection of high employment insecurity among this community.

Figure 3: Consequences of absence due to sickness (N=451)



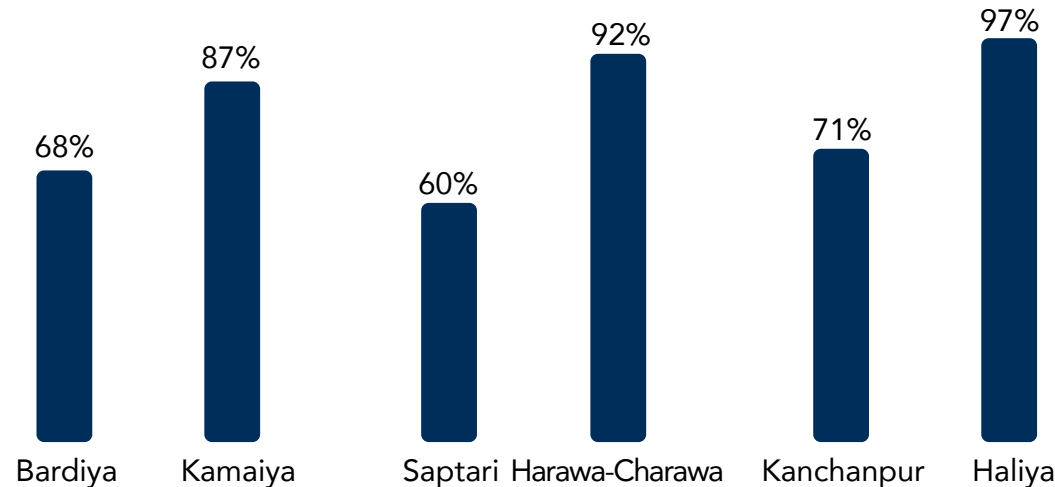
The evidence shows that Kamaiya, Haliya and Harawa-Charawa communities are stuck in shifting forms of exploitation, with low income or employment insecurity where they worked largely in the agricultural sector or in other sectors.

Key finding 4: Dependency on agriculture increases economic vulnerability

The heavy reliance on seasonal agriculture increases the economic vulnerability of the Kamaiya, Haliya and Harawa-Charawa communities, compounded by severely limited alternative livelihood and sustainable employment prospects in these communities. The lack of steady income results in lower capital accumulation (such as savings or investment), further entrenching a vicious cycle of poverty. As shown in Figure 4, the dependency on agriculture among the study respondents – Kamaiya in Bardiya (87%), Harawa-Charawa in Saptari (92%) and Haliya in Kanchanpur (97%) – were considerably higher than the corresponding district-level data from the 2021 census.

Work in the study communities was disproportionately concentrated in the agricultural sector. Furthermore, nearly all agriculture-related employment for these vulnerable households in the three districts falls under “elementary occupations” as defined by the International Standard Classification of Occupations skill level (ILO, 2004), consisting of “simple and routine tasks which mainly require the use of hand-held tools and often some physical effort”. Within agriculture, elementary occupations are typically seasonal and require minimal skill or experience (ILO, 2004). This indicates a systematic form of marginalisation where, despite their extensive experience and contributions to agriculture, these communities face few or no opportunities for advancement, perpetuating a cycle of poverty and denying them access to improve their socio-economic status.

Figure 4: Involvement in agriculture, study communities vs. district-level averages (n=358)



According to the qualitative study, working hours in agriculture depend on the nature of the work. Generally, working hours are high during the planting and harvesting season and lower for weeding. This suggests that these roles are transient and thus vulnerable to seasonal (or natural) forces as well as labour competition. This seasonality of employment negatively affects households’ ability to generate consistent income, leading to lower savings (as discussed in Key Finding 6 below) and resulting in financial vulnerability.

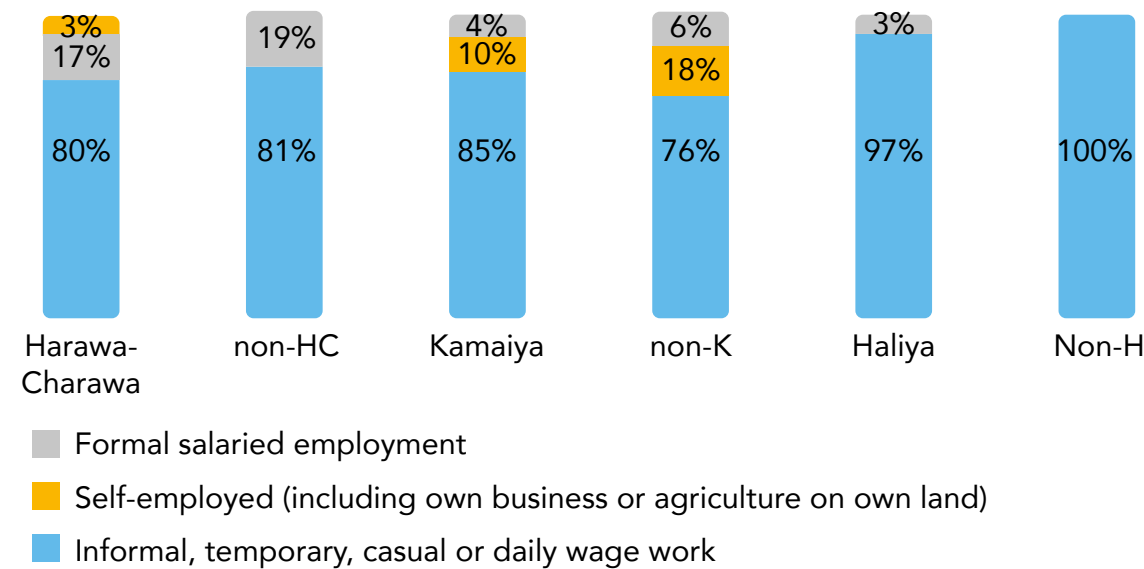
Despite having settled in urban areas for some time, Haliya tend to have less diversified skills or income sources, unlike Kamaiya respondents. For example, during the qualitative study, many Kamaiya respondents shared that they learned cycle-repairing, tractor-driving and masonry skills by observing others or when they assisted others in such work. However, none of the Haliya respondents mentioned such skills or occupations, and members of the Harawa-Charawa community are primarily in agricultural work. As such, it appears that dependency on agriculture for livelihood increases economic vulnerability for formerly bonded labour communities.

Key finding 5: Low and unreliable wage earnings contribute to economic instability and exploitation

Wage earning is an important indicator of decent livelihood, as non-wage remunerated workers tend to have lower employment mobility and face greater risks of exploitation. As mentioned earlier, findings from the study show that respondents are predominantly engaged in informal, temporary and casual work on daily wages, mostly as seasonal or part-time workers.

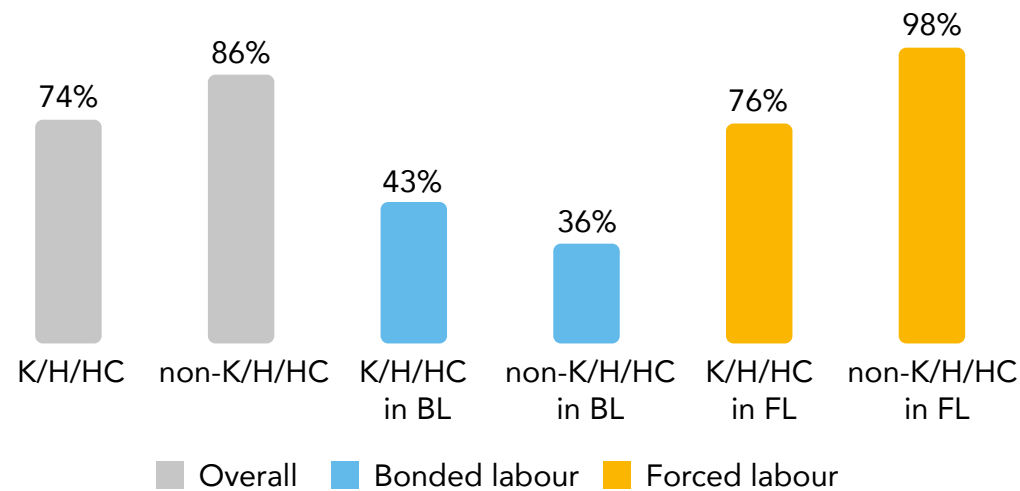
The survey found that the proportion of workers in salaried employment was the highest in Saptari (for both Harawa-Charawa and non-Harawa-Charawa households), though this still accounted for only 17% of all respondents from this district (Figure 5). This might be due to the slightly higher proportion of international migration from Saptari, especially to Gulf states, compared to the other two districts. These migrants tend to end up in salaried employment, although working conditions can often be exploitative. In Bardiya and Kanchanpur, migration to India is more common and these migrants often end up in informal daily wage employment. In Bardiya, significantly more households were engaged in self-employment – including 10% of the Kamaiya households. Such self-employment was non-existent among Haliya households and only 3% among Harawa-Charawa households.

Figure 5: Employment type of primary household earner (N=451)



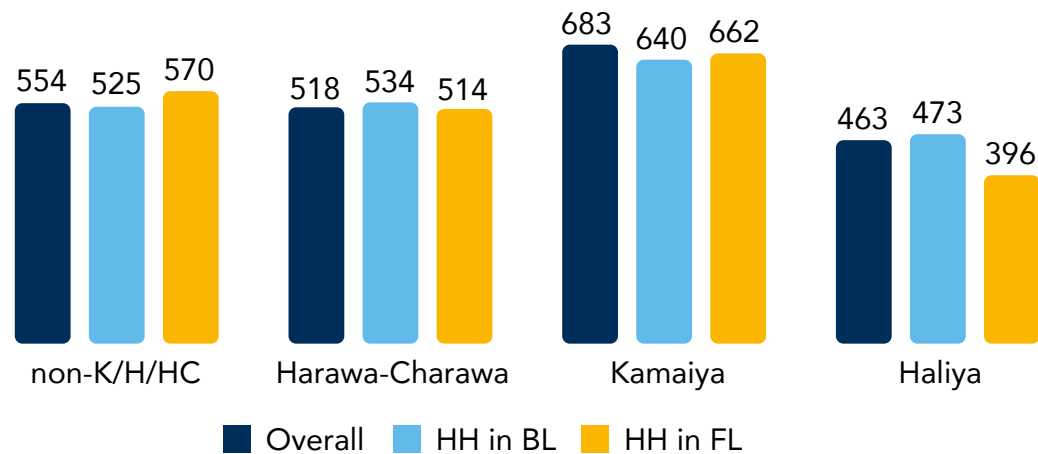
The survey also found that members of Kamaiya, Haliya and Harawa-Charawa communities were less likely to be on steady wage remuneration. Among workers who did receive wages, it was often below the legal minimum rate. A link between bonded labour status and being in non-wage employment was observed in the data. Among Kamaiya, Haliya and Harawa-Charawa, households whose primary income earners were in bonded labour, only 43% received a pre-set wage, compared to the overall average of 74% (see Figure 6). This means that a large proportion of households in each community did not receive any steady wages for their work, instead relying on in-kind payments or daily earnings (where daily earnings are calculated as a proportion of the farm produce cultivated under the bonded work, as well as for work to pay off interest on outstanding loans). This wage insecurity increased the risk of households resorting to exploitative loans.

Figure 6: Proportion of households where employed adults received a wage (N=451)



The study found, not surprisingly, that average pay rates of those in bonded labour lagged behind those in forced labour and those who were not in bonded labour or forced labour. Households in bonded labour received about 10% less than those not in bonded labour (roughly NPR 70 or USD 0.6 less). Daily wages were higher for construction in urban areas and lower for agriculture, though the rates could be explained by skill level or because they were calculated when labour was in short supply.

Figure 7: Average daily pay rates (in NPR/day) across communities (N=451)



As shown in Figure 7, Kamaiya households reported higher average daily pay rates than Haliya and Harawa-Charawa respondents. Kamaiya respondents received the highest average daily pay rates (NPR 683 per day / USD 5.5) and the Haliya received the lowest (NPR 463 per day / USD 3.7). The qualitative interviews also indicated that Kamaiya appeared to have the most diversified income sources (multiple jobs and a range of employable skills) among the communities, which may reduce their economic vulnerabilities. However, despite the increased earnings and saving potential reported by the Kamaiya community, they continue to face high levels of forced labour. Nearly 80% of Harawa-Charawa primary household earners also have multiple jobs – whether throughout the year or occasionally. In-depth interviews and focus groups revealed that Harawa-Charawa often work for landlords while also undertaking daily wage labour in agriculture, construction work (especially younger men and boys) and foreign employment.

According to findings from the qualitative study, daily wages tend to be fixed in each location and did not depend on being engaged as bonded or non-bonded labour. Respondents were largely aware of the minimum daily wage set by the government. However, respondents indicated that this minimum daily rate is rarely followed, and a local “daily rate” is more commonly used. It appears that although municipalities set a wage rate, it is not enforced in practice.

What makes a rate is what the local employer agrees on, and what is acceptable to us. They won't agree if we ask for the government rate – so what is the use of that rate for us? We all have a local rate.

Male, Harawa-Charawa community, Saptari

This study shows that low and inconsistent wages contribute to high economic instability among these communities. Daily or variable income streams are typically associated with a lower income and expenditure unpredictability, which in turn may result in more short-term financial decision-making. This has been shown to result in lower capital accumulation (such as savings or investment) and increased reliance on debt, further entrenching a vicious cycle of poverty.



Shelter for farmers working the land at a community farming group facilitated by Freedom Fund partner Community Improvement Center.
Photo credit: © Eva Jew/The Freedom Fund

Box 2: High vulnerability among Kamaiya, Haliya and Harawa-Charawa communities laid bare by the covid-19 pandemic

This study also investigated the effects of the covid-19 pandemic on Kamaiya, Haliya and Harawa-Charawa communities living in Bardiya, Saptari and Kanchanpur. The most direct economic impact of the covid-19 pandemic on all communities was the loss of household earnings, including remittances. There was variation between the communities in that there was a higher increase in vulnerability to employment insecurity among the Haliya and Harawa-Charawa when compared with the Kamaiya.

The study found that 99% of Harawa-Charawa households and 96% of Haliya households reported a loss of earnings – ranging from a slight reduction to complete earnings loss. In contrast, only 61% of Kamaiya households reported such declines. The analysis consistently demonstrated that Kamaiya and other households in the Bardiya district were much more economically resilient, with secure income flows, despite multiple covid-19 pandemic disruptions. Haliya and Harawa-Charawa households had much greater exposure to the adverse economic impacts of the pandemic, with a higher percentage reporting a sense of vulnerability and actual earnings decline from levels that were already lower to start with. Not only did Kamaiya households have greater financial reserves (higher savings and lower debt) and greater access to financial resources (loans), but a larger proportion of the respondents had secured ownership of their primary income asset – their land. All these factors would have likely contributed to the relatively lower employment insecurity in this district and its communities.

Another impact of the covid-19 pandemic was the prolonged closure of schools, which disrupted children’s education. Respondents reported that, in response, households resorted to putting their children to work to supplement household earnings. Qualitative data indicated that once children stopped going to school, they started taking up jobs in agriculture (largely girls but also boys for specific jobs) and non-agriculture sector (particularly boys).

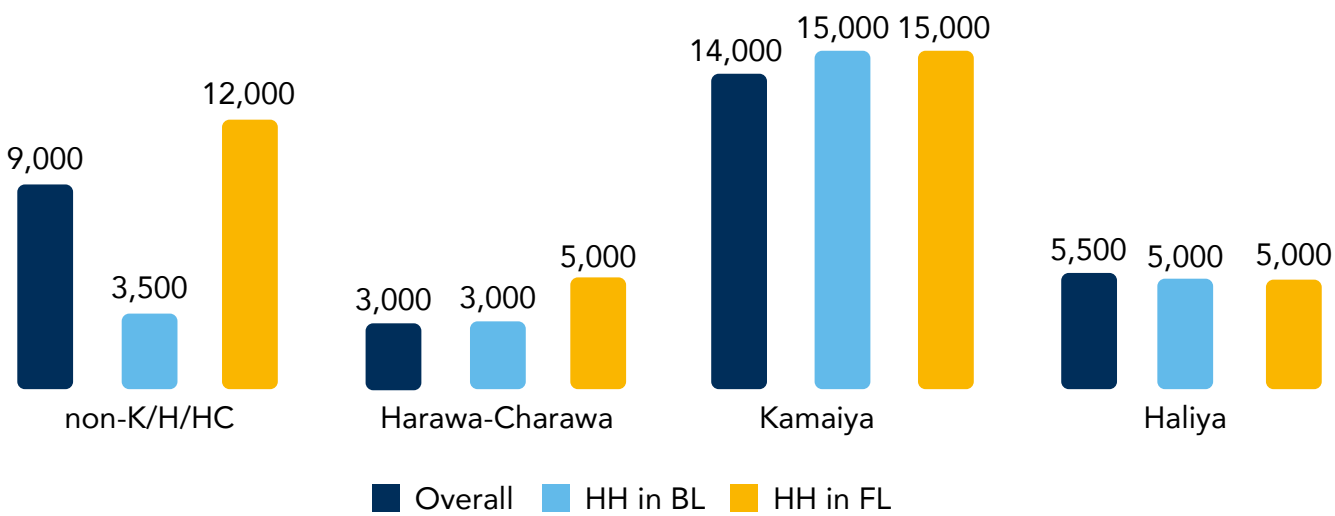
There has been an increase in dropouts from school after the covid-19 pandemic. Young boys stopped going to school even after it [re]opened. They did not go to school during the covid-19 pandemic and did not take online classes. They have now missed their lessons. So they don’t want to go to school. They were earning here by taking up harvesting work. Now, they are going to different places in India to earn an income.
Key Informant Interview, local social leader, Saptari

The covid-19 pandemic increased vulnerability by reducing household earnings and disrupting children’s education, resulting in more child labour. While the pandemic was a significant shock, it is not unique in demonstrating how external events can exacerbate existing vulnerabilities, particularly for the Haliya and Harawa-Charawa, who have had less time since liberation and little access to rehabilitation packages.

Key finding 6: Debts and loans are key factors in increased vulnerability and exploitation

Loans are one of the main reasons for continued bondedness as borrowers remain trapped in exploitative practices. The quantitative survey found that median savings were highest among Kamaiya households – NPR 14,000 (USD 112) compared with NPR 5,500 (USD 44) for Haliya and NPR 3,000 (USD 24) for Harawa-Charawa (see Figure 8).

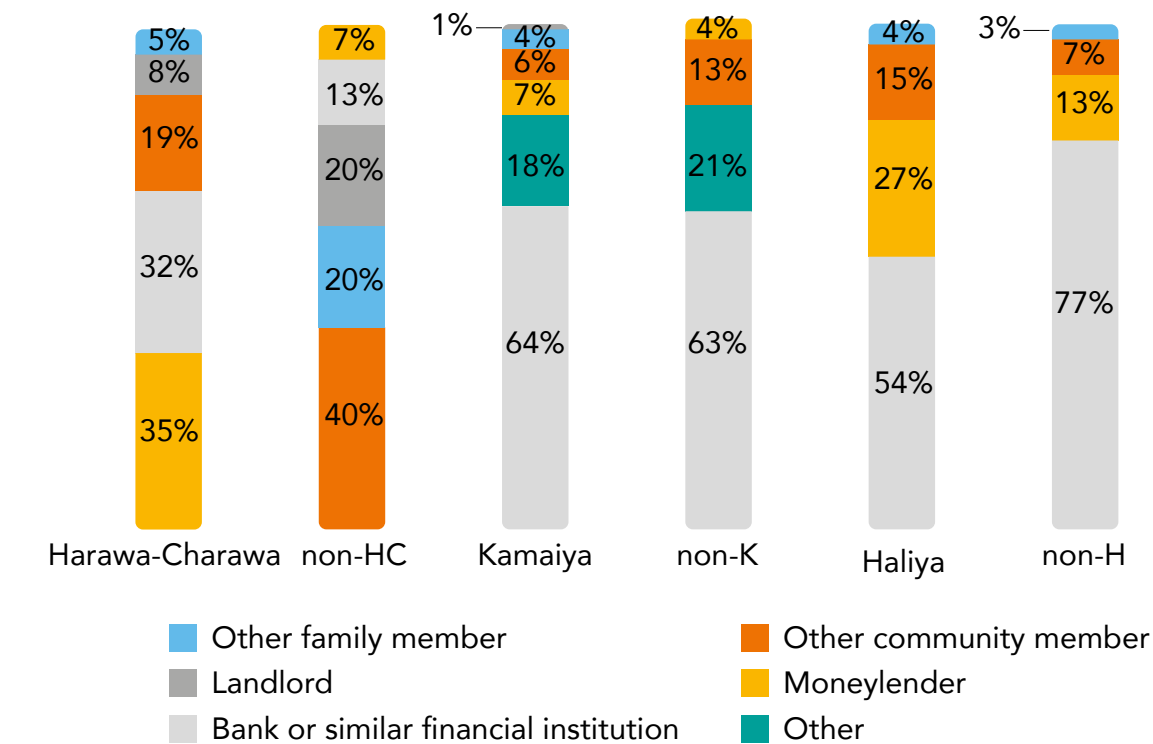
Figure 8: Household median savings across communities, in NPR (N=451)



Compared with the Haliya and Harawa-Charawa, more Kamaiya respondents are members of saving groups, microcredit institutions, cooperatives and local banks, and they have much more diversified livelihoods and the highest daily wages and income. All of these factors improve their ability to save and, as a result, they have the largest savings among the three communities. Haliya and Harawa-Charawa respondents reported less involvement in savings initiatives such as community savings groups. Similarly, the quantitative survey found that Kamaiya respondents have the lowest median debt (NPR 50,000 / USD 400), while Haliya and Harawa-Charawa reported much higher amounts of household debt (NPR 200,000 / USD 1,600 and NPR 150,000 / USD 1,200 respectively).

Taking out loans was common among the three groups. However, the sources of loans, the reasons for taking loans and the challenges related to loans were different for each group. The study found that Kamaiya households were more likely than Haliya, Harawa-Charawa and non-K/H/HC households to have taken out loans in the previous five years. The quantitative data indicate that formal financial institutions are a dominant source of financing in Bardiya (49% of Kamaiya loans) and Kanchanpur (52% of Haliya loans) (see Figure 9). In contrast, only 25% of Harawa-Charawa respondents in Saptari took loans from financial institutions. Over one-quarter of both Haliya and Harawa-Charawa households took loans from moneylenders (26% and 27%, respectively), while only 5% of Kamaiya reported using moneylenders.

Figure 9: Source of largest loan taken in the past five years (n=364)



The reasons for taking on debt varied, and this also affected the source of the debt. Table 5 shows the reasons for loans reported in the quantitative survey.

Table 5: Most important purpose of loans taken in the past five years, by community (n=364)

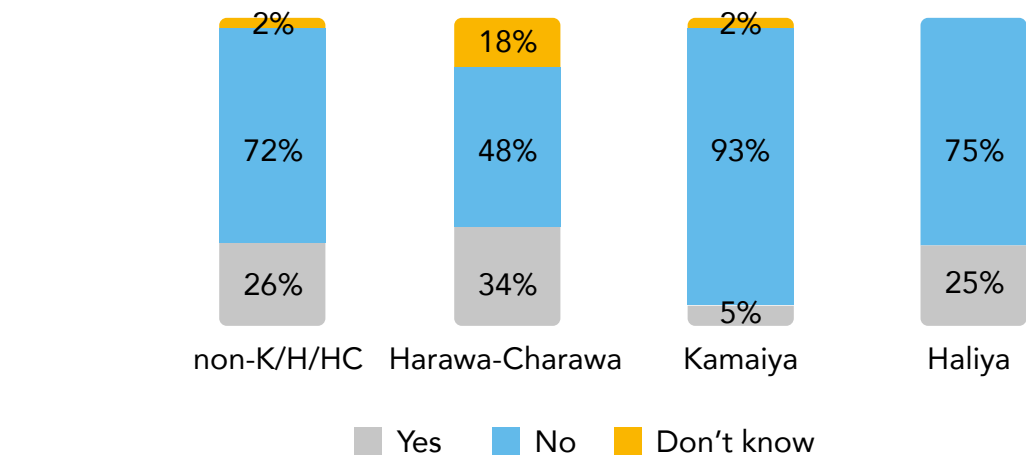
Importance	Kamaiya (n=89)	Haliya (n=113)	Harawa-Charawa (n=93)	non-K/H/HC (n=69)
1 st	Medical expenses	Medical expenses	Marriage	Medical expenses
2 nd	Purchase property	Purchase property	Medical expenses	Meet daily needs
3 rd	Start new business	Meet daily needs	Funeral expenses	Purchase property

While medical expenses featured as one of the most prominent reasons for taking out a loan across all communities, the study found Kamaiya households often borrowed money for investment and capital formation – such as property purchases and business development – which offer scope for returns (see Table 5). They also took loans to finance foreign migration and employment. These loans may help Kamaiya households generate income and build assets. The qualitative interviews indicated that Kamaiya were also more likely to pay loans back in their own lifetime, reducing the likelihood of passing debt to the next generation. They have also been released from the previous loans they owed before they were liberated, unlike the Harawa-Charawa, who, at the time of data collection, had not yet been legally freed.

In contrast, loans taken out by Haliya and Harawa-Charawa were predominantly used towards consumption, urgent demands and essential or social needs, with limited potential for generating returns. Large loans were often taken on for marriage, death rituals or illness or financing a family member’s migration for foreign employment. Haliya households also reported taking loans to meet household shocks, pay for food (especially during festivals) and fund seasonal migration to India. Haliya and Harawa-Charawa households seldom accrued financial returns from loans, were less likely to repay them and faced a greater risk of falling further into poverty and continued intergenerational bondage.

The intergenerational transfer or inheritance of loans is an important driver of bondedness. As shown in Figure 10, Harawa-Charawa households had the largest proportion of respondents with inherited loans (34%) and Kamaiya households had the lowest (5%). This matches the general pattern of earnings and savings discussed above, where Kamaiya households have greater potential to repay – both due to their higher earnings and asset ownership, as well as potential returns from investments. For Harawa-Charawa households, their low levels of financial resources and pre-existing debt burden raise the prospect of prolonged indebtedness.

Figure 10: Inheritance of loans by community (N=451)



The study’s findings on savings, debt, and loans suggest that debt cancellation – as promised in the liberation announcement – along with the development of microcredit schemes and other short-term, lower-interest loan options, can play a vital role in supporting recently liberated communities.

Key finding 7: Land ownership/entitlement reduces vulnerability related to displacement and home/dwelling distribution

The study found that communities who have had access to land ownership and rehabilitation packages are doing better than those who have not received these entitlements. Among the three communities, Kamaiya, who have been liberated the longest, reported the highest median incomes and savings, the lowest median debt and were more likely to use loans for investment and capital formation (Table 5). This pattern demonstrates that communities who were rehabilitated first are also where the impact of such initiatives is most widespread.

Home ownership is often the most significant asset for households, making it a useful indicator of economic status. Comparing the three communities, the quantitative survey found that more than 30% of Kamaiya and Haliya households owned the property they lived in. In contrast, only 12% of Harawa-Charawa households in the sample owned the dwelling they lived in (see Table 6), suggesting that Harawa-Charawa had relatively fewer assets – assuming the cost of dwellings is relatively consistent between districts. Conversely, nearly 85% of Harawa-Charawa respondents reported living on land owned by the government. Even among Kamaiya and Haliya communities, the government was the largest provider of dwellings, 69% and 66% respectively. Across all the communities in this study, less than 3% of households reported living in dwellings provided by their employer or the landlord.

Table 6: Ownership of dwelling among surveyed households (N=451)

	Kamaiya (n=117)	non-K (n=33)	Haliya (n=118)	non-H (n=33)	Harawa-Charawa (n=123)	non-HC (n=27)
Government owned	69%	42%	66%	61%	85%	100%
Own	30%	45%	31%	33%	12%	0%
Rented	1%	0%	1%	6%	0%	0%
Employer- or landlord-owned	0%	0%	2%	0%	2%	0%
Others	0%	12%	1%	0%	0%	0%

Communities who have received land from the GoN, such as the Kamaiya, have been able to use this as a foothold to improve their economic prospects – in contrast to Haliya and Harawa-Charawa households. Qualitative interviews underscore the heightened vulnerability of Harawa-Charawa families currently living on government-owned land, many of whom have experienced eviction or “relocation” when the land is reclaimed by the government for road building and other purposes. At the time of writing this summary report, the Ministry of Land was in the process of drafting rehabilitation guidelines for the Harawa-Charawa, which recognises the issue of evictions from government land and includes provisions for alternative settlement areas and money to build new homes. However, to date, the rehabilitation guidelines have yet to be approved by the Ministry of Finance for implementation.

While land ownership and entitlement are important, other aspects of the rehabilitation packages were also investigated in the study. The most common programs implemented in the study sites focused on livelihoods and skills, provided training on vegetable farming and tailoring and supported enterprise start-ups. Some initiatives provided cash or equipment after training, while others largely ended once training was complete. Unfortunately, the qualitative study indicated a disconnect between livelihood skills programs offered by NGOs and the government and the actual needs and contexts of the Kamaiya, Haliya and Harawa-Charawa communities. Respondents identified the lack of information and opportunity costs as the biggest barriers to accessing livelihood training or skills programs. In addition, some of these programs had specific requirements for participation, such as citizenship certificates, which excluded the most marginalised individuals from taking part.



Harawa-Charawa settlement.
Photo credit: © Eva Jew/The Freedom Fund

Box 3 presents a case study that illustrates how, despite limited access to formal rehabilitation packages, a family in bonded labour is actively navigating and making use of emerging livelihood opportunities to improve their economic situation. While they remain tied to a landlord under Haliya conditions, they are exercising greater choice in their work, diversifying income sources and gradually expanding their livelihood options.

Box 3: How a Haliya family navigates limited choices to sustain their earnings

Ram Sunar (not his real name) lives in rural Kanchanpur as a Haliya. He has a family of seven, five of whom are engaged in some form of economic activity. Their main sources of income are daily wage labour in agriculture and non-agricultural work, as well as sharecropping and a small family tailoring business in the village. He also has a small amount of savings in the local cooperative.

Originally from the hills area, he migrated to the Terai in search of better opportunities. Lacking land to settle on, he and his family began working under Haliya conditions for a landlord, who provided them shelter and work tilling the land. Over time, the family incurred debt and so continued working as a Haliya. Family members tilled the landlord’s land and also worked on construction sites as daily wage labour when agricultural work was complete.

Subsequently, Ram met a new landlord who agreed to pay off the debt with the previous landlord on the condition that Ram work for him instead. The new landlord provided Ram and his family a house to live in, and they continued to till land under Haliya conditions and as sharecroppers. Although Ram has enough savings to pay off the debt and remain free from Haliya conditions, he has chosen to stay. His landlord allows his family to take on outside work and they also receive a share of crops under the Haliya agreement. Ram says he cannot take on more land for sharecropping because he lacks the money to buy the agricultural inputs he would need to expand his sharecropping activities.

DISCUSSION AND RECOMMENDATIONS

This section builds on findings from the study and incorporates additional insights, including recommendations from study participants and feedback collected during the validation workshop held in Kathmandu in February 2023, involving stakeholders representing the Kamaiya, Haliya and Harawa-Charawa communities. The recommendations are grouped into four broad themes plus one cross-cutting topic.

Land reforms:

- Speed up land allocation and registration as a part of the GoN's rehabilitation package.
- Ensure that allocated land is suitable for agriculture, accessible and productive.

As the findings suggest, securing land ownership is a critical step in reducing economic vulnerability. As part of freeing and rehabilitating formerly bonded communities, the government and land commission have committed to land reform. However, its implementation needs acceleration, particularly for Harawa-Charawa, who were most recently liberated.

Previous land allocation to Kamaiya and Haliya also needs to be revisited to ensure that all eligible community members who were previously missed have access to the package. The GoN must also provide clear registration documents for proving and protecting land ownership, so that owners feel secure making long-term investments. Attention must also be given to the quality and location of the land provided. Rehabilitated bonded labourers require land that is suitable for agriculture, resilient to climate risks, protected from wild predators and contaminants, not prone to frequent flooding and well-connected to markets by road.

Agricultural reforms:

- Improve the productivity of small-scale farmers through increased access to modern farming knowledge and capital investment.
- Strengthen market access, support agro-enterprises and ensure fairer profit-sharing between landowners and landless farmers.

Access to land alone is not enough, unlocking its full economic potential also requires complementary capital investments and better farming techniques.

Expanding access to modern farming knowledge through local agriculture centres (such as "Krishi Gyan Kendras") and increasing participation in the Prime Minister's Agriculture Modernisation Programme, can help farmers improve their techniques and generate better yields. Alongside increased access to capital by providing loans with more affordable terms, there should also be efforts to improve financial literacy among formerly bonded communities, to support the use of loans for productive purposes rather than for consumption.

Ensuring fairer profit-sharing between landowners and landless farmers, along with strengthening market access, can improve earnings and reduce vulnerability to forced labour. Supporting agro-based enterprises can help diversify livelihood opportunities, increase incomes and provide greater stability in the face of agricultural uncertainties, helping to address seasonal unemployment and poverty in these regions.

Non-agricultural employment reforms:

- Diversify job opportunities beyond agriculture by offering market-relevant skills training that is accessible to all.
- Ensure that training is tailored for different populations, including women, youth and people of different ages and education levels.

The findings suggest that relying on agriculture increases economic vulnerability. While improving access and productivity in agriculture is important, diversifying sources of income outside agriculture will further improve resilience. While these three districts are primarily agrarian and transitioning formerly bonded communities into new occupations can be challenging, efforts should focus on expanding livelihood opportunities both within and beyond agriculture – including in vocations such as services and manufacturing.

Education and skills training for youth should be prioritised and tailored to expand livelihood opportunities for diverse population groups. Training programs should align with the interests and opportunities for women and girls. Older populations, who may not transition easily to non-agricultural jobs, could benefit from agro-related occupations. Skills training could be connected with targeted work opportunities outside agriculture, thereby expanding meaningful choices for livelihoods.

Bringing training centres closer to communities would lessen social and economic barriers, allowing participants to maintain access to their current livelihoods and manage household responsibilities. Daily stipends during training would also help offset the income loss during hours of training. These would make training more accessible and allow formerly bonded communities to gain skills without making them more vulnerable. Finally, integrating safe migration messaging into training could lead to more informed migration decisions and lower the risk of exploitation for community members seeking work abroad.

Socio-economic and legal reforms:

- Strengthen monitoring and enforcement of existing minimum wage and labour laws.
- Protect vulnerable persons and their property by ensuring access to vital documents such as citizenship and birth registration.
- Develop community-based micro-savings schemes to break intergenerational cycles of debt.

The study identified high rates of forced labour in Kamaiya, Haliya and Harawa-Charawa communities, highlighting an urgent need to prevent exploitation for those emerging from bonded labour. Entitlements protected under existing labour laws – such as leave with pay, minimum wages, maximum working hours and child labour protections – must be underpinned by the necessary systems and resources to ensure effective enforcement.

Local municipal wage committees determine minimum pay rates, but effective implementation will require collaboration with NGOs and community-based organisations. Findings suggest that vulnerability is worsened by factors such as lack of access to land, capital and insurance, faulty or fabricated land registry data and unresolved disputes over land ownership. Therefore, strengthening institutional responses is crucial. Key priorities include transparent and enforceable land records, more timely and effective dispute resolution mechanisms and legal safeguards against exploitative lending practices by financial institutions such as banks, cooperatives and microfinance institutions.

Lack of vital documentation, such as citizenship and birth registration, increases vulnerability among these communities and can prevent them from accessing government benefits such as rehabilitation packages. Thus, it is essential to ensure that all Nepali citizens, especially women, have access to identity and other personal documents. Finally, setting up and supporting micro-saving schemes can help vulnerable households cope with short-term stresses and build longer-term economic stability.

Cross-cutting recommendations related to the scope and scale of intervention

- Expand programs to include all vulnerable households by considering factors such as location, age, education and gender, rather than solely focusing on ethnic identity.
- Develop programs to strengthen social protection, including promoting school attendance and protecting child labourers.

The study found that many of the challenges faced in the three districts extend beyond the Kamaiya, Haliya and Harawa-Charawa communities, these issues are endemic and also affect non-K/H/HC households in the broader districts and regions. Sustainable and equitable progress in meeting these challenges requires acknowledging and addressing economic and social issues across entire localities and regions and expanding programs along these lines. This will involve coordination and collaboration with local communities, government, NGOs and other stakeholders to ensure that no one is left behind.

Findings suggest that the absence of social protection mechanisms contributes to vulnerability among communities. Therefore, interventions need to address unmet social protection needs in communities, including promoting school attendance and reinforcing protections against child labour.

CONCLUSION

Bondedness is a complex, evolving issue shaped by multiple, intersecting factors. It affects different groups of people differently, depending on when they were liberated, what economic opportunities are available to them, their age or the generation they belong to, where they live, and the kinds of social and gender norms they abide by. Although there are important differences across the Kamaiya, Haliya and Harawa-Charawa respondents who participated in this study, they also share similarities, including with the non-K/H/HC respondents living in the same areas. This implies, therefore, that some economic opportunities and challenges are influenced by geographic factors rather than ethnic identity. Addressing these shared vulnerabilities require long-term, inclusive capacity-building programs aimed at breaking the intergenerational transfer of poverty, improving economic resilience and promoting sustained livelihoods free from exploitation.



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ANNEX 1: COMPARATIVE INFORMATION ON STUDY LOCATIONS

Study Location	Bardiya	Kanchanpur	Saptari	Nepal
Communities in bonded labour (date of liberation by Nepali govt)	Kamaiya (July 2000), Kamlari	Haliya (September 2008), Khaliya	Harawa-Charawa (July 2022)	Not available
Province	Lumbini	Sudurpashchim	Madhesh	Not applicable
Area (sq. km.)	2,025	1,610	1,363	147,181
District composition	6 municipalities and 2 rural municipalities	7 municipalities and 2 rural municipalities	9 municipalities and 9 rural municipalities	Not applicable
District HQ	Gulariya	Mahendranagar	Rajbiraj	Not applicable
Population	459,900	513,757	706,255	29,164,578
Sex ratio (M/F), %	89	88	99	96
Population density (person per sq. km)	227	319	518	198
Prominent languages	Tharu, Nepali, Hindi, Awadi and Magar	Doteli, Tharu, Nepali, Baitadeli and Bajhangsi	Maithili, Tharu, Nepali, Urdu	Nepali (44.6%); Maithili, Bhojpuri, Tharu, Tamang, Newar
Literacy rate (%) in 2021	77	80	68	76
Poverty rate (%) in 2013	29	31	40	25
Primary occupation of workforce (%)	Agriculture 62% Elementary work 21%	Agriculture 66% Elementary work 15%	Agriculture 47% Elementary work 33%	Agriculture 50% Elementary work 23%
Foreign employment approvals in 2021/22	6,429	4,736	18,327	630,089

Sources: Populations statistics from the [Preliminary Report of National Population Census 2021](#), NSO, GoN and [National Population and Housing Census 2021](#). National literacy rate data from [Annual Household Survey-Major Findings 2016/17](#) (Central Bureau of Statistics, National Planning Commission, GoN). Poverty rate data from [Chandan Sapkota's blog](#) citing NSO, GoN Statistics for 2013. Foreign employment data from [Nepal Migration Report 2022](#), GoN.

ANNEX 2: RESEARCH METHODOLOGY

This annex provides more information about the research methodology. Additional information and the survey and qualitative interview tools can be accessed upon request to the Freedom Fund.

Data collection methods

A quantitative survey was conducted with 451 households distributed across the three districts and bonded labour communities, using a stratified random sampling scheme. Approximately 80% of the sample was Kamaiya, Haliya and Harawa-Charawa and the other 20% of households were stratified to similar socio-economic conditions but were not identified as bonded labour.

Qualitative focus group discussions (12), individual in-depth interviews (36) and case studies (9) were conducted with a subset of individuals (household head or spouse) from participating households. For the market assessment, a total of 24 key informant interviews were carried out with skills providers, government advisors and policy and program developers, local NGOs, political leaders and activists at the national and local levels. All data collection was carried out by trained staff who had prior data collection experience and spoke local dialects. The study instruments were piloted in each location. Preliminary findings from the survey were used to refine the focus group discussion and interview tools.

The unit of analysis for the survey was the household because some but not all members of a household might be engaged in bonded labour, and the household's social and economic situation affects vulnerability and decisions for work opportunities and taking loans.

Study limitations

These results are representative of Kamaiya, Haliya and Harawa-Charawa communities in the three districts but should not be generalised beyond the study population. Due to time and resource constraints, the fieldwork was limited to one study district for each group/community. Thus, the findings might reflect the local context.

Only one household in the survey identified as both Kamaiya and currently in bonded labour, making it difficult to draw conclusions or make comparisons with the Haliya and Harawa-Charawa households in bonded labour. For this reason, the identification of households meeting the ILO definitions of forced labour is particularly important. Finally, these results are not generalisable beyond the study population and may not be representative of all Kamaiya, Haliya or Harawa-Charawa communities. Nonetheless, this study provides important insights into decent livelihood opportunities for formerly bonded labour communities across Nepal.



Tharu woman with her animals
Photo credit: © PACO COMO/Adobe Stock

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The Freedom Fund (UK)

Lower Ground
Caledonia House
223 Pentonville Rd
London, N1 9NG
+44 20 3777 2200

The Freedom Fund (US)

315 Flatbush Avenue
#406
Brooklyn, NY 11217
USA
+1 929 224 2448



www.freedomfund.org



info@freedomfund.org

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