

Financial Asset of Livelihood: A Case Study of Dalits in the Mahottari District of Nepal

Mr. Madhav Mainali¹

Abstract

The nexus of poverty and livelihood has been discussed widely in global context. This paper deals with the discussion of socio-economic status and livelihood of the Dalits, one of the most deprived communities in Nepal. The study was empirically conducted in Mahottari district, Province No. 2 of Nepal. The paper particularly follows financial capitals of the Dalits. The analysis presented here is based on the primary data, empirically evident from the field conducted during July-August 2018. The findings show that the Dalit community has very poor stock of financial capitals as manifested their weak employment status, low livestock income, high household level expenditures and increasing debt. The study largely adopted a quantitative technique following a household survey purposively selected 315 households, and a case study was also taken to saturate the findings.

Key words: Dalits, livelihood, financial asset, Nepal

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I. INTRODUCTION

1.1 Situating the 'Dalits' in study

Historically, the Dalits were highly dependent on caste-based occupations regulated by a structural institution and power hierarchy of orthodox Hinduism. The institutions were rooted in the political economic system of the society, which also contributed the Dalits to be relied on the 'given tasks' of the society. The tasks are now known as 'traditional occupations' and the Dalits became 'occupational caste' as such. In other words, livelihood of Dalit was largely based upon their caste-based occupation (Koirala, 1996; Shahi, 2015). In Nepali society, including the Indian sub-continent, Dalit are suffering from the lack of sufficient livelihood option due to caste based occupations and their associated social institutions like Khalo, Haliya partha, Balighare Pratha, etc². Dalit themselves are not single category but also heterogeneous in terms of caste and class status as specified in the given social structure. In addition, Dalit have been working as wage labourers and land ploughers for a long time. Due to insufficient livelihood options, they also gradually started to take loans and loan amount increased due to higher interest rate. Hence, it can be presumed that the socio-economic activities of the Dalits are institutionalized by unfair wage, debt bondage and caste based discrimination existing in Nepali society (Cameron, 2010; Bhatt, 2017).

1.2 Livelihood assets and livelihood strategies

In a very simple understanding, the term 'livelihood' denotes 'means of making a living' and the 'ways of life'. It includes various activities and resources that allow people to live, foster and sustain. There is no universally valid meaning or definition of the term livelihood, though the concept has been popularly introduced in the development discourse since 1980s. One of the earliest and most often cited definitions of livelihoods argues that it comprises the capabilities, assets (including both material and social) and activities required for a means of living (Chambers & Conway, 1992). They further argue that the livelihood becomes a sustainable when it can cope with and recover from stress and shocks (drought, flood, war, etc.), maintain or enhance its capabilities and assets, while not undermining the natural resource base. Later, Scoones developed it in a more

¹ Mr. Mainali is an independent researcher/ entrepreneur based on the USA. He is lead author of this research paper. Corresponding Email: madhavmainali@gmail.com

² Various services of *Dalits* are supplied in the context of an ongoing relationship between a client and craftsman, a system also known as patron-client relationship. These relationships are known by different names in different parts of country such as *Bali Ghare Pratha* (Eastern Nepal), *Khalo Pratha* (Western Nepal), and *Khan System* (in Tarai). *Haliya Pratha* refers to system of hiring people for ploughing landlord's land. Semi bondage, caste based exploitation and unfair wages are the common problems being faced by them.

critical and rural context that encompasses the critique of INGO-based models and urban-biased approaches on livelihood (Scoones, 2009, 2015)

Research from a range of disciplines shows that, globally, the rural poor employ a vast range of livelihood strategies to meet basic needs and increase their well-being (Ellis & Biggs, 2001). The context of well-being has been also debated in the livelihood context and many researchers (e.g. Scoones, 2009; Sapkota, 2014) have been largely focused on the non-material dimension of the well-being and livelihood, including people's identity, esteem and dignity and so on.

II. MATERIALS AND METHODS

This study has followed a post-positivist epistemological position and quantitative approach (Creswell & Plano Clark, 2011). The study was empirically based on the Ramgopalpur municipality of Mahottari district in Province No. 2 of Nepal. It was formed in 2017 by merging old municipality of Ramgopalpur, and three VDCs including Basbitti, Sahasaula and some parts of Khopi. It occupies an area of 39.54 sq. km with a total population of 29,612. This includes including male population of 14767 (i.e. 48.6%) and female population of 15645 (i.e. 51.4%) (CBS, 2012). The major caste/ ethnic groups in this municipality include the Brahmin (Tarai and hill), middle caste groups (Yadavs and Chettries), Muslims, and the Dalits (Tarai origin). Seven percent of Dalits are living in the municipality, most of them are of Tarai origin (including Paswan, Ram, Mushar and Harijan) though a very few are also from the hill-origin (including Bishokarma and Chamar). The study employed a 315 Dalit HHs as samples for this study. The data analysis was based on the SPSS tool including simple percentage and ANOVA test (F, T and P tests).

During the data collection and analysis, financial capitals has been taken as a unit of analysis for livelihood formation among the Dalits. The financial capitals denote financial resources that people use to achieve their livelihood objectives, and comprise the availability of cash or equivalent that enables people to adopt different livelihood strategies. In the present study following two sources of financial capitals has been included:

- 1) Available stock: comprising cash, bank deposit or liquid asset such as livestock and jewelry, not having liabilities attached and usually independent of third parties.
- 2) Regular inflow of money: comprising of labour income, pensions or other transfers from the state and remittances which are mostly dependent on others and need to be reliable.

III. RESULT AND FINDINGS

3.1 Major sources of livelihood

The Table 1 shows different kinds of livelihood options and sources that the Dalits followed. The major source of livelihood of Dalit family was farming (54.6%). It follows the works whatever available to them (31.1%), and wage labour (10.2%). Only few people had income sources from official works and foreign employment/ remittance. It confirms an agrarian dominance in the livelihood, though the Dalits had very low land entitlements. Leasehold farming or share cropping for many Dalits, as observed during the data collection, had been more problematic and to some extent burden too due to lack of sufficient agricultural inputs, low production, weak subsidy policies and fluctuation in the markets. They were therefore wanted to escape from farming towards off-farm or non-farm activities whatever would be available for them. The Dalit youths often expressed their tragedy that foreign employment had been one of such alternatives for them though had to face many problems in this regard due to their low educational status and lack of cash money to invest for the employment.

Table 1: Status of Dalit HHs on major source of livelihood in family

Source	Total	
	Frequency (N)	Percentage (%)
Farming	172	54.6
Wage labour (in industry and in other's farm)	32	10.2
Work in office/ job	7	2.2
Foreign employment	6	1.9
Work whatever available	98	31.1
Total	315	100.0

Source: HH Survey, 2018

3.2 Employment status

Employment status has different kinds of direct/indirect implications in the livelihoods of the Dalits. The Table 2 briefly portrays the employment status of the Dalits in the study region. It is a clear indication for that majority of Dalits were unemployed or they had low employment opportunities. Fully unemployed people

were increasingly observed (64.1%) while there were fully employed Dalits at the margins (1.6%). The unemployed status has been defined as the jobless or unemployed condition for more than last six months, while partially employed condition is the employment having at least 1 month to any kinds of seasonal employment (but not throughout the year) in the last year. The fully employed status is a kind of having job/ service or employment throughout the whole year.

Table 2: Employment status of the Dalits

Employment status	Sex		Total	
	Male (%)	Female (%)	N	%
Fully employed	1.1	2.2	5	1.6
Partially employed	36.9	30.9	108	34.3
Unemployed	62.0	66.9	202	64.1
Total	100.0	100.0	315	100.0

Source: HH Survey, 2018

Interestingly, there was a quite clear picture of gender balance in all categories of employment status. It happened due to many of non-skill wage labour market being developed in the municipality which is very close to district headquarter (Jaleshor) and adjacent with the National East-West highway. Some of the women also worked with their husbands or fathers and even went to the Indian labour market.

Regarding the employment status from sector-wide perspective, there was a similar kind of reflection as discussed in previous table. The Table 3 describes the sectors of employment that the self-employed Dalits were in nominal level (20.4%). The contribution of informal sector was significantly seen to be the major one (71.7%) as compared to formal sectors of employment. It indicates that the Dalits were still being less accessed to permanent jobs and income opportunities that would sustain their basic needs. Only 8% percent of the households were involved with formal jobs like government and semi gov. job, school teacher, etc. It reflects their poor inclusion and participation in the mainstream state mechanisms.

Table 3: Sector of employment if partially/fully employed

Sector of employment	Sex		Total	
	Male (n=68)	Female (n=45)	N	%
Self-employment	25.0%	13.3%	64	20.4
Formal sector	8.8%	6.7%	25	8.0
Informal sector	66.2%	80.0%	226	71.7
Total	100.0%	100.0%	315	100.0

Source: HH Survey, 2018

3.3 Livestock

Livestock is one of the important components in the Nepalese farming system. Table 4 shows that goats have been the major livestock raising means, though the sharing of goats by the Dalits was uneven in the subsequent districts. The goat-farming was followed by 64.1 percent of the Dalits, while there were 58.7 percent of buffalo-rearing, 50.2 percent hens/ ducks-rearing, 23.5 percent bullock rearing and so on. Only a few of them had pig rearing, as it was more expensive to rear and also needed much land/ place though it paved to a high and immediate income. As the upper caste Hindus have cultural restrictions for the pig farming (its touching, rearing and consumption), the Dalits faced a problem to gain support of the neighbors and Hindu followers. Due to existing power hierarchy, nor they could go against the upper caste people of the society. This indicates that there was a diverse nature of livestock rearing as a part of livelihood, often blended to cultural nexus too.

Table 4: Dalit HHs raising livestock and poultry

Livestock/poultry	Total	
	Number of HHs	Percentage
Cows	62	19.7
Hens/Ducks	158	50.2
Buffalo	185	58.7
Goats	202	64.1
Bullock	74	23.5
Pigs	8.3	2.6
Others	2	0.6

Source: HH Survey, 2018

The researcher further asked to the respondents to estimate the average of livestock income. Table 5 shows that average income has been found higher by the selling of the buffaloes (147 USD) followed by selling of the pigs (91.5 USD) and goats (87.7 USD). The meat product and dairy products are also the livestock components, whereby researcher found that selling of dairy products from buffalo marked a higher income (94.9 USD) as compared to the selling of meat of pig (54.9 USD) and selling of milk products of the cows (including its use in plough) (36 USD). They had an average annual income of 31.3 USD by selling of meat of the goat. People used to sell hens and ducks directly to the customers from which they got 56.5 USD as an average annual income.

Table 5: Average annual income (NRs) generated from livestock/poultry

Livestock/poultry		Total (NPR)	Total (\$USD) ³
Buffalo	Sale	15000.0	147.0
	Product sale (milk and ghee)	9680.0	94.9
Cows/ Oxen	Sale	8000.0	78.4
	Product sale (milk and ghee; plough)	3680.0	36.0
Goats	Sale	8950.0	87.7
	Product sale (meat)	3200.0	31.3
Hens/ Ducks	Sale	5771.4	56.5
	Product sale (meat)	0	0
Pigs	Sale	9333.5	91.5
	Product sale (meat)	5600	54.9

Source: HH Survey, 2018

1.4 Household Earning and Expense

As per the latest Nepal Living Standard Survey (NLSS, 2010/011), all households lie below the poverty line if they fail to meet the threshold value of income of NPR 19,261 (188.8 USD at the survey time of this research) per person in family (CBS, 2010/2011). Though the present study did not follow these criteria exactly, the local context of study revealed various indications. Table 6 and Table 7 show household earning and expenses of the Dalits in the study region. Household earning was perceived as the money received by a household in a month from various sources like agriculture, livestock, service, caste-based occupation, wages etc. Similarly, household expense was calculated based on monthly expenses on the food items, clothing, school, medicines, housing etc.

In comparison of the figures, the average earning and average expense for a single household were NRs 55489.4 (544.0 USD) and NRs 79782 (782.1 USD) respectively. It means that majority of households were living below the poverty line. In both the cases i.e. earning and expense as per standard deviation, higher variability was found. This further indicates that the annual earning was not sufficient to cover all the household expenses. That's why all the households in this study seemed to be living in deficit and they had to take loan from different sources.

Table 6: Average income from various sources (NRs) (per year)

District	Agriculture	Livestock	Service	Job/Profession	Wage	Loan	Other	Total income	
Total (NPR)	1970.3	427.0	3327.6	5094.6	27121.6	12181.6	5366.7	55489.4	
Total (USD)	19.3	4.1	32.6	49.9	265.8	119.4	52.6	544.0	
ANOVA test	F value	3.155	.526	.380	4.672	4.602	2.593	8.263	6.108
	P value	.044	.591	.684	.010	.011	.076	.000	.003
	Result	Significant	Not significant	Not significant	Significant	Significant	Not Significant	Significant	Significant

Source: HH Survey, 2018

Table 7: Average expenditure from various sources (NRs)

³ Based on the exchange rate during the survey time (1 \$USD=102 Nepali Price Rupees, i.e. NPR)

	Monthly expenditure								Total yearly Exp.	
	Food	Clothing	Educati on	Health	Festivals/ recreation	Loan repayment	Other	Total exp. (month ly)		
Total (NPR)	3509.4	675.6	251.6	718.4	468.9	946.8	77.8	6648.5	79782.0 (i.e. 782.1 USD)	
Total (USD)	34.4	6.6	2.4	7.0	4.5	9.2	0.7	65.1		
ANOVA test	F value	8.578	13.620	.623	.964	12.361	3.771	2.870		.954
	P value	.000	.000	.537	.382	.000	.024	.058		.386
	Result	Sig.	Sig.	Not sig.	Not sig.	Sig.	Sig.	Not sig.	Not sig.	

Source: HH Survey, 2018

Table 7 further shows that the monthly expenditures on food, clothing, festivals, recreation and on loan repayment had been the most significant in the study site, but health, education and other expenditures were not significant though. Expenditure in food was seen quite higher (i.e. 34.4 USD per month), which indicates the higher priority of Dalits on food. It might be due to their low land entitlement and agricultural production. But, the expenditure in loan repayment was at the second position (NRs 946.8, i.e. 9.2 USD per month) which means an extreme poverty and debt among the Dalits. Similarly, the low investment in education and health could perpetuate such condition of poverty and deprivation in the long run. It seems an irony to the mainstream development discourse.

3.5 Loan and Debt

The study findings show that the poverty among the Dalits has been coupled with their loan liabilities. They had two types of loans; the first being transferred by their parent and the second one created by themselves. As reflected in Table 8, about four-fifth (i.e. 234 HHs out of the total 315 HHs) of the households took loan during the deficit periods which belonged to various ranges and sources. Paternal type of loan was conceived by a few Dalits (35 HHs, i.e. 15%) while majority of the Dalits had entangled with self-generated loan (199 HHs, i.e. 85%).

Table 8: Types of loan liabilities among the Dalits

	Paternal		Self-earned		Total	
	Number of HHs	Percentage of HHs	Number of HHs	Percentage of HHs	Number of HHs	Percentage of HHs
Total	35	15.0%	199	85.0%	234	81.0%

Source: HH Survey, 2018

There were different sources of loan and credit for the Dalits (see Table 9). While analyzing sources of loan, majority of the households reported that they took loan from informal sources. An informal source refers to neighbors, relatives, friends and local land owners or money lenders. About one-fifth (17 %) of the households reported that they took loans from formal sources, which comprised banks and Samuha (saving and credit groups). The merchants (including local businesspersons and producers) had been the main source of loan for Dalits (67.1%). The percentage of households who used to borrow the loans from cooperative group was also high (23.9%) which follows the Dalits who borrowed loans from their friends and relatives (25.2%). The co-operatives and saving groups were mushrooming in the villages though they had been led mostly by the upper caste/ class people and the non-Dalit elites. Yet, the access of Dalits to banks was very weak so that only a few households (9 HHs, i.e. 3.8%) could take loans from there. It may be due to the tendency of depending on the individual sector than the institution due to lack of awareness or lack of large scale entrepreneurial skills and behaviors.

Table 9: Source of loan among the Dalits

Source	HHs (Number or Percentage)	Total
Friends and relatives	Number	59
	Percentage	25.2%
Merchant	Number	157
	Percentage	67.1%
Cooperative groups	Number	56
	Percentage	23.9%
Bank	Number	9
	Percentage	3.8%
Others	Number	3
	Percentage	1.3%

Source: HH Survey, 2018

Moreover, there were different modes and payment mechanism of the loan borrowed by Dalits. As reflected in the table 10, around 40 percent of the household were unable to pay their loan in the given contractual time. In the same way, 27.4 percent of them lost their collateral being unable to pay the loan as per the contract, and some(9.8%) would pay the loan along with the penalty.

Table 10: Situation of loan and payment

Loan situation	HHs (Number or Percentage)	Total
As per contract	Number	42
	Percentage	17.9%
Paid along with penalty	Number	23
	Percentage	9.8%
Seized the co-lateral	Number	64
	Percentage	27.4%
Have paid by taking loan from other	Number	11
	Percentage	4.7%
Unable to pay	Number	87
	Percentage	37.2%
Going on	Number	20
	Percentage	8.5%

Source: HH Survey, 2018

Consequently in entangles with the condition of extreme poverty and dependency. This shows how burden is the loan payment for the Dalits and how it could affect to the formation of their financial capital. The case study presented below further narrates a tragedy in this regard.

Case study: A Dalit woman: I am waiting for nothing

Lachuni Ram was 70 years old. She lived in Balarampur-3, Mahottari district with her two sons and their wives (daughters in law) and three grand son and daughters; all were 8members in her house. She had lost her husband some years ago. When I visited at her home, I encountered with several thundering feelings upon me. She had a small house with two rooms. One room was for cattle and livestock another was kept for kitchen and bed room. The room was not so big and was a little bit dark. The adjustment of a big family with this small territory was achallenging for them. But, she had a smile; probably she had, but not to show. She expressed her sorrows but thought that was not big problem.

IV. CONCLUSION

In this paper, I have presented a field-based reflection about the economic status of Dalit of Balarampur municipality of Nepal from the perspective of financial capital. Sampled households constituted 315 HHs which were characterized by poor Dalits. The livelihoods of people living in the study area was not more diverse in nature, mostly characterized poor and weak financial attributes; though such attributes were unevenly distributed among the Dalits. The conclusions are as such:

- Poor and limited sources of income; dominant by agriculture though in diminishing trend
- Majority of fully employed Dalits; no access to formal and long-term employment opportunities

- Livestock as a source of income, though in very challenging due to poor land holding and some cultural restrictions to the Dalits
- Excess of household expenditure to the incomes; indicating a poverty cycle deepened
- Dominance of informal loan system (by merchants and local elites) than the formal sources; loan liabilities both adhered by oneself as well as by the parents eventually leading to collapse of collateral at times

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