

## Livelihood Change and Household Strategies: Social Divergence of the Working Class in Dhading

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### Abstract

*How do households, in an agrarian setting under transition, reposition themselves amidst the increasing opportunities and constraints posed by expansive capitalist market? Do household responses exhibit any pattern that helps us understand long term social change? If so, what theoretical significance does such a pattern instigate in the wider political economic context of shifting class formations? This article mainly discusses recent dynamics in the organisation of production in Mahesh Khola, the research site in the South-East Dhading, from the perspective of intra-class divergence and social differentiation. It argues that the working class in Mahesh Khola is undergoing a process of internal differentiation that is reflected in two main, rather opposite, trends: on the one hand, part of the rural workforce is migrating to the capital city of Kathmandu in search of urban jobs, while on the other hand, and in contrary, an important segment of the same has intensified its engagement in agriculture. As a matter of fact, one can notice a weakening up of the working class in the rural setting.*

**Keywords:** Agricultural self-employment, household strategy, Mahesh Khola, nonfarm wage, relations of production.

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### 1. Introduction

Wallerstein, one of the strong advocates of a structural analysis of the way the capitalist world-economy expands on a global scale and affects the country or regions unevenly, suggests we look at the way capitalism breaks the links between the household organisation and its territoriality; the way it creates a “partially waged” labour force to allow more accumulation; and, the way households’ participation in the labour force is stratified (Wallerstein 1984: 19). To Wallerstein, these are the mechanisms that bring households increasingly into the orbit of the capitalist world economy. Taking into account several ambiguities that the household strategy approach suffers from, this article aims to discern patterns that emerge in the longer term process of household coping that aims at, what Davies (1993: 60) calls, “livelihood security.”

This article aims to answer a couple of specific research questions: how do households, in an agrarian setting under transition, reposition themselves amidst the increasing opportunities and constraints posed by expansive capitalist market? Do household responses exhibit any pattern that helps us understand long term social change? If so, what theoretical significance does such a pattern instigate in the wider political economic context of shifting class formations?

To attempt a response to these questions, this article mainly discusses recent dynamics in the organisation of production in Mahesh Khola<sup>2</sup> from the perspective of intra-class divergence and social differentiation. It argues that the working class in Mahesh Khola is undergoing a process of internal differentiation that is reflected in two main, rather opposite trends: on the one hand one trend is that part of the rural workforce is migrating to the capital city

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<sup>2</sup> Mahesh Khola, a pseudo-name used to conceal the actual identification of the location, is the site of my doctoral research. The area is located immediately outside Kathmandu Valley on its west and encompasses the surroundings consisting of about 42 settlements in or around an area conventionally known as “Dhunibesi” in Dhading district. The field research on which this article derives data was carried out in 2007.

of Kathmandu in search of urban jobs, while on the other hand, and in contrary, an important segment of the same has intensified its engagement in agriculture.

Two issues emerge as vitally important in relation to the focus of the present article. First, in identifying similarities in the range of strategies that households adopt, one can conclude that household strategies broadly represent class-specific behaviour. Second, in identifying some patterns of household response as a manifestation of local response to capitalist encroachment class-differentiated analysis of household response can potentially illustrate how capitalism penetrates into the countryside and how efficiently it expropriates potential savings at the service of its metropolis.

## **2. Conceptual Underpinning of the Notion of Household Strategy**

There has been a long debate in social science, particularly in sociology (Wong 1984; Smith, Wallerstein et al. 1984a) and in economics (Evanson 1976) as to whether the household is the appropriate unit of analysis in understanding longer term social change. In sociology, the household has been very widely used in the analysis of income-pooling (Friedman 1984), labour-pooling (Smith 1984), subsistence reproduction (Evers, Clauss et al. 1984; Warde 1990), or the capitalist world-economy with specific reference to labour-force formation (Wallerstein 1984). Among this wide array of perspectives, I find Wallerstein the most relevant to the focus of the present research because he posits households as the unit of capitalist accumulation.

He argues that households, like any other institutional structures, “are not givens. They tend to be loci of, indeed objects of, contradictory attempts to shape them” (Wallerstein 1984, p. 20; see also Smith, Wallerstein et al. 1984a). To Wallerstein, the household level analysis is important in three respects: first, in analysing the way capitalism breaks the links between the household organisation and its territoriality (and eventually diminishes its co-residential

arrangement); second, the way capitalism creates a “partially waged” labour force to allow more accumulation; and third, the way households’ participation in the labour force is stratified (Wallerstein 1984, p. 19).

Household strategies are defined as “the bundle of...responses” that they devise under a situation of “recurrent threats” and aim to “minimize risk” or ensure “longer-term livelihood security” (Davies 1993, p. 60). These mostly refer, however, to coping strategies in the short term and social adaptation (or what I would call household repositioning) in the longer term. Recently there has been an increase in social science interest in longer term household strategies (in the sense of adaptation to a new situation) in which outcomes of fundamental changes in livelihood systems are taken into account (Davies 1993, p. 60). They mostly refer to strengthening household resilience to more structural vulnerabilities, such as market encroachment (see Davies 1993, p. 62).

The notion of household strategy suffers from a number of ambiguities. One ambiguity relates to a proper distinction between what is “strategic” and what is not. Does every household always necessarily take rational decisions? What about the non-rational or irrational actions (Wallace 2002) or unconscious strategies (Morgan 1989)? What seems more important to me, therefore, is whether household actions or decisions were taken consciously, and whether that had been sufficiently discussed with family members, so that the decisions were owned by the members with whom it would have an impact.

The second ambiguity stems from the issue of vantage point: whose rationality do social scientists’ count? It is argued that in most of the accounts of household strategies, “the views and explanations of social actors are rarely elicited” and rather “tautological reasoning” (that labels all household behaviour as “strategic”) is drawn (Wolf 1997, p. 130). This point is well taken in this article. A third ambiguity of the notion of household strategy relates to its inability to distinguish several types of households. A household level analysis must recognise that household strategies exhibit a pattern based on

demographic, occupational and economic similarities, hence it is also important to recognise what kind of household took what actions. It is in this context that I bring class analysis into the discussion of household strategy.

A final ambiguity relates to intra-household dynamics. Feminists argue that household strategies necessarily embody relationships of power, domination and subordination. Feminist critique such as this refers to the conflation of individual household members with the household itself, thus ignoring intra-household inequalities in household decision. Wolf argues that “for a household strategy to be created, a decision must be made (Wolf 1997). Crow (1989) makes the point clear when he says the idea of strategy is not to build on the assumption of consensus within households, but to acknowledge that different strategies may stem from different household members, who may or may not be in conflict and that there is always a space for negotiation, an intra-household dynamic which Sen calls “cooperative conflict” (1990, p. 125). Therefore, to me, the feminist dispute with the household strategy approach is important as it sensitises us toward a range of asymmetries within households.

Having said this, I follow Warde (1990) and Wallace (1993), who argue that we can limit our research to looking at the *outcomes* of household activity, acknowledging that the intra-household bargaining and conflicts are taken into account. An analysis of the intra-household dynamics of household strategies has been postponed in this research also because it falls outside the purview of the present study. Accordingly, in what follows, I look for patterns, as reflected in the decisions made and actions taken by groups of households by their broader class positions.

### 3. Findings and Discussion

Before the introduction of chemical fertilisers in Mahesh Khola around the mid 1960s, one of the main sources of subsistence to the land-poor, working class households was farm wage, which used to be mostly low paid or unpaid (as attached labour). Between the late

1980s and the early 1990s, when income from the vegetables in this village pulled many of the poor, food insecure and indebted households out of poverty, it brought profound changes in several aspects of livelihoods. One such change that has been observed is the unlocking of the relationships between working class and upper class households, particularly in their land-labour relations.

#### 3.1 Shifting emphasis on nonfarm wage

For a host of reasons members of working class households in Mahesh Khola would like to leave the village to look for nonfarm wage work (or other opportunities of a similar sort) in Kathmandu. A couple of such people to whom I spoke in Kathmandu reported to me that offering quality education to the children was one of the immediate reasons for abandoning the village, given that there was a wide disparity in the quality of education between Kathmandu and the rest of the countryside. The education question partly answers why some people from economically better off households preferred hanging around Kathmandu with a casual and low paid job, instead of engaging systematically in vegetable farming back in the village. It is argued that vegetables can provide good money, but having good money alone does not guarantee better education. Whatever the reason they leave the village, they share one similarity: they subsequently opt for a nonfarm wage. Until recently, their common destination would be nowhere other than Kathmandu. Why do working class people in Mahesh Khola find Kathmandu such an attractive place for wage work? Why is the nonfarm wage so liked by them compared to a farm wage?

First, the wage rates in Kathmandu are comparatively higher than that in the village.<sup>3</sup> Second, working opportunities are perennially available in Kathmandu, at least more than the seasonally

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<sup>3</sup> At the time I was undertaking my field-research the wage rates for farm work for the males ranged from Rs 150 to Rs 200 and for females it ranged from Rs 80 to Rs 150 in Mahesh Khola. The NLSS 2003-04 data reveals even wider wage differentials between rural and urban sectors by occupation (CBS 2006a).

fluctuating demands for labour in the farm sector (Feldman and Fournier 1976, p. 453). Third, such opportunities mostly come from the nonfarm sector. Nonfarm work is preferred by almost all such migrants because, as the common villagers put it: “agriculture makes hand dirty.” And, finally, leaving the village also keeps them away from conventional (exploitative) relations of the patron-client type in their place of origin (for discussion on how patron-client relationship works in South Asia see Gough 1960; Prindle 1977; Mukhopadhyay 1980; Kolver 1988; Platteau 1995). Consequently, there has been an increasing flow of economically active people to Kathmandu (see Figure 1).<sup>4</sup>

Until 2000, when Mahesh Khola was one of the better performing villages in agriculture (particularly in vegetables) and that enabled the local people to draw higher incomes, flocks of wage workers from around the villages used to come to Mahesh Khola in search of farm wage opportunities. There were at least four different villages, namely Dhaibung, Kolpu Khola, Damachour, and Jhyangtho, supplying such seasonal wage workers (Figure 1, the upper section). The movement of labour like this represented a sort of rural to rural flow of wage labourers. Recently, around the turn of the century, such a rural to rural flow of wage labour has been halted, and instead diverted to Kathmandu (see Figure 1, the lower section). As a result, a rural to urban (and even overseas) flow of the working population is gaining momentum.

<sup>4</sup> Of the total sample population (five years of age and over), 77 percent was at home throughout the year (12 months preceding the survey) and 23 percent away from home (of which 18 percent was in Kathmandu alone).

<sup>5</sup> Jhyangtho is located very close to Mahesh Khola. Places like Dhaibung are located across the district in one day’s travel to and from Mahesh Khola. Currently, it is only Jhyangtho that still supplies part of labour force input needed in Mahesh Khola. Otherwise, outflows to nonfarm work have been the main tendency (see Figure 1).

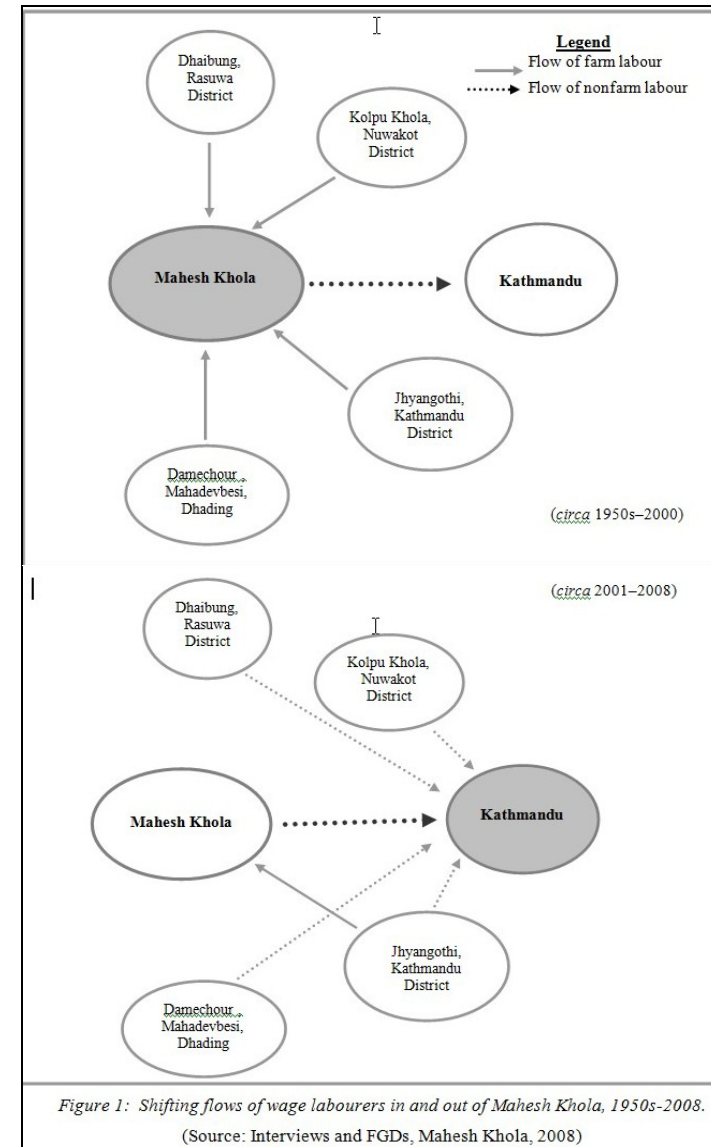


Figure 1: Shifting flows of wage labourers in and out of Mahesh Khola, 1950s-2008.

(Source: Interviews and FGDs, Mahesh Khola, 2008)

Quite similar to Mahesh Khola, there has been a notable shift of workers from farm wage to or nonfarm wage and also to agricultural self-employment at the national level. Between 1995-96 and 2003-04, the employment share of farm wage in Nepal's agriculture decreased from 18 to 13 percent for men and from 16 to 13 percent for women (CBS 2006a, p.43). Among the poorest 40 percent of the population, for example, 13 percent of working men were engaged in farm wage and 15 percent in nonfarm wage in 2003-04 (ibid). For a country such as Nepal, that is predominantly agricultural, this seemingly negligible shift represents several profound changes taking place behind it. It is highly significant to the shifting livelihood of the working class: from the farm to the nonfarm sector, slowly but inevitably. What is the eventual result of all this change? What socio-economic significance does it entail? In a popular term, there has been an exodus of working class population migrating to the cities. The national population census of 2001 report sheds light on it:

If intra-district migration were to be considered, this [Kathmandu] city had more than 50 per cent in-migrants in 2001. Of the total Valley in-migrants, Kathmandu city alone received 78.6 per cent of the total rural migrants and 64.8 per cent of the urban migrants from other districts...[The] other cities of the Kathmandu Valley such as Lalitpur (32%), Madhyapur (27.6%) and Kirtipur (23.2%) have [also] been receiving increasing proportion of in-migrants during the last decade (KC 2003: 145).<sup>6</sup>

If labour movement from the farm to nonfarm sector (or from Mahesh Khola to urban and metropolis Kathmandu) is one side of the intra-class divergence, the other side represents an increasing emphasis on agricultural self-employment. Below I illustrate contemporary livelihood dynamics of agricultural self-employment in and around Mahesh Khola.

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<sup>6</sup> Although the census data show that rural-to-urban migration is increasing nationally over the years (25.5 percent in 2001) which corroborates the trend observed in Mahesh Khola, the national migration stream, however, is still predominantly rural-to-rural (68.2 percent in 2001)(KC 2003). It can be attributed to the relatively smaller share of urban population (13.9 percent in 2001) (Sharma 2003).

### 3.2 Emerging opportunities in agricultural self-employment within village

Although the term agricultural self-employment is broad in itself,<sup>7</sup> it primarily indicates households' greater emphasis on a range of self-employment activities in the farm, which may follow a combination of productive activities very different than the usual. But mainly it would very much depend on subsistence-oriented family labour. This means such households would depend less on hired labour, a central characteristic that allows me to treat them as part of the working class. The field-research carried out for this study allows bringing at least three critical issues into the discussion. Let me introduce this discussion with the issue of the value of agricultural self-employment.

In Mahesh Khola, a sizeable proportion of working class households has lately intensified its involvement in farming (that is, in the first decade of the turn of the century). Either they have expanded the area of land they cultivated by way of renting or sharecropping, or they have also started agricultural intensification by shifting to fast crops, hybrid varieties, off-season (*bemausami*) vegetables, and following more labour-intensive technologies (called *ghumaune kheti*).<sup>8</sup> To start with, let me introduce a broader picture of the involvement of sample households in three main types of production organisation: self-cultivation, renting-in, and renting-out (Table 1).

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<sup>7</sup> The term "agricultural self-employment" has been used here in its broader sense. It generally refers to any work, other than paid agricultural work, under a situation of what is also called "family farm." The notion of "family farm" was first systematically postulated by Chayanov (1966) in his discussion of the household as a production unit, in which he assumed that in the peasant family farm both wage labour and land scarcity did not exist. Chayanovian claim such as this has later been variously challenged on grounds of ignoring issues of inter-household relations as well as the wider socioeconomic context in which households operate (Wong 1984).

<sup>8</sup> By the term *ghumaune kheti*, the local people refer to three-cropping system in which only vegetables are cultivated as fast crops. Otherwise, it is usually a two-cropping system (food crops in the summer and vegetables in the winter) that is practised normally.

Table 1: Percent distribution of households following specific production organisation by the size of land occupied, Mahesh Khola, 2006-07

Type of production organisation	Distribution of households (%)	Land occupied (%)
Self cultivation (fully)	52.0	81.5
Rented-in (partly or fully)	29.0	11.0
Rented-out (partly or fully)	19.0	7.5
Total	100.0	100.0
	(N=61)	(50.91 ha)†

Source: Household survey, Mahesh Khola, 2007

Note: Of the total 50.91 hectare of land the sample households owned or had access to, only 19.19 hectare was *khet* and the rest was *bari*.

As Table 1 shows, while slightly more than a half (52 percent) of the sample households is fully and mainly engaged in self-cultivation, the area of total land cultivated under this labour regime covers four-fifths of the total land cultivated by these households. Hence, it shows that by and large the self-reliant family farm is still the predominant practice in Mahesh Khola, both in terms of household strategy with regard to production organisation, and the area of land it covered. Alternatively, about one third of the sample households (29 percent) rented-in others' land. But this accounts for only 11 percent of the total land the sample households have access to. It is followed by slightly less than one-fifth of the sample households (19 percent) renting-out parts of their land (which accounts for 7.5 percent of the land). When all the households engaged in renting are put together, it represents almost half of the total sample but accounts for only 18 percent of the total land.

This finding partially contradicts with what people say in their daily conversations (and what they claimed to me during interviews) that there has been a notable shift to renting-out land leaving the farm-based livelihoods altogether, and instead starting up a fresh nonfarm

livelihood elsewhere. Although an emphasis on nonfarm work represents a social reality in its making, the gap between what people claimed (or perceived) and what reality exists out there represents social tensions and contradictions, which I argue, is brought about by capitalist expansion in this rural hinterland, which was until the 1970s a highly subsistence-based agrarian setting. Why there is such a gap between what people think and what is the actual reality of the case in Mahesh Khola? It relates more to the dynamics of the market that has so severely exploited the working class population as the producers.

This is the reality shaped by the structural dynamics of capitalist market expansion and expropriation of savings. This finding broadly corroborates the findings of the Agriculture Census of Nepal (CBS 2006b). The national census of agriculture, undertaken five years before my field-research, found that a majority of agricultural holdings ("parcels of land a household owns") was operated by the owner themselves, as a sort of "family farm." For example, of the total 3,337,400 land holdings in Nepal in 2001-02, about 88 percent was either owned or rented-in for self-cultivation (CBS 2006b).

As a manifestation of a segment of rural workforce returning to agricultural self-employment, the practice of *perma* has revived in Dhading. The practice of exchange labour is common to most agrarian societies in the Global South (see Tilakaratne and Somaratne 2002; Lambrecht 2003) as well as in Nepal (see Hitchcock 1966; McDougal 1969; Molnar 1980; Ishii 1982; Bishop 1990; Fortier 1993). The case of Mahesh Khola was somehow different, as until the early 1990s, it was not a preferred form of labour mobilisation.<sup>9</sup> It is only since the turn of the century that *perma* labour gained prominence there, as a direct response to wage workers' outmigration, as discussed in the previous section, and declines in the exploitative agrarian relationship between the landowners and their cultivating tenants.

As the household survey reveals, 73.7 percent (N=45) of the 61 sample households were part of one or another *perma* network.

<sup>9</sup> It could partly be attributed to the availability of the unpaid, the low paid, the attached and the complementary labour practices still in vogue until then in Mahesh Khola.

And of the total 3,558 persons hired by sample households in 2006-07, 56.9 percent was on the *perma* basis (the rest being on a wage basis). Within this, the female contribution was about 37.3 percent followed by 19.6 percent male (Table 2). The claim that *perma* is a feminine labour gets support from this finding. Also my field observation shows that female participation in *perma* is far higher than male's. What is most important here is that while women were hired as equal to men in farm wage, in *perma*, they were mobilised far more than their male counterparts. This, I contend, is a clear indication of women's exploitation because they have not been relieved from their usual reproductive tasks (rearing and bearing of the children, for example) back in the home.

Table 2: Size of labour force (other than family members) mobilised among sample households by sex and labour type, Mahesh Khola, 2006-07

	Share of <i>perma</i> labour	Share of wage labour	Total
Sex	%	%	%
Male	19.6	22.0	41.6
Female	37.3	21.1	58.4
			100
Total	56.9 (N=2,025) (HH=44)	43.1 (N=1,533) (HH=17)	(N=3,558 ) (HH=61)

Source: Household survey, Mahesh Khola, 2007

In economics literature, *perma* labour is regarded as a semi-feudal practice of production organisation helping to cope with the limitations of family labour, which would disappear in a full-fledged capitalist mode of production (Bhaduri 1973). In Mahesh Khola, the *perma* system is something more than this; which is expanded once production for self-consumption was diminishing in the face of greater emphasis on production for sale. What accounts for the

coexistence of reciprocity-based labour mobilisation in a village that is increasingly becoming a part of commodity production and capitalist market encroachment? This, I argue, is the tactics of capitalist profit making, without which the entire production process could have collapsed.

My interviews with some of the research participants allow me to further argue that the revival of *perma* was part of the three-pronged strategy of the households (a) to expand opportunities for self-employment, (b) to avoid wage payments, and (c) to save time on one's own farming in favour of additional wage work opportunities. Although, these issues relate more to the working class households, for certain reasons *perma* was also liked by the "rich households." I argue that revival of *perma* was more strategic to the latter group because it was a mechanism that helped them cope with the crisis of labour scarcity stemming from the shifting priority of the working class population toward (a) nonfarm wage work, and (b) agricultural self-employment, a process I have called the divergence of the working class in Mahesh Khola.

At least three dynamics are at work in this context. First, it is virtually impossible for the middle class households to accomplish all the farm work solely from their family members. Second, on top of this, more than any other class these are the households whose adult male population is away from home. Hence, *perma* created a network of households pooling scarce labour together and to some extent eased the acute labour crisis that the rich farmers faced. Finally, it was the *perma* system that protected the rich households from tougher bargaining with the workers in a situation of overall labour scarcity.

### 3.3 Changing dynamics in relations of production

In addition to nonfarm wage and *perma*, as discussed above, working class households are engaged in other pursuits that help them expand their self-employment opportunities. One such pursuit, specifically

applicable to households which are land poor and food insecure, is renting others' land (see Table 1 above), be it under *adhiya* (sharecropping) or *thekka* (contract) provisions. Like any other agrarian society, *adhiya* is a very old land tenure practice in Mahesh Khola in which a landowner allows a tenant to use the land in return for a share of the crop produced on the land. As per this widespread practice, while half of the main crop (which is mostly rice) is shared to the landowner, the cultivator remains free to harvest the rest (by implication, the winter crops, which mostly are vegetables).

The duration of *adhiya* agreements varies on a case-to-case basis, from a minimum of one season to several years, neither are the terms and conditions uniform.<sup>10</sup> In social science, there are mainly two contesting positions regarding sharecropping practices: while for some it is a practice oriented toward a risk spreading strategy (Hallagan 1978), for others this is a practice oriented toward production efficiency (Cheung 1969; Ellis 1988). Mahesh Khola's case is better explained by the first argument because *adhiya* has been one of the last resorts for a landowner to keep the land cultivated instead of leaving it fallow. Hence, with the increasing capitalist encroachment in Mahesh Khola, *adhiya* is no longer a preferred production practice.

With the spread of vegetable farming and the subsequent market encroachment, this pre-capitalist system of production lost its significance (for similar case of cross-cultural practice, see Rao 1971; Stiglitz 1974; Newbery 1977; Bardhan 1979; Robertson 1980; Wells

1984; Garrett and Xu 2003). For example, the 17 households (or 29 percent) of the total 61 households included in the sample that were involved in some sort of land leasing practices (see Table 1), only three were involved in *adhiya* in Mahesh Khola.

The *thekka*, the second land-leasing practice, refers to a group of practices of contract farming<sup>11</sup> in which the cultivator pays a fixed annual rent to the landowner per unit of land cultivated. This is the basic difference between *adhiya* and *thekka*, because in *thekka* the landowner will get a fixed amount in cash or kind irrespective of the level of production in a particular year. In Mahesh Khola at least three variants of land leasing practices are reported: *kut* (hiring land on share of crop basis), *thekka* (hiring land on fixed amount of cash basis) and *bikase thekka* (hiring land just for vegetable crops). First, *kut* is a fixed rent contract, in which a landowner allows a tenant to use the land in return for a fixed amount of crop per unit of land. Second, under the *thekka* system, which is largely similar to a *kut* system, the landowner gets a fixed amount of cash instead of crops.

Thirdly, very recently (after 2005-06), a new variant of contract has been innovated in parts of Mahesh Khola, called the *bikase thekka* (literally "contract for vegetable") in which the land is rented out to a cultivator only for the winter. While the tenant cultivates the land to produce vegetables (called *bikas*, in the local parlance) he/she gives the land back to its owner fully prepared for paddy cultivation. It is then the responsibility of the landowner to transplant rice, weed, irrigate and harvest it on his/her own cost and investment. The same contract may or may not be repeated the following year.

The most important reason for *thekka* becoming popular over *adhiya* is the incentives that it entails for both the parties. On the part of the landowner, for example, the *thekka* system is "hassle-free" (as everybody claims in Mahesh Khola) because he or she does not need

<sup>10</sup> Although, in some settlements a landowner contributes part of inputs such as manure to ensure a good harvest, in some others particularly where the relationship between landowner and the tenant is more exploitative (such as in Bhangetar), the landowner totally refrains from any such contribution. These households rather persuade the cultivators to share half of the winter harvest in addition to the half of the summer harvest of what they had been were traditionally entitled to. In the case where the winter crops were vegetables (which is mostly likely) the cultivator had to fetch the vegetables to Kathmandu, sell it and handover to the landowner his/her share of the incomes. Since there is no involvement of a third party, it is up to the landowner and tenant to decide what terms of conditions they agree.

<sup>11</sup> Unlike what the term generally refers to, contract farming in Mahesh Khola was not of a commercial type, partly attributable to the rugged topography. It resulted in the predominance of terrace cultivation that limits the extent of mechanisation that would allow farming at a commercial scale.



to be anxious over whether or not the tenant remains diligent in farming and in the application of quality fertilisers and seeds in appropriate quantity, etc. (Sharan Subedi, 40, a teacher and farmer, one of my informants, Mahesh Khola). Also the person does not need to worry about whether the tenant remains fair in sharing the harvest because the amount that he or she would get has previously been agreed upon. And, irrespective of whether the crop yield is good, the landowner would get the agreed amount.

Additionally, under the *thekka*, the cultivator cannot claim tenancy rights which he or she can within the convention of the *kut* and *adhiya* systems. This is one of the great worries on the part of landowners. What is often said is that the amount of rent (*kut*), agreed under any contract system often remains lower than the share a landowner is likely to get under *adhiya* provision (or sharecropping). That means, apparently, the tenant or the cultivator is in a more beneficial position under *thekka* than in *adhiya*. Finally, several of the tenants who spoke to me, opined that if they could pay the rent of the land with the produce of summer (food crops), whatever they produced in the winter (mostly vegetables) this would become part of their profit – an incentive to the tenant cultivator for hard work under the *thekka* system.

The preceding discussion has already made it clear that the mainstream practice of cultivation in Mahesh Khola is the self-cultivation; insofar as the number of households following it and the area of land that this practice covers (Table 1). Still, *adhiya* and *thekka* practices continue to exist. What sort of households are likely to rent-in others' land and why? As Table 1 showed (above), 29 percent [N=17] of the sample households were engaged in renting-in land of some sort. After looking back to the questionnaires, it was revealed that 13 of the 17 households were land-poor and food insecure (including nine who had very little or no *khet* land). Exceptionally, the remaining four households were sort of "entrepreneurial" ones, hence wanted to expand their profit by cultivating as large an area of land as possible.

Therefore, understandably, getting access to additional *khet* (irrigated flat land) was the main motivation in renting-in land. Take the case of Bode Mijar, for instance. Bode has got only 0.36 ha of *bari* (non-irrigated slope land) and the produce of which is hardly sufficient for about a month for his family with 10 members. Therefore, he has to rent (or sharecrop) some additional land. Currently Bode has rented-in a total of 0.86 ha of land; of which 0.36 ha is *khet* from two different landowners. For this, Bode pays Rs 23,000 a year on *kut* basis. All his family members work hard and manage to get their living from these extra parcels of land.

Similar is the case of Hari Pariyar who has nine members in his family, including seven children. Hari owns an estimated area of 0.25 to 0.36 ha of sloppy land, but rents-in an additional 0.41 ha of land from three different persons. For this he pays Rs 26,000 annually. Hari is a well known farmer in Mahesh Khola and is generally regarded as a hardworking farmer. He is also one of the few in Mahesh Khola to experiment with the intensive farming of vegetables, called *ghumaune kheti*, and producing *bemousami* (off-season) vegetables.

Both Bode and Hari are near-landless farmers and by caste they represent the Dalit (conventionally, the "untouchable" occupational groups subservient to their "upper" caste masters), who are unable to feed their family members from the harvest of their land. Needless to say they represent the working class in Mahesh Khola. But due to the land they have rented-in, they have managed to ensure agricultural self-employment and ensure a decent living for their family members, for which they have been widely regarded as successful and progressive farmers in the entire area of Mahesh Khola.

### 3.4 Renting-out land

While land leasing practice in Mahesh Khola, from the vantage point of those who have rented-in, has been dealt with in sufficient detail above, here I look the same phenomenon from the point of view of

those who rent the land out. If cases of renting-out land are looked at from this vantage point the process of renting-out land may reveal these households' privileged upper class position compared to those who rented the land in. For example, of the 61 sample households, 19 percent (N=12 households) had rented-out all or part of their land: eight under *thekka*, one under *kut*, followed by three other households under *adhiya* (sharecropping). In terms of the amount of land only 7.5 percent was allocated under contract provision (see Table 1 above). In terms of caste/ethnicity, 11 of the 12 households represented the so-called "upper" caste (mostly Chhetri), followed by one ethnic (Tamang) household.

A follow up inquiry into the socio-economic profile of households renting-out land reveals that they represent the middle to upper class position. For example, seven of 12 such households owned three or more plots of land, a clear representation of upper class membership in the rural context of Mahesh Khola. Only three of 12 such households had rented out all of their land (two of which were widowed/female-headed; and the third one illustrates an interesting case of occupational shift across generations). Until two decades earlier this was one of a few acclaimed households in Mahesh Khola for its multiple productive engagements in the farm sector and showing a fast upward trajectory of livelihood improvements. Although the couple who led the family have now reached retirement age, none of their three sons stayed at home to continue the parental occupation. Whilst the first son has been involved in development consultancy with non-governmental organisations in Kathmandu, the second has just returned home after 15 years of working as a taxi driver in Kathmandu. The third one had been to South Korea for six years and has now started a Korean language teaching centre in Kathmandu. Thus, having no helping hands to carry out farming, this couple has rented out all of their land to others.

Despite all these dynamics, one point needs to be emphasised here. Although, the diverse land leasing practices (such as *kut*, *thekka*, and *bikase thekka* together with *adhiya*) have tremendously improved the working class's access to land, who otherwise would have

remained land poor and food insecure, it has imitations so far as changing class configuration is concerned. None of these land leasing practices has contributed in any way toward redistributing the land. For example, land poor households are still land poor, when one takes land ownership patterns into account. What have changed are just the land tenure practices. In other words, without altering the disparities in existing land ownership patterns (or the ownership of property, more generally speaking), these land-leasing practices have brought two groups of households into a relationship of land-labour: one in which food insecure and land poor households have temporary access to one of the important resources of production, while the landowners have got part of the production as a rent, and which has made it possible to keep their land cultivated.

It has increased the opportunities of the working class households for agricultural self-employment, but I would like to re-emphasize that it is temporary. For example, a majority of those who still have maintained their ownership to land in Mahesh Khola do not cultivate it for themselves, and some of whom are effectively absent from the village. Paradoxically, those who cultivate the land do not actually own it.

#### 4. Conclusions

This article has focused on household strategy in Mahesh Khola in the context of the increasing market expansion in their lives and livelihoods. Drawing data from a household survey and interviews, it highlighted different methods of coping strategy the working class households have devised during the last decade or more. My interest in household strategies relate to recent social science acknowledgement that "households are not the helpless puppet of structural forces" (Wallace 1993, p.95), such as the capitalist market, and the recognition that they do strategise themselves in the changing political economic circumstances by negotiation and resistance with the larger structural processes shaping their lives.

Certainly household decisions have limits within constraints posed by larger social forces, but households do take their own actions within those constraints. To Wallerstein, institutional structures are changed and re-changed constantly, amidst their interaction with forces (Wallerstein 1984). In such a process, households as an institution might get changed in themselves. For example, households might get delinked from their usual place, the household as a co-residential unit may become impossible, partial wage earning may become a norm, or different households may resort to different routes with respect to their participation in the labour force. The main point, however, is the ways households are integrated into the broader thrust of capitalist expansion, and the likely social disruption it might entail to the local community (Wallerstein 1984).

My selection of 147 households, together with sample households surveyed, has shown that the working class is rapidly going through a process of social divergence in the course of its adaptation to the changing dynamics of capitalist encroachment. While a segment of them has opted for nonfarm wage work outside the village and, have left farming and migrated to Kathmandu; the other segment has seen opportunities within the village and in farming. As a result they have been expanding agricultural self-employment opportunities (such as renting-in land, sharecropping, increasing cropping intensity and shifting toward faster crops, etc.). The revival of *perma* (exchange) labour, followed by the replacement of *adhiya* (sharecropping) by *thekka* (renting) are the two outstanding instances of working class households seeking agricultural self-employment opportunities.

This also exemplifies the restructuring of the rural economy in the broader context of capitalist encroachment into the agrarian peripheries. I have demonstrated through a number of renting-in provisions, including *kut* or *thekka*, that working class households have ensured their increased access to land, particularly *khet* land, of which they were always deprived. Their improved access to land, however, has not been translated into their upward class mobility within their overall class position in the society, largely because they

are still not in a position to buy (or invest their surplus on) land. That the capitalist market has exploited them has resulted in their relatively improved living conditions but not in asset-ownership.

In other words, while the working class households' shifting emphasis toward nonfarm wage work outside the village or full-fledged engagement in agriculture within the village more vigorously than before has enabled them to solve the problem of survival to some extent, they have not been able to exploit the opportunities created by capitalist market expansion to the extent that they could ensure their ownership of land - the main source of livelihood in the village. Working class households' inability to invest in productive resources manifests a larger development paradox in contemporary Nepal of how capitalist development, shaped by the neoliberal political agenda, has disproportionately favoured the upper class at the expense of the working class. This emphasis manifests the underlying structural logic of social divergence with the working class in Dhading.

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