EARTHQUAKES WITHOUT FRONTIERS

ECONOMIC DEVELOPMENT, LIVELIHOODS AND RESILIENCE IN NEPAL

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December 2016

KEY MESSAGES

- The building of social resilience through market-led economic growth continues to dominate mainstream development thinking and practice.
- Market-led economic growth, however, has contradictory resilience effects. While at a general level, such growth may be resilience-building, the underpinning logics and policies can be resilience eroding.
- There is a need to think critically about how market-led growth is realised, what form it takes, and what effects it has on modes of living and livelihoods and, therefore, on social resilience.

SUMMARY

The building of social resilience has become the normative goal of the development sector. This is predicated on the assumption that social resilience is best achieved through market-led economic growth, which raises incomes and reduces poverty. However, while at a general level such an approach can be resilience-building, the underpinning logics and policies can also be resilience-eroding.

In this policy brief we reflect on research undertaken as part of the NERC/ESRC-funded Earthquakes without Frontiers (EwF) project to explore the impacts of market-led economic development on livelihoods in Nepal, and what this means for social resilience more broadly in the global South. We do this by examining three cross-cutting themes: livelihood diversification, mobility and migration, and governance.

The findings highlight that vulnerability is not merely accentuated or ameliorated over time, but is re-worked because the causes, dynamics and nature of vulnerability also change. This, we argue, requires further consideration by the development sector seeking to promote both economic growth and the building of societal resilience.

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THE 'LIBERAL RESILIENCE' ASSUMPTION IN DEVELOPMENT

The building of social resilience has become the normative goal of the development sector, embraced by a range of bilateral, multilateral and international agencies from the UK's Department for International Development (DFID), to the World Bank and the UNDP. Embedded within this, is a taken-for-granted assumption that market-led economic growth – which raises incomes and reduces poverty – is the best means to achieve social resilience. We term this approach 'liberal resilience', whereby the poor are seen as necessarily vulnerable and the non-poor resilient.

There is sometimes recognition, however, that while at an aggregate level this association may apply, the devil is in the detail. For example, the World Bank, in its report *Building resilience: integrating climate and disaster risk into development*, says that 'poor and marginalized households tend to be less resilient and face greater difficulties in absorbing and recovering from disaster impacts' (2013: 7), but only two pages later that 'the poor are already resilient, both by nature as well as by necessity" (2013: 9).

In this policy brief we reflect on research undertaken as part of the NERC/ESRC-funded Earthquakes without Frontiers (EwF) project to explore the impact of market-led economic development on livelihoods in Nepal, and what this means for societal resilience more broadly in the global South (Oven and Rigg, 2015; Rigg and Oven, 2015; Rigg et al., 2016). In doing so we also ask a wider policy question: in what ways are mainstream development interventions undermining social resilience even while they promote economic growth and reduce poverty?

RESILIENCE AND DEVELOPMENT IN NEPAL

Despite more than 60 years of development assistance, Nepal remains one of the world's 48 least developed countries, with 37 per cent of the population living on less than $1.51 a day (ADB, 2014). Households face numerous challenges to building sustainable and resilient livelihoods including: high levels of caste and gender-based inequality (Cameron 1998); weak agricultural productivity and limited opportunities for income generation (Blaikie et al., 2002; Sunam, 2014); physical isolation reflecting a demanding physical environment particularly in the mountains and hills; exposure to environmental hazards including earthquakes, landslides and floods (Petley et al., 2007) as seen during the 2015 earthquakes and the 2008 Koshi River floods; and political instability and weak government capacity (Jones et al., 2014).

While poverty has fallen steeply in Nepal, old vulnerabilities remain and new forms of livelihood risk have been created.

Development interventions in Nepal have sought to address the challenges of physical isolation, inadequate service provision, low incomes and government capacity. The top-five sectors receiving development assistance in Nepal in FY 2014-15 were health, local development (with projects including local governance and community development, water resource management and rural access), education, road transportation and energy (MoF, 2016). While poverty in Nepal measured in monetary terms – that is, those people living on less than $1.90 per day – has fallen steeply from 62 per cent of the population in 1995 to 15 per cent in 2010,[i] old vulnerabilities nonetheless remain and new forms of livelihood risk have been created.

THE IMPACT OF LIBERAL RESILIENCE APPROACHES

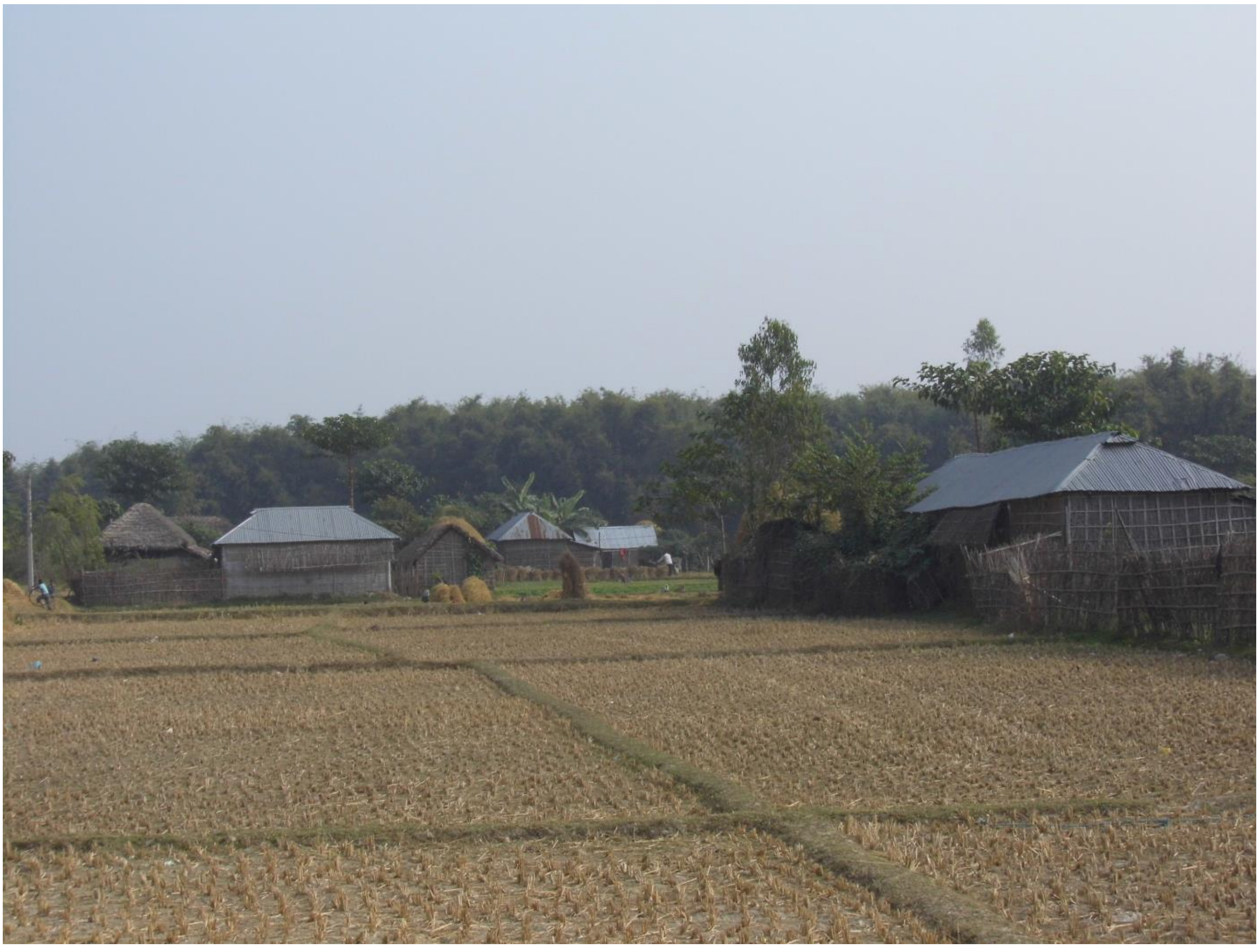
Market-led economic growth can support resilience, and at a general level may be resilience-building; indeed traditional lives and livelihoods are not inherently resilient, despite the protestations of some populists. That being said, some forms of market-led growth and the policies that underpin this growth may be resilience eroding. We therefore need to think critically about how such growth is realised, what form it takes and what effects it has on modes of living and livelihoods.

In the following sections we explore three cross-cutting themes that are linked to market-integration and which impact upon societal resilience.

LIVELIHOODS, RESILIENCE AND DIVERSIFICATION

For many organisations working in the field of community resilience, diversification is 'clearly a strategy to enhance resilience' at the household level (SIDA, 2012: 47), with income or crop diversification viewed as a risk spreading strategy (Béné et al., 2012). But diversification in the mainstream development literature is tied to marketization which often implies a relative shift away from subsistence production and towards higher value commercial crops. This may mean, counter-intuitively, that diversification leads to *specialization*. This exposes rural households that engage in such commercial cropping to a potential 'double risk exposure' (SIDA 2012: 66), whereby traditional risks associated with natural hazards are combined with market-based risks, particularly when production is reliant on credit (or, rather, debt) to purchase seeds, agro-chemicals and other necessary inputs.

Unlike other countries in developing rural Asia, agriculture in Nepal has remained largely subsistence based. As highlighted by Blaikie et al. (2002) in their study of 20 years of change in West-Central Nepal 'there has been hardly any significant development of commercialized agriculture' (p. 1267). The relationship between agricultural diversification and resilience in this subsistence or semi-commercial context is complex reflecting a range of factors including access to markets and infrastructure (KC et al., 2016, Pant et al., 2014). For poorer farmers, maintaining agro-diversity *within* an essentially subsistence system may be the best route to resilience; for middle and richer farmers, diversification *out of* subsistence production into cash crops and commodities may be a more fruitful strategy.



Farmland in Aurbani, Sunsari district of eastern Nepal © Katie Oven, 2015. Reproduced with permission.

A local market near Aurbani, Sunsari district of eastern Nepal © Katie Oven, 2015. Reproduced with permission.

One low caste Yadav farmer in the Village Development Committees (VDC) of Aurabani in Sunsari District in the Koshi Region in Eastern Nepal told interviewers that his household owned 2 hectares of land that was used to farm rice in the wet season and potatoes, wheat and lentils in the dry season. In a good year, their farming not only met the household's subsistence needs but also generated a cash income, which was used to pay school fees and other household expenses. While the household head recognised that they were financially well-off relative to other locals, he also argued that the condition of the household had worsened slightly in recent years. He was investing in cash inputs – fertilizer and pesticide – to offset declining yields due (as he saw it) to environmental change, and this was eating into their earnings from farming. To maintain production to feed the family and produce a surplus for sale meant significantly increased costs. This highlights the constraints to farm-based livelihoods in rural Nepal, even for landed households engaged to some degree in agro-diversity.

In the Eastern Hills of Nepal, cardamom has become an important high value cash crop cultivated by small holders (Partap et al., 2014; Fitzpatrick, 2011). In a study of the long-term effects of development interventions in the Koshi Hills of Nepal, the success of cardamom has been linked to the construction of roads and the introduction of agricultural support programmes, which have provided farmers with access to technology and information (NPC/DFID 2013). However, farmers have recently reported a reduction in yields as a result of diseases and poor soil conditions.[ii] This is of particular concern given cardamom forms a substantial part of householders' livelihoods and food security in the Eastern Hills and for many households is the only source of cash income (Partap et al., 2014).

As this example illustrates, while market-based diversification has the potential to generate growth and raises incomes, it may also expose people to new forms of risk, the current reductions in cardamom yields in Eastern Nepal being a case in point. As a result, households may be trading one form of vulnerability for another, a concern that liberal resilience tends to elide.

MOBILITY, LIVELIHOODS AND COMMUNITY DISASTER RESILIENCE

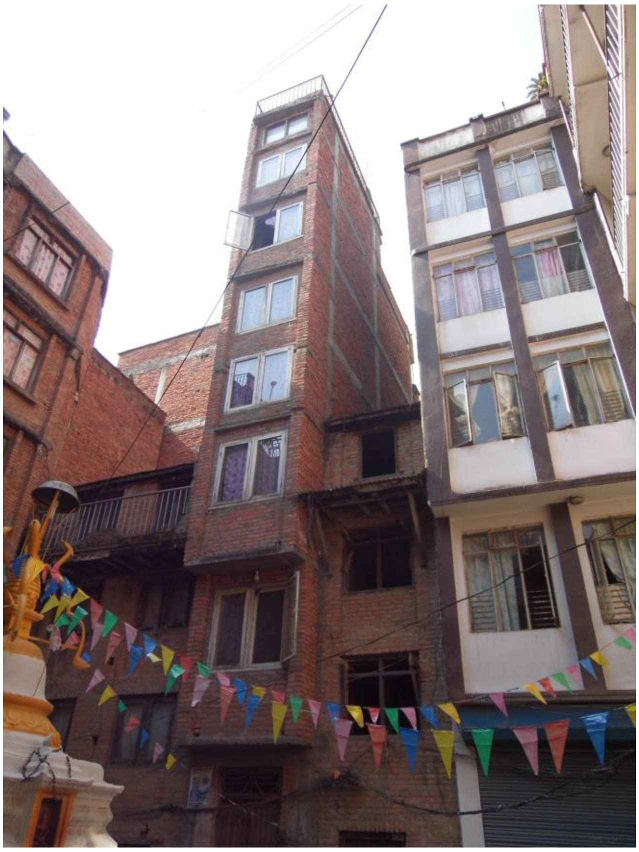
Livelihood diversification into non-farm work has been particularly important in Nepal due to the failure of agricultural development, compounded by political instability (Blaikie et al. 2002). As a result, livelihoods are becoming increasingly delocalised or multi-sited, and so too are households and families, as family members seek employment away from home.

In Nepal much of this migration is towards the roadside and urban centres. In rural areas, roads act as settlement magnets, providing people with commercial and employment opportunities and better access to health care, schools and water (Oven et al., 2008; Oven, 2009). As with 'diversification' into commercial crops, roadside moves ameliorate some traditional vulnerabilities – such as lack of access to clean water, fire wood and health care – and provide new opportunities – such as work or access to markets. But they also see migrants exposed to new risks – such as landslides and debris flows, which present a particular hazard in the valley bottoms where roads and associated settlements are situated. It is therefore not just that households move along a spectrum between resilience and vulnerability but that the *nature* of their resilience – or vulnerability – is altered.

Similarly, international labour migration – which offers considerable returns to many households with no other opportunities – also creates dependency and exposes migrants and their natal households to new and different risks. More than 2.7 million labour permits were issued by the Government of Nepal between 2008/09 and 2014/15 (GoN 2016). This equates to more than 1,000 people leaving Nepal for overseas employment per day, with international labour migration generating over 30 per cent of Nepal's GDP (World Bank, 2014). But while workers and their households can become less vulnerable to traditional risks – such as flood and drought – because they have the funds to build stronger houses or to buy rice when their own crops fail, they are more exposed to economic risks.

This is especially the case when large loans are taken out to fund work overseas. Research in Sunsari District revealed that it commonly took between 10 and 12 months to repay these debts at rates of interest between 3 and 5% per month, before the process of accumulation could even begin. While households may become relatively cash rich through labour migration, the loss of a male household head (the majority of international labour migrants are male) – can place additional burdens on the women left behind who carry the burden of farm management, in addition to their responsibilities for caring for children and the elderly.

The migrant workers themselves are also exposed to risks and uncertainties in destination countries, and can be viewed as part of an emergent global 'precariat' – that is, a class of workers without security (Standing 2011, 2013; Sunam and McCarthy 2016; Seo and Skelton 2016). The concern here is not the income earned (although this can be an issue too) but the absence of social support networks and state benefits (Standing 2013). For example, a study on poverty and international labour migration in Nepal revealed that 'about one third [of participants] failed to save remittances due to exploitative recruitment processes, the premature termination of contracts, health problems or low pay… [and this] can lead to a descent into poverty' (Sunam and McCarthy, 2016: 58).



Nepal's urban construction boom © Katie Oven, 2015. Reproduced with permission.

The risks for family members left behind can also be high, reflecting the disintegration of the moral economy of the household and the community (Blaikie et al. 2002). For example, as observed by Oven (2009) in Sindhupalchok District, some households benefited from the remittances received from household members working overseas but there were also examples of householders not hearing from their sons for many years and in a small number of cases not hearing from them again, leaving elderly family members little choice but to engage in day-wage labour to survive.

Overall, international labour migration is disguising rather than addressing the root causes of poverty and vulnerability in Nepal. It does little to support economic growth and job creation in the country itself (Shakya, 2013) and in some cases can result in the dispossession of the rural poor, as income generated through overseas migration is often used to buy land for speculative purposes (Sunam and McCarthy, 2016). A significant proportion of generated income is also invested in housing. This has been linked to a haphazard and unregulated construction boom where earthquake-safe building codes are barely enforced (Practical Action and the Nepal Risk Reduction Consortium, 2014), increasing vulnerability to such disasters.

GOVERNANCE, LIVELIHOODS AND DISASTER RESILIENCE

Resilient communities are not only rich in monetary terms: they are also communities with high levels of social capital and governance capability. The question arises, then, of how far liberal resilience, based on the logic of market integration and all this entails, has on the operation of settlements as governance units. For example, with rural dislocation, such as that outlined in the last section, the interests of 'community' members may diverge: traditional, local leaders may lose some of their influence and authority while that of external actors may increase; former norms of reciprocity and mutual support are replaced by competition. In short, the community covenant is compromised. This is not to suggest that the past was ideal, but to note that changes in livelihoods and mobility also have implications for community 'governance'. In its most extreme form, we can say that inequality becomes increasingly *asocial*, where there is no common bond and few shared interests.

In eastern Nepal, social support networks changed as community obligations of the past partially unravelled with both negative and positive consequences (Rigg et al., 2016). For example, traditionally the landless poor would establish long-term relationships with a landowner and secure sharecropping rights, with the produce from the land split 50/50 between the owner and sharecropper. Increasingly, however, landowners are choosing to hire daily wage labour rather than entering into more permanent sharecropping arrangements, due to fears that sharecroppers may be awarded ownership rights under long-overdue land reform. In some cases, this has increased the need for those without land to find income-earning opportunities beyond the local area. In others, there has been an increase in village farm-labouring opportunities, particularly with outmigration diminishing local labour pools. While this has worked slightly in favour of farm labourers, who can negotiate slightly higher wages, it may represent a greater cost to collective security at the community level.

Rural gentrification and urbanization, driven mainly by foreign migration and remittances, is taking place in Nepal (Sunam and McCarthy, 2016), and is impacting upon traditional social support networks and eroding traditional governance arrangements. Oven et al. (2016) showed that the urbanizing trend in Nepal is resulting in increasingly heterogeneous communities with different languages and understandings of cooperation and governance. This can result in exclusion from community groups. For example, some traditional Newari farmers in Thimi municipality in Bhaktapur District in the Kathmandu Valley have not integrated into the local social network and groups, such as the relatively recent community disaster management committees. This has been due to language barriers (they speak Newari not Nepali) and their limited time to meet and engage in activities due to farming commitments.

In- and out-migration is also changing populations. While there were examples of extended families and communities migrating together and bringing their social support systems with them, there were also examples of householders who did not know their neighbours, who were focused on earning money, with little interest in engaging in the community. This was found to be the case in a case study ward in Kirtipur municipality in the Kathmandu Valley, for example. In this context 'social capital, and resilience based on shared risks and a moral economy, becomes fractured' (Rigg and Oven, 2015: 182). An 'urban attitude' was reported by Oven et al. (2016), whereby community members had high expectations regarding the role of the government in disaster preparedness and response, and in wider development planning. For the Government of Nepal and the international development community, this raises questions regarding how to effectively engage and support new urban communities in building social resilience to disasters.

A GROWTH-DEVELOPMENT-RESILIENCE 'TRAP'?

Nepal's future, like that of almost every other country, is tied to the processes and logics of market integration. The resilience agenda is a part of, not separate from, these processes and logics. But, with regard to livelihoods in Nepal, there are also possibilities for a disconnect between the two; market integration is not automatically resilience-building – certainly not for everyone and sometimes not for significant proportions of a population.

Poverty cannot be neatly equated with vulnerability, nor non-poverty with resilience, particularly at the household level. Resilience is experienced differently, and there are multiple pathways to achieving or improving it. Development's growth agenda, pursued through market integration and diversification and characteristically measured in monetary terms, does not necessarily generate resilience. This is sometimes recognised by the mainstream institutions that are intent on pursuing such a growth agenda (see, for example, ADB 2013) but often it is not, or at least it is not thought through in a sufficiently nuanced manner. The focus on aggregate outcomes, whether in terms of economic expansion or poverty decline, has the effect of overlooking the ways in which certain regions, population groups and occupations may not be benefit from – even be harmed by – such growth.

The lessons from Nepal are that vulnerability is not merely accentuated or ameliorated over time, but is *re-worked* because the causes, dynamics and nature of vulnerability also change. The question, then, is not so much whether market integration promotes resilience or otherwise but, rather, how it changes the nature of resilience and vulnerability. Building societal resilience to disasters requires not only linking work on disaster risk reduction, climate change adaptation, and humanitarian preparedness and response (see, for example, DFID 2011), but appreciating that 'the very processes and policies that are seen to create the conditions for economic growth may undermine resilience and accentuate vulnerability' (Rigg & Oven 2015: 184). This, we argue, is what it really means to mainstream societal resilience into development policy and practice.

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ENDNOTES

[i] http://data.worldbank.org/country/nepal

[ii] Enhancing large cardamom production: http://www.icimod.org/?q=21571

Earthquakes without Frontiers is a transdisciplinary research partnership funded by the UK Natural Environment Research Council and Economic and Social Research Council, which aims to increase resilience to earthquakes and earthquake-related hazards across the Alpine-Himalayan mountain belt.

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