

Economic Development through Indigenous Means: A Case of Indian Migration in the Nepal Terai

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Introduction

Most anthropological studies during the last several decades have tended to be cross-sections of a particular society at one point in time. Historical materials in anthropological reports were consciously or unconsciously ignored because it was considered unimportant to the theoretical framework (due to the influence of the structural-functional approach in anthropology). However, the absence of historical depth in anthropological writings has been lamented by many anthropologists and particularly by Evans-Pritchard (1950) who aptly describes the need for using the historical material in anthropology. Though my interest in this paper is not purely a historical one, I thought historical materials were necessary to deal with change over time and hence to understand past economic development and the present political structure of Nepal more clearly. So this paper will focus a historical approach to understand the past economic development and also the present socio-economic situations of the Nepal Terai, with special reference to the Indian migration¹ in the area.

Nepal's Terai (a flat tropical area) presents an unusually interesting case of "indigenous economic development." Without an understanding of the history of this area the current situation would be difficult to understand. About the turn of the 19th century, the Nepalese government embarked on a deliberate policy to encourage migration from India as a means of opening up the Terai or low land areas which up to that time had remained largely undeveloped. Settlement in the area had been avoided by the hill people because of the presence of malaria. Up to 1950, the whole Terai region of Nepal was then called a "death valley" (kala-pani) by the hill people. In some situation, even the government servants evinced great reluctance to serve in the Terai and they considered exile or penal settlements if they were transferred to work here. However, today, the Terai has become not only Nepal's granary, but also the source of almost all her exportable surplus (see Gaije 1968, 1975; Rana and Thapa 1975). The Terai which was sparsely populated a few decades ago, is densely populated today (140.47 persons per square kilometer according to the 1971 census). So by 1964, the official policy to attract Indian settlers had become so successful that the Nepalese government was shifting its strategy and trying to discourage further Indian settlement as it feared it could not absorb more migrants (for the official figure of Indians in Nepal, see Appendix 1). The success of the program was due

to a combination of factors, both those which attracted migrants and those which forced them from their home areas in India.

The Geo-Political Situation of Nepal

Situated in the foothills of the Himalayas, Nepal's gate to the outer world was opened only to the south (India) until 1950, when foreign aid programmes² were launched in Nepal. Up to 1950, almost all her foreign trade was limited to India, except for a few commodities which were traded to Tibet in the north. Even today, being an absolutely landlocked country with her whole border open only to India, the Indian ports are the main outlets for Nepal's products to the outside world (see Bhasin 1970). The geo-cultural unity of the peoples of these two countries is reflected in the 550 mile open border between them which permits the free movement of citizens of both countries without passport or visa formalities.

Indian Migration in the Terai after the Unification

After the unification of Nepal (1768), the Shah rulers (during the period from 1768-1845) encouraged Indian people to settle in the Terai regions of Nepal. The founder of present day Nepal, King Prithvinarayan Shah while also in favour of attracting settlers to the Terai was cautious not to allow the entry of foreign businessman. In Dibya Upadesa (Noble Teachings) he stated that, "Do not permit Indian traders³ to go beyond God Pradesh. If they come to our country they will definitely make our subjects pauper."⁴ His main purpose in encouraging settlers was to increase production and to yield more revenue. The above statement however, clearly indicates that Indian businessmen were already in Nepal by that time. Pratap Singh Shah issued a royal declaration stating "cultivate the land and set up the farmsteads." This type of decree was widely circulated.⁵

At this time there were abundant virgin lands in the Terai, and much of the Central and Eastern Terai was forested (see Stiller 1976). Clearing of forests and developing the virgin lands was not possible due to the acute shortage of manpower in the Terai. This was however, partly remedied when a big famine broke out in Bengal and Bihar in 1769-70. It brought great changes in the agricultural structures of these regions. It is said that the number of deaths resulting from this famine amounted to one third of the population in Bihar.⁶ The famine-stricken Bihari Indian farmers were in search of richer and better watered lands and this brought many of them into the Nepal's Terai (Stiller 1976). In 1798, King Rana Bahadur Shah issued a special decree to send people to cultivate the Terai lands in Saptari, Mahottari, Bara, Parsa, Rautahat, and Morang districts.⁷ The second, third, eighth and ninth articles clearly say that Nepal wished to attract settlers from India or wherever possible to cultivate farms in the Terai. Nepal attracted tenants by giving subsidies for a year or two (not collecting revenue and production itself) and also by supplying seeds and grain to get the settlers started. Similarly the contractors (irrespective of whether they were

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those Nepalese or Indian citizens) were given many privileges to develop the Terai land and to attract settlers from India or from birta⁸ lands in Nepal. A sample contract for virgin lands development issued to Ambar Singh Das proves this.⁹

The East India Company was mainly interested in trade with Nepal. A treaty of commerce between Nepal and the Company was signed in 1792 mainly to facilitate the operation of businessmen of both countries. The trade situation between the two countries however, was not improved. Colonel Kirkpatrick's mission to Nepal in 1793 was primarily intended to arrange further English trade with Nepal and Tibet.¹⁰ Four successive governors, General Hastings, Cornwallis, Shore and Wellesley worked to maintain peaceful relations with Nepal and to promote increased trade.

Nepal's relations with the East India Company from 1768 (King Prithvinarayan Shah) to 1836 (General Bhimsen Thapa) however, were not harmonious. Prithvinarayan Shah was careful not to allow the entry of English influence into Nepal and Kinloch's military expedition to Nepal was thwarted by the King (Sharma, 1973). Tensions finally erupted in the war of 1814-16 between the Gorkhas (Nepalis) and the East India Company.

This war had many repercussions for Nepal. The English came to admire the Gorkhas for their loyalty, bravery and courage. Many Nepalese became "Lahure" (wanderers) and joined the army of Ranjit Singh and even the British army. Following the Sugauli Treaty diplomatic relations were established between the East India Company and Nepal, which further encouraged the nationals of one country to move in the territories of the other.

Indian Migration in the Terai during the Rana Period (1846-1950)

After the Sugauli Treaty the East India Company and Nepal both tried to maintain peaceful relations by exchanging letters (e.g., the decree written by the King of Nepal to the residents of British India in 1839) and treaties (e.g., the treaty of 1855 in which both countries agreed to hand over criminals to the country where they belonged to and the 1860 treaty of reciprocal exchanges of goods, etc.) These treaties further improved the relationships between the two countries and encouraged more people to cross the border.

Indian immigration to the Nepal Terai was enormously high from 1846-1950. The principle reasons were:

1. Nepalese government policy for maximizing agricultural production and revenue from the land.
2. Abundant birta and guthi lands in the Terai which needed more manpower to cultivate them.

3. The Terai was sparsely populated and there was a need to encourage more people to settle in the region.
4. There were natural calamities in the Indian regions bordering the Nepal Terai.
5. Socio-political causes either in Nepal or India which further encouraged Indian migration.
6. There was a need to develop Terai in the form of market towns.

Abundant Birta and Guthi Lands and Nepalese Government Policy to Maximize Agricultural Production

Mahesh Chandra Regmi has given figures for the areas of land under various forms of land tenure in Nepal up to 1952 (1976:79):

<u>Form of tenure</u>	<u>Area (hectares)</u>	<u>% of total areas</u>
Raikar	963,500	50.0
Birta	700,000	36.3
Guthi	40,000	2.0
Kipat	77,000	4.0
Jagir, Rakam, etc.	146,500	7.7

During the Rana period, plots of lands were given as birta to Rana family members and to loyal groups. Simultaneously, plots of lands were recorded in the name of religious institutions such as Guthi and other personal belongings, such as Kipat,¹² Jagir,¹³ and Rakam.¹⁴

Before 1846, the birta holdings were retained in the form of Jagir but during the period of Prime Minister Jang Bahadur Rana (1846), the birta system was retained more or less on permanent holdings. Jang Bahadur Rana and his family held all the Terai regions of Far Western Nepal comprising Banke, Bardia, Kailali and Kanchanpur districts as birta.¹⁵ Later Jang Bahadur Rana also secured birtas in 1862 and 1874 (Regmi, 1976, p. 30). Similarly, the brother of Jang Bahadur, Ranoddip Singh got 15,000 bighas (one bigha = approx. 71,188 square feet of land) of land in the Terai in 1833 (Regmi, 1976, p. 32) and another brother Bir Shumshere got birta lands (yielding an income of 200,000 Indian rupees) in Saptari and Rautahat districts in 1890 (Regmi, 1976, p. 32). Chandra Shumshere (Prime Minister 1901-1919) also gave plots of lands to his own brothers and followers in Western, Central and Eastern Terai.

Similarly, there were bighas of land allotted in the name of Guthi in the Western, Central and Eastern Terai regions of Nepal. As these birta and Guthi holders were religious teachers, soldiers, and members

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of the royal family, they remained permanently either in the Kathmandu Valley or in the hilly regions of Nepal. They had to cultivate lands and with the help of Indian contractors and labourers, much of this forest land was made habitable. These Indian contractors and labourers, as well as the land hungry Indian farmers of the border areas of Nepal, immigrated to the Terai and settled in the newly deforested areas. The Rana government also encouraged Indian landlords and tenant cultivators to clear forest land and settle even in non-birta areas so that land revenue would be increased (see below).

During the Rana period, some interesting Regulations and Acts were also enacted to encourage cultivation of the land in the Terai, e.g. the Madesh Malko Sawal (Revenue Regulations for the Terai districts), the Jimdar-Patwari Sawal (Regulations for revenue collectors: Jimdar and Patwari) and the Mulki Sawal (Administrative Regulations). These Acts promulgated in the reign of King Surendra Bikram Shah, are worthy of mention in this study. In the Jimdar-Patwari Sawal (1936), 18 orders were issued, and these were to be followed strictly by Jimindars (landlords). Article 14 of this Sawal states that, "If you (Jimindar) cannot find raitis (tenants) you have to cultivate the land yourselves and have to pay the land revenue. If you cannot do this, you have to assess the revenue from your paternal possessions and resign from the post of Jimindar because the land is under your disposal." Article 18 of this Regulation further states that "if there is barren land under your disposal and if someone comes to cultivate it, you cannot sue the cultivator because the land is already cultivated."

Article 28 of Madesh Malko Sawal states that, "if raitis are not available, they are to be purchased and should be kept in one's own mauja (particular area of land under the supervision of a Jimindar). Seed should be provided to a raiti if he does not have it." Article 62 and 63 of this sawal further state that all parti jagga (cultivable barren land) and Kala bangar (lands covered by bushes, weeds and thatches) should be cultivated." In addition, Article 377 of this sawal clearly states that "in Kailali and Kanchanpur districts the names and addresses of all Muglaniyas (foreigners) who had come to till the land should be recorded."

Another interesting law was promulgated at the time of King Surendra Bikram Shah (1847-1881).¹⁶ It states:

Raitis are to be invited from all sectors (irrespective of whether it be Nepal or India) to cultivate the land in Morang district. Necessary items needed (bhoto potadi) for agriculture are to be facilitated and land should be given to him for cultivation. Any raiti, if he has arrears of payment to government or loans repayable to other individuals, if he settles in the area (cultivates the land) or up to that

period when he cultivates the land, neither the government nor his creditors shall force him to pay the arrears or the loans. Property earned by him should be given for his livelihood and if there is surplus income, the office of that region or the amal should prepare a document for his land revenue and loans. A slave who has already settled one year in Muglan (India), but returns in Morang district and cultivates land, the creditors should not hold him for loans. But if a slave of Gorkha Raj has settled in Morang due to the similar situation, he could be hold by the creditors and they could sell him, there is no penalty (p. 36).

These documents clearly show that during the Rana period the government tried to attract settlers to the Terai from different areas and particularly from India. Their main interest was to maximize agricultural production and to increase revenue from the land.

Further an interesting document was also recorded by Elder et. al. study. (1974:8). They have noted,

"The government ... established settlement offices at Biratnagar in the Eastern Terai and at Hetauda in the Central mid Terai and announced that anyone could acquire as many bighas of land as he wished simply be setting on them and clearing them of forests."

The Terai was fertile with abundant rainfall. It was however, sparsely populated due to endemic malaria. Even the poor peoples of the hills did not migrate to the Terai until after the malaria eradication. Thus the ruling government of that time had to invite Indian contractors, labourers, and tenants either to clear the forest or to cultivate the land itself. The Indian people could adapt to the area from the very beginning due to the similar geographical setting of the Nepal Terai and the Plain regions of Northern India, particularly Bihar, Uttar Pradesh and West Bengal.

Natural Calamities in the Adjoining Regions of the Nepal Terai

The other important reason for the Indian migration into the Nepal Terai was the natural calamity in northern Bihar, which is located south of the Eastern and Central Terai of Nepal. The problem of flooding was serious in northern Bihar, and the river Sapta Kosi was the real trouble. This river comes all the way from East Nepal and flows down to the plain at Chatra in Nepal, there it enters Bihar (at Birpur), and flows through a great area, touching the districts of Saharsa, Madhubani, Darbhanga, Munghyr, eventually reachin-Kurusela in Katihar district of Bihar state. In all it covers a total distance of nearly 260 kilometers. (See Bihar District Gazetter, Darbhanga and Purnea, 1964).

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In 1763, the Kosi flooded a mile of west Purnea (India), changed her course, and swept miles of land during 1807-39 and 1873-92. The entire sector of northern Bihar Plain covering approximately 33 to 36 thousand kilometers constituting the Kosi belt used to come under the water of Kosi river. In Bihar, it was known as the "river of sorrow." Finally in 1958 a giant barrage was constructed at Hanuman Nagar under the combined efforts of the governments of Nepal and India.¹⁷

In 1770 there was a devastating famine in Purnea district, Bihar. Then in 1783 there was drought in the district and scarcity of food in the whole of northern Bihar. The construction of Golghar (a big store house) in Patna, Bihar in 1783 was done primarily to store food grain so that grain could be distributed in areas where was a shortage of food. In 1791, the rice crop almost failed in northern Bihar and a severe scarcity of food grain followed. Again, there was an earthquake in the northern plain of Bihar in 1934 and districts like Purnea and Durbhanga suffered badly.¹⁸

All these natural calamities and other sufferings together helped to encourage the migration of the poor, landless, hungry and suffering Bihari (Indian) peoples into the Nepal Terai.

Socio-Political Causes

Sepoy Mutiny of 1857

The Sepoy Mutiny of India was also one of the important factors that encouraged Indian migration into the Nepal Terai. Many Hindus and Muslims fled Nepal during this mutiny and made their permanent residence there, particularly in the Western Terai regions of Nepal. On the other hand, the Sepoy Mutiny also proved beneficial to the government of Nepal. Nepal helped the British government during this mutiny and restored to Nepal the present Terai districts of Banke, Bardia, Kailali and Kanchanpur in 1861.

Revolution in Nepal in 1950

It is said that the Indian government also indirectly took part in the overthrow of the Rana government in Nepal in the revolution of 1950 (see Devkota 1960). Hundreds of Indians entered Nepal to help the Nepali Congress in this movement. Those Indians who entered Nepal originally for political reasons were later encouraged to settle down as Nepali citizens.

The Need to Develop Market Towns in the Terai

The development of commercial centers in the Nepal Terai came about as a result of development just across the border regions. The Indian railheads were extended close to the border towns of Nepal from the late nineteenth to the early twentieth century. Nepalese Terai towns like Birgunj, Janakpur, Biratnagar, Bhadrapur, Bhairahawa, Nepalgunj, and

Dhangarhi flourished when the Indian railheads were extended to the adjacent Indian border towns of Raxaul, Jayanagar, Farbisgunj, Jogbani, Galgalia, Nautanwa, Rupadia and Gourifanta. Biratnagar, one of the largest trading centers of Nepal, flourished when the Indian railheads were connected in Farbisgunj (A distance of 20 kilometers away from Biratnagar) in 1914. (See Purnea District Gazetters, 1964). After a year or two the railhead was extended to Jogbani (four kilometers away from Biratnagar). When the railhead was connected, Mr. Jit Bahadur Colonel, the Governor of Morang district shifted his headquarters from Rangeli to Biratnagar. (Information was derived taking interviews with a lot of senior citizens in Biratnagar).

The Jogbani-Dharan road was constructed by the British around the middle of the 20th century. As communication facilities extended, Dharan Bazar (located in the Sunsari district of the Terai) boomed and it became the largest trading center for the people of the Eastern Hills up to 1962. Similarly, Bhadrapur Bazar (Jhapa district) developed when a railhead was extended to Galgalia (Bihar) and at the same time Dubi Bazar in Sunsari district became bigger. As these Bazar areas were developing in the Terai, Indian businessmen also moved their business firms slowly in these areas. In particular, Marwaris (the trading group of Rajasthan) and Bihari groups like Baniya, Haluwai, Rouniyar, Kalwar, Teli and as well as some Muslims and Bengalis established their businesses in these developing centers.

The indigenous Terai groups were not businessmen by tradition and the Nepalese hill businessmen like the Newars, Thakalis and Sherpas did not migrate to the Terai due to fear of malaria. So the government of Nepal had to encourage the Indian businessmen to set up their business in the Nepal Terai. It is also said that a special document was issued to attract the Indian businessmen in the Nepal Terai. Any businessman who wanted to set up business in the Nepal Terai was given two bighas (approx. 142,376 square feet of land) of land. The land distribution was made locally by the governor of the district (Personal communication with senior citizens in Biratnagar). Thus positive factors in the form of economic opportunities encouraged the Indian migration into the Nepal Terai.

Establishment of Factories and Industries in the Terai Towns

As most of the Terai towns were connected by the Indian railheads and were developed in the form of market towns, factories and industries also established in the Terai. The Biratnagar Jute Mill (1936), Raghu-pati Jute Mill (1946), Morang Cotton Mill Ltd. (1942), Morang Sugar Mill Ltd. (1947), the Joodha Match Factory, Birgunj (1938), the Joodha Match Factory, Biratnagar (1946), the Nepal plywood and Babin Company Ltd. Biratnagar (1943) and the Nepal Churot Company Ltd. (1947) were established during the Rana period. As there were few Nepalese who could invest capital, Indian capitalists were encouraged to do so and they set up the factories and industries in the Terai. Similarly, rice mills and Biri factories were established in Bhadrapur, Biratnagar, Janakpur, and Birgunj by Indian businessmen during this period. Managing heads and Birgunj by Indian businessmen during this period. Managing heads in these factories and industries were Indian nationals and, of course all office administrative workers and labourers were Indians (for more details see Dahal 1978).

Indian Migration in the Terai after 1950

After the Independence of India (1947) and the overthrow of Rana regime in Nepal (1950), the already peaceful and harmonious relationships between Nepal and India were further strengthened when citizens of both countries continued to move freely across the border and were allowed to maintain business enterprises, hold government jobs, and farm lands in either of the countries. The question of citizenship was minimally raised by the governments of either country. A treaty of Peace and Friendship between Nepal and India was signed in 1950. Article 7 of this treaty states that:

The government of Nepal and India agree to grant on a reciprocal basis, to the nationals of one country in the territories of the other the same privileges in the matter of residence, ownership of property, participation in trade and commerce, movement and other privileges of a similar nature (Bhasin, 1970:122).

Similarly, the treaty of Trade and Commerce between Nepal and India was signed on July 31, 1950; on September 11, 1960 and again in August, 1971. These trade and commerce treaties not only further strengthened friendship between the two countries but also encouraged more Indian nationals to do their business in Nepal. Further, a treaty was extended between the two countries concerning Irrigation and Water Development Projects on 14th July, 1954 and the treaty of Kosi barrage was signed on 25th April, 1954.

Until 1964, Indians were encouraged to settle down in Nepal. The Citizenship Act Law of 1952 was rather loose requiring only a five year stay in Nepal to hold Nepalese citizenship and started to monopolize business. Similarly, the Citizenship Acts of Nepal of 1963, 1964, and 1968 made it a simpler matter to obtain Nepalese citizenship (for details of the Citizenship Acts of Nepal, see Appendix 2).

In the general election of 1958, most of the Indian settlers in Nepal were included in the voter's list. This was encouraged by the Nepali Congress in spite of opposition from the parties of Tanka Prasad, K.I. Singh and the Communists (see Devkota 1960, 1979). The voter's list, however, became one of the avenues towards citizenship in Nepal in the Citizenship Acts of 1964 and 1975. Thus voters included for were originally political reasons were later encouraged to settle down as citizens of Nepal. Thus the liberal attitudes of the early interim government towards the migrants from India to Nepal were responsible for the increase of Indian population in the country.

During the period of King Mahendra (1956-1971), Indian capitalists were encouraged and given many privileges that would help them to set up factories and industries in Nepal.¹⁹ Indian capitalists like Birla were encouraged to open the cotton industry in the Nepal Terai. Similarly in the Industrial Policy Act of 1962, it is clearly stated that no distinction in nationality will be made where the establishment of bigger factories and industries in Nepal is concerned. Foreign nationals were further allowed to take back their sum plus 10 percent profit in foreign currency to their home country.²⁰

In the business sector, the establishment of National Trading Ltd. (1962) in Nepal also encouraged the Indian businessman to invest their money. According to one reputable Marwari (Indian) businessman of Biratnagar, it was from foreign goods that most of the businessmen earned an incredible amount of money. But it was also in foreign goods that maximum black marketing was carried on between Nepal and India and this brought a scandal to the Terai businessmen even though many of them were not involved. Further, the service institutions like the Trade Promotion Center (1971) and the Industrial Service Center (1974) not only expanded trade, industrial research and training but also stabilized the Indian businessmen and industrialist promoting faith in and security among themselves.

By 1964, Indian tenants had often been forced to move from one landlord to another in search of land. The Land Reform Policy of 1964 gave secure right to many Indian tenants and so they became permanent occupants. This prevented many hill people from holding land in the Terai. As many of the hill people could not find free land in the Terai, they deforested major areas of Nepal, a source of wealth for the country which was thought to be unending. In other words, the Land Reform Policy further stabilized even the temporary Indian cultivators who simply started to cultivate the land for a year or two. According to the Land Reform Law, no tenant can be displaced from a particular piece of land where he has cultivated at least one crop. A sample progression of Indian migration into a panchayat of Morang district (Terai) at different time periods is given below. The figures represent only wards 4, 6, 7, and 9 of Katakari Panchayat²¹ (see Table 1), Morang District.

Table 1: Immigration to Katakari Panchayat (Morang District) by Indian Ethnic Groups, 1933-1966

Indian Ethnic Groups	Total families or households in 1976	Total family members	Up to 1933	Number of Households			
				1934 to 1943	1944 to 1953	1954 to 1962	1963 to 1966
Koeri	12	66	-	-	12	-	-
Dhanuk	4	21	-	-	1	3	-
Saha	13	33	-	2	4	2	4
Kamat (Kewat)	58	296	-	17	15	22	4
Sahani	16	69	1	3	4	6	2
Das	2	7	-	-	-	2	-
Singh	2	15	-	-	-	2	-
Sahu	1	2	-	-	-	1	-
Mahato	4	20	-	-	4	-	-
Tatma	1	6	-	-	-	-	1
Mistri	1	5	-	-	-	1	-
Miya	12	62	-	1	4	6	1
Mausuri	1	3	-	1	-	1	-
Raya	1	1	-	1	-	-	-
Paswan	30	135	1	9	11	6	3
Yadav	1	2	-	-	-	-	1
Karna	1	4	-	-	1	-	-
Thakur	1	2	-	-	-	1	-
Dhobi	2	7	-	-	1	-	1
Mochi	1	3	-	-	-	-	1
Harijan	11	47	1	9	1	-	-
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The above figures clearly show that maximum numbers of Indians immigrated into the area up to 1963. After 1963, the numbers of permanent Indian settlers in this panchayat were seriously curtailed at least in the agricultural sector. This is due to the successful malaria eradication programme in the Terai after 1960, the promulgation of the New Legal Codes in 1963 and the implementation of the Land Reform Programme in 1964. These developmental plans and programmes greatly helped to bring the hill peoples to the Terai. This however, checked the permanent infiltration of the Indian population only in the agricultural sector of the Terai.

Conclusion

This historical pattern of Indian migration clearly shows that Indians were originally invited to settle in the Nepal Terai. They were encouraged to settle down not only in business, construction and the industrial sectors but even in the agricultural sector where competition with local Nepalese became most acute. In the early days, it was not felt that the Terai would become over populated, nor people were optimistic that it would become the backbone of the nation's economy. It was merely realised that agricultural production need to be maximized and land revenue be raised in the Terai. Thus Nepal tried to attract settlers even from India, promulgating different ordinance and adopting various means. After 1964, however, it was felt that the Terai was becoming over populated and that the population flow into the region needed to be curtailed not only from the hills of Nepal but also from the Indian nationals whose number in Nepal is increasing everyday. Thus the government of Nepal has taken the position that the continued inflow of foreign nationals into Nepal is unacceptable and has thus put many restrictions on these foreign nationals.²²

The restriction in foreign nationals came rather late in the developmental context of Nepal. Today, it is very difficult to differentiate the immigrant Indians from the local Terai people. Difficulties arise in many ways: 1. the ethnic groups living in the Nepal Terai are physically and culturally the same as the people living in the border districts of Bihar, Uttar Pradesh and Bengal. Language, food habits, style of wearing clothes and other socio-cultural patterns are similar. This problem has become more complicated because of the frequency of intermarriage between people of the border districts of Nepal (these are all the Terai districts) and those of India. Thus a Nepali Terai man (locally known as madhese) who has settled in Nepal more than a century ago, might marry his daughter in India or get a bride for his son from India. As a result, peoples from both sides frequently cross the border to meet and exchange social obligations with their affinal relatives. Mr. Rishi Kesh Shaha has rightly pointed out that, "Controversies and tensions have already arisen in the Terai as to who is a local Nepali and who is an outsider meaning an Indian citizen" (1975:17). Rana and Thapa (1975: 58) have outlined three categories of Indians in Nepal:

- i. Those who are still Indian citizens.

ii. Those who were born in India but have not taken Nepalese citizenship.

iii. Those who were born in Nepal but are descended from Indians.

These divisions make it even more difficult to distinguish between the local Terai inhabitants and recently immigrated Indian citizens since no documents exist that differentiate Rana and Thapa's three classes of Indians. The difficulty lies here not in these categories themselves but in how to differentiate between the three categories of people as well as the whole immigrant group and the local Terai people. As these people do not have birth certificates, it is very difficult to say who has been born in Nepal or who has been born in India. Moreover, a local Terai person who has lived in Nepal for generations may be classified as Indian if he is unable to produce official documents or if he is landless. But a recently immigrated Indian can be classified as Nepali if he is clever enough to produce falsified documents or has managed to purchase land. The investigator of this paper came upon a good example of this situation when he was talking with the general secretary of the Morang Merchants' Association. He noticed that almost all the registered members of the Association had Marwari (Indian) names. The investigators asked the general secretary whether this was actually a "Marwari Association" (Indian Association). The secretary (who himself was Marwari) replied ironically that the names which the investigator was reading were all names of Nepalis. Clearly, in the Terai regions of Nepal today, those whom we might call Indians are sometimes in fact Nepalis and those whom we might call Nepalis are sometimes in fact Indians.

In brief, whatever the social, political or economic consequences Nepal is facing through Indian migration, it is obvious the Terai has become Nepal's vital economic zone. The Terai has undergone great economic change in the agricultural sector and today it has become the "granary" of Nepal. Much of the government's excise revenue comes from jute, cigarette, matches, cloth, sugar, rice, and oil industries which are located in the major towns of the Terai. The Terai is becoming increasingly urban due to effective communication and transportation systems which promote trade and industrial activities. Here is the most outstanding indigenous economic development ever to occur in the history of Nepal.

In fact it compares favourably with programme of economic development elsewhere in Asia. One of the most noteworthy aspects was the fact that there was little need for planning or complex bureaucratic organization and capital investment was low, with no foreign loans necessary. Nonetheless, like many of the other cases it produced unforeseen ill-effects as well as benefits.

This case then suggests that economic development may bring problems even when it is not involved with the usual capital intensive international aid structure and the overloading of the indigenous bureaucratic organization. It points out that to achieve rapid development new in-puts

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must be made. These and the change itself are very likely to be disruptive and any government which is trying to stimulate development should be aware of potential costs as well as benefits in its assessment of its plans.

NOTES

1. Field work on "Indian Ethnic Groups" was conducted from the periods between November 1977 to February 1978, hiring three research assistants. This study was made possible from the grant of Research Center for Nepal and Asian Studies, Tribhuvan University, where I work as a staff member of the Research Center. This paper utilizes partially some materials from the original field report, Indian Ethnic Groups in the Nepal Terai (see Dahal, 1978).
2. It should be noted that the first scene in the history of foreign aid in Nepal was the 'point four agreement' of 23 January, 1951 with the United States of America. The American aid was soon followed by formal economic assistance from India in October of the same year.
3. The Indian businessmen he means the Kashmiri Musalman and Gosain Brahmins from India who had already begun trade with Chinese via Nepal. This is illustrated in his letter written to Sadullaji Mojamji on Baisakh, 1822 (1765).
4. Quoted by P.R. Sharma in his article 'Kirkpatrick's', "An Account of the Kingdom of Nepal", Contributions to Nepalese Studies, Vol. 1, No. 1, 1973.
5. Lalmohar issued by Pratapsingh Shah (1774-1777) and Rajendra Bikram Shah (1826).
6. Quoted by Ludwig F. Stiller, S.J. The Silent Cry the People of Nepal: 1816-1839, 1976, p. 44. The account was originally from Bisheswar Prasad, (ed.), Fort William India House Correspondence: and Other Contemporary Papers. Relating there to (Delhi, 1960), 6:203.
7. Lalmohar issued to Kazi Abhiman Singh Basnyat, published in Itihas Prakash, 1955, p. 189-190.
8. The State granted land to individuals to enable them to make a living (Regmi, 1963, p. 25).
9. Recorded by Ludwig F. Stiller S.J. in his book. The Silent Cry the People of Nepal 1816-39, 1976, p. 55.
10. Prayag Raj Sharma, "Kirpartricks An Account of the Kingdom of Nepal", Contributions to Nepalese Studies, Vol. 1, No. 1, December 1973, INAS, Tribhuvan University.

11. Lands assigned for the use of charitable, religious or Philanthropic institutions (Regmi, 1963, p. 27).
12. Kipat is a form of communal tenure. Land is held on a tribal, village, kindred or family basis, and individuals have definite rights in this land by virtue of their membership in the relevant social unit. Hence title to land has a communal character and it is usufructuary, rather than absolute (Regmi, 1963, p. 29).
13. Jagir is to assign raikar land (land which the State retains under its ownership and taxes the private individuals who operate it) as emoluments of office to government employees. In other words, before 1951, it was the policy of the government to pay the salaries of civil and military employees in the form of land emoluments (Regmi, 1963, p. 22).
14. Rakam is the assignment of land as remunerations for the performance of specific functions mostly of a manual character (Regmi, 1963, p. 24).
15. Sarhakar-Akar-Sarbangna Mafi Biralab Birta Grant to Prime Minister Jang Bahadur, Aswin Sudi 6, 1917 (October 1860) from Regmi's Landownership in Nepal (1976, p. 31).
16. Shri Panch Surendra Bikram Shah Devaka Shasan Kalma Baneko Muluki Ain (Legal Code enacted during the reign of King Surendra Bikram Shah Dev), Ministry of Law and Justice, Kathmandu, 2022 (1965).
17. R.C. Poy, Choudhari, Bihar District Gazetteers, Darbhanga and Purnea, Patna, 1964.
18. Ibid, p. 139 (?).
19. Nepal Ain Sangraha (collection of Legal Codes) Part II, Ministry of Law and Justice, 1964, HMG, Nepal. See especially the Indo-Nepal Industrial Corporation Act, 1962, pp. 840-945.
20. Ibid, pp. 856-861.
21. Registers were made in the name of Nam Namesi by each panchayat of Morang district under the supervision of District Panchayat in 1967. They supply information on a person living in that panchayat such as name and address, duration of stay, and his place of origin and destination, and the total members in his family. When we tried to look at this type of register, they disappeared automatically from the panchayat office. We approached the District Panchayat Office and officials working in the District Panchayat tried to procure registers for us, but during our three month's stay in the field, things followed the official procedures and we could not get registers. We however got Nam Namesi registers of Ward No. 4, 6, 7, and 9 of Katahari Panchayat from the store of the District Panchayat.

22. Restrictions put on foreign nationals go as follows:

Land Reform Act, 1964: According to this act no person shall sell, give away or otherwise relinquish his rights to any immovable property in favour of any foreigner, foreign corporate bodies or foreign nations without the prior approval of the Government of Nepal. In case such rights have been relinquished and taken up the property shall be confiscated and shall accrue to the Government of Nepal.

The Ukhada Land Tenure Act, 1964: This act provides for termination of existing ownership rights over the lands being cultivated by tenants under the share-cropping system. The rules framed under the act provide for registration of the land in the name of the Nepalese nationals only.

The New Kuluki Ain of 1963: Restrictions on acquisition and disposal of immovable properties by foreign citizen.

The Nepal Citizenship Act, 1964: This Act puts many restrictions including those on employment on foreigners. In the field of Trade and Commerce under the Foodgrains (controls) order, Indians as non-Nepalese are not allowed to engage in foodgrain trade.

Similarly under the facilities of Industrial Enterprises Act of May 1961, Cottage and Village Industries requiring a capital investment of not more than Rs. 50,000.00 can be established only Nepalese nationals (Bhasin, 1970, pp. 122-123).

APPENDIX 1

The total number of Indians in Nepal is still difficult to specify from the records. According to the 1961 Census, foreign citizens in Nepal numbered 110,060 or 1.17 percent of the total population. Out of this number, Indian citizens were reported to be 73,311 or 70 percent of the total foreign population. The corresponding figure for the 1971 census was 136,477 persons or 1.18 percent of the total population. Out of this number, Indian citizens were reported to be 128,289 or 94 percent of the total foreign citizens. The 1961 and 1971 censuses also reported the foreign born population which constitute 3.6 percent and 2.8 percent respectively. 10.8 percent of the total population of the Terai was born outside the country according to the 1961 census. Of this figure, 98.9 percent had been born in India. In the 1971 census, the Terai born population born outside Nepal was 8 percent (337,448 total foreign born persons) of the total population of the Terai, and 96 percent of these people were born in India.

According to the 1961 census, the concentration of Indian born populations settled in different regions of Nepal was as follows:

<u>Regions</u>	<u>Total population</u>	<u>% of total population in that region</u>
Eastern Terai	213,230	9.6
Western Terai	78,162	28.7
Kathmandu and other parts of Nepal	32,767	.04

The 1971 census reports the concentration of the Indian born populations settled in the following regions of Nepal as follows:

<u>Regions</u>	<u>Total population</u>	<u>% of total population in that region</u>
Eastern Mountains	1,220	0.40
Eastern Hills	2,130	0.19
Eastern Plains (Terai)	165,521	11.92
Kathmandu Valley	3,645	0.70
Central Mountains	73	0.02
Central Hills	8,273	0.67
Central Plains (Terai)	122,791	6.94
Western Mountains	796	0.17
Western Hills	763	0.02
Western Plains (Terai)	17,505	1.47

Confusion, however, arises in the definition of the terms "foreign born population" and "foreign citizens" in Nepal. If a person (may be a Nepali) was born in India but now a Nepalese citizen working in Nepal, he will be recorded as foreign born. Secondly, the census schedule is

designed in such a way that if an Indian citizen claims to be a Nepali citizen at the time of census taking, his status will be so recorded on his own word alone. There is no method of cross checking for this. One should note however that most of the Indian nationals in the Terai are alert to safeguard their own position, and if they are not Nepali citizens they are unlikely to admit this. This leads one to assume that there has been a gross under estimation of the number of Indians in the Nepal census data (for details see Dahal, 1978).

APPENDIX 2

The Citizenship Act Law of Nepal promulgated ordinances at different periods when or in what conditions a foreigner can apply for the Nepalese citizenship. Some of the excerpts of the ordinances are the following:

The clause two of the Citizenship Act Law of 1952 states that: i. If one of the parents are born in Nepal. ii. One has settled at least five years in Nepal.

The Citizenship Act Law of 1963 states that:

- i. A person who can speak and write Nepali.
- ii. One who is doing some business in Nepal.

The Citizenship Act Law of 1964 and 1967 state that:

- i. A person has to stay minimum 12 years in Nepal.

The clause three of the Citizenship Act Law of 1968 states that:

- i. If any person who wants to get Nepalese citizenship, the Pradhan Panch (the head of the village council) of Town Panchayat, President of District Panchayat or any third class government officer can forward his application to Zonal Commissioner. The Zonal Commissioner, if he feels necessary, shall investigate the person and issues citizenship.

In 1975-76, the following basic criteria have been formulated to issue Nepali citizenship:

- i. The land tax revenue paper paid before 1950.
- ii. The name of the person in the voter's list prepared in the general election of 1958.
- iii. The name of the person included in the census list prepared by the Central Bureau of Statistics.

- iv. The certificate of work of the person employed in the government service.
- v. A person who has stayed 15 years in Nepal.



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