CHAPTER III

INDIAN IMMIGRANTS IN NEPAL:
THEIR ROLE AND PERCEPTIONS
Migration in the context of Indo-Nepal relations can be attributed to various factors apart from an open and porous border. The reason for migration in this region has its own internal and external dynamics in terms of the peculiar features of geo-physical location apart from socio-political factors. Although Indian migrants as an ethnic group in Nepal are not aliens socio-culturally, various policies of the government over a period of time especially after 1950 have made the Indian settlers not only assertive about their socio-economic and political rights but have also spurred them to define their status in the society. The curtailment of their rights by a series of legislations after 1960s has made them more cohesive and assertive as a group. The close socio-cultural affinities, similarity of language, dress, customs and traditions has consequently resulted in a greater identification with the Indians beyond the national frontiers. This in turn has given rise to the suspicion of extra territorial loyalty of the migrants who live close to the international boundary bordering India. Indo-Nepal migration is essentially a product of geo-physical location combined with economic considerations. Inter-ethnic cleavages which are at work play an important role in the identity formation and assimilation of the migrants in the national mainstream.

The Indo-Nepal migration has certain features that are peculiar and indigenous to this region. The Indo-Nepal border is open because of the 1950 Treaty which facilitates migration. Nowhere in the world is the status of the migrants in a country governed by such an unique Treaty, that makes secure their position in the society. Like all other South Asian countries, Nepal shares its border with India, but the peculiarity in the case of Nepal is that it is surrounded by India from three sides, adjoined by the most populous state of India, i.e., Uttarpradesh, as well as Bihar,
West Bengal and Sikkim. Nepal shares a boundary of 1120 kilometres with these Indian states.¹

The close socio-economic and cultural ties between India and Nepal have been the most significant factor in migration. The absence of initial difficulties in adjusting to the society tends to make assimilation and adoption easier. Familiarity with the society and culture, bridges the cultural gap and provides the migrants with psychological satisfaction and this leads to the development of a sense of security and belongingness to the country of adoption.

The Indian influence in all aspects of Nepalese life can be traced to age old historical ties which are reflected and finds expression in the traditions, customs, language and way of life. Both countries socio-economic traditions and culture are so interwined with each other that it is indispensible for both the countries to maintain close socio-cultural links. Nepal’s socio-political, cultural and aesthetic development have been influenced by social-cultural movements in India. The linguistic and religious factor has also strengthened Indo-Nepal relations. Though, India has a preponderant Hindu majority, but Nepal is the only Hindu country of the world.² Art 4 (1) of the constitution of the kingdom of Nepal, 1990, describes Nepal as a multi-ethnic, multi-lingual, democratic, independent, indivisible, sovereign Hindu and constitutional monarchical kingdom.³ The latest census detailing the religious composition of Nepal’s population reveals that the Hindus constitute 89.3 percent, Buddhist 5.3 percent and Muslims 2.7 percent.⁴

¹ Dinesh Bhattacharai and Pradeep Kathiawar, India and Nepal, (Delhi,1993), p.3.
² Both 1952 and 1990 constitutions describe Nepal to be a Hindu country.
Being landlocked, Nepal's only outlet to the outside world is through India. It's dependency on India has made it Indo-centric. Nepal is dependent on India for most of its basic necessities including commodities needed for daily life like salt, sugar and kerosene. India has a major share in Nepal's foreign trade\(^5\). Most of the Industries in Nepal are developed by the Indian Business Community\(^6\). Indian immigrants thus enjoy much clout because of their role in economic development and industrialisation of Nepal.

II

Historically speaking, people of India and Nepal have age old ties with each other. Not only does a place like Janakpur in Nepal, have its significance in Ramayan but it also finds mention in Mahabharat. Nepal is also the birth place of Buddha and Buddhism had got political patronage from many kings in India.

The bonds of friendship between Nepal and India were very cordial and strong during the Mauryan period. “The archaeological remains in the Lumbini Garden have attested that since the third century B.C. till about the fourteenth century A.D. Lumbini was regularly visited by a large number of people from various regions of India, Tibet and Western Nepal (Khasadesa)\(^7\). In the post-Maurayan period “the coins of Kushans found from a large number of sites of this region on both the sides of the border elucidate the fact that at the people's level there existed a very congenial relation among the people and that promoted their

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\(^5\) Total export to India in 1990-91 was 1552.2 million and other countries it was 5835.3 where as in 1993-94 export to India was 19417.9 and other countries it is 16839.6.Total import from India in 1990-91 was 15903.4 and import from other countries was 34565.5.Nepal Rastra Bank, *Basic Socio-Economic Indicators* (Kathmandu,March 1995).

\(^6\) The Birlas had established first industry in Biratnagar in 1936.

commercial activities also smoothly".8 During the first century A.D. Lichchhavis came to power. Their period is marked by uniformity in governance, socio-cultural activities and economic pursuits that had dominated the whole terrain from the Ganges up to the Mahabharat ranges9. In the past both the countries belonged to the same political domain and administration which explains the cultural affinity.

During later years, the visit to Nepal by saints and scholars and religious ties between both the countries were extremely significant in building the bond of relationship between the people of both the countries. As a noted scholar has put it,

In Bhaktapur several sects of Shaivism prevailed about twenty years ago including Vira Shaivism and Lingayat school which are essentially of south Indian origin and in the Pashupatinath temple till today there is a tradition of worship by the Bhatta Brahmins of Karnataka, attesting the fact that the Karnatas of Simaraungarh had definitely played a significant role in the religious history of Nepal.10

From time immemorial, Nepal has provided asylum to a number of Kings and other royalties whenever there was political upheaval marked by war, annexation and family feuds. From 10th Century A.D. to 13th Century when Muslim invasions rocked northern India, the Hindu kings from Mewar, Chittor, Kannauj, Kumaon, Mithila and Videha fled to Nepal. Hari Singh Dev who ruled the districts of Eastern and Central Terai regions also fled to Nepal when Muslims invaded it in 1324 A.D.

Till the end of the eighteenth century i.e. 1774 A.D., Terai region of Nepal was under the Sen kings of Palpa, Makawanpur and Vijayapur “....the territories of the Sen kingdom included the whole of the Terai region of Nepal as well as some

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8 Rizal, ibid., pp. 30-50 Jha, n.7, p.7.
10 Jha, n.7, p.9. They were first invited to Kathmandu by a Malla ruler about 325 years ago. For details see Rama Prasad Rajbahak. n.9, p.30.
parts of northern India in Uttar Pradesh and Bihar"\textsuperscript{11}. In 1774 A.D., Prithivinarayan Saha, the ruler of Kathmandu and architect of present Nepal, attacked the Terai region and by 1775 the eastern as well as the central region of Terai was conquered. By 1789 most parts of the Terai were included as territory of Nepal. The British expansion in India coincided with the Nepalese expansion in 18th and 19th Century. Conflict arose between British India and the ruler of Kathmandu to control Terai, especially Butwal and Shivraj (modern Kapilavastu and Rupandehi district) in mid western Terai. This conflict ultimately culminated in the Anglo-Nepalese war of 1814-16. The outcome of the war was in favour of the British. The Treaty of Sugauli was concluded in 1815 and as a result of which, British took over the entire Terai region. However, a year after the ratification of the treaty, British returned eastern and central Terai from Mechi river to the western Rapti river to the ruler of Kathmandu following the pledge of loyalty to the British. The western Terai was returned in 1858 as a token of goodwill gesture by the British for the help the Nepalese had rendered in quelling the mutiny of 1857\textsuperscript{12}. After the Treaty of Sugauli, the political boundary of Nepal and India became fixed forever.

As is evident, throughout the course of history the movement of people between Nepal and India has been unrestricted. It is pertinent here to point out that although the 1950 Treaty gave legality to the movement of the people, it was essentially an affirmation of existing socio-cultural links. The age old ties between India and Nepal has been marked by the free flow of people, culture and traditions over centuries. 

\textsuperscript{11} Jha, n.7, p.11.
\textsuperscript{12} Fredrick H. Gaige, "The Role of the Terai in Nepal's Economic Development". \textit{Vasudha} (Kathmandu), vol.11, no.7, Asahadh 2025. p.55.
There have been a number of reasons for Indian migration to Nepal. The social factors underpinning such migration are a function of cultural and linguistic affinity. As has been discussed earlier, historically India and Nepal share age old relations. The history of Nepal cannot be complete without a reference to India and vice versa. The Terai region where Indian migrants are mostly concentrated, is geographically an extension of the Indo-Gangetic plains. The language spoken in Terai has similarities with the border regions in India. Because of the open border, the interaction between people has culminated in closeness. As a noted scholar has put it, the “geographical factors have been reinforced by religious, cultural and ethnic affinities between the inhabitants of Tarai region...and their counterparts across the border. The Tarai region has, therefore remained practically an expansion of the Indian society and economy through the centuries”.

Close geographical proximity has also facilitated Indian migration to Nepal. The Bengal famine of 1769-70 caused many deaths in India and “...the death toll was sufficiently high to cause severe dislocation in the villages....This brought many of them into Nepal, where the government rapidly promulgated ordinances that made permanent settlement in the Nepal Tarai far more attractive than transient share cropping.” Apart from this, “in 1736 and also in 1807-39 and 1873-92, the entire eastern sector of northern Bihar plain covering approximately thirty three to thirty six thousand constituting Kosi belt used to come under the water of Kosi river. In 1791, the rice crop almost failed in North Bihar and severe scarcity of food grain followed. Again, there was earth quake in the northern plain of Bihar in 1934 and

districts like Purnea and Darbhanga suffered badly." All these factors were responsible for migration of people from these regions of India to Nepal apart from other extraneous factors. During the British period also, lot of political activities were taking place inside British India. It is likely that during this period of political turbulence, many people must have migrated to avoid repression. During Sepoy Mutiny of 1858, many people fled to Nepal to escape British and torture.

The migration of Indians to Nepal Terai was due to the poor living conditions and poverty in the adjoining Indian areas that can be attributed to the British oppression and exploitation. The policies of the British government and the feudal character of the Indian society had left farmers at the mercy of Zamindars. The poor socio-economic situation of the Indian labourers due to the exploitation and oppression of the landless people by Zamindars was further aggravated by the Permanent Settlement Act of 1793. By the end of 19th century, the money lenders became a major menace in the countryside and an important cause for the growing poverty. To get rid of this abject poverty, migration was the only alternative. It became more lucrative with Nepal’s Prime Minister Jang Bahadur Rana’s offer of free lands to facilitate settlement in Terai.

The Indian migrants initially were encouraged to settle in Terai. They were not ‘unwanted people’ but rather an indispensable part of Nepal’s economic development after the political unification. Before unification, the kingdoms that had suzerainty over Terai were not interested in developing the Terai region because they neither felt the need nor had the capital. “Settlement in these areas is believed to

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16 Dahal, ibid., p.63.
have been discouraged by the rulers because of their value as a defensive barrier." 17 Explaining the then population, Col. Kirkpatrick in his account of Nepal had written:

"the waste state of the country, therefore, is to be referred to the want of population, and to the defects of the government, which but ill understands the means of promoting it. It is rather extraordinary, perhaps considering the temptations held out by the vicinity of the Company’s dominions, that this dreamy tract should have any inhabitants at all; but it will be still more singular, if our late permanent settlement of the revenue, and recognition of the proprietary right in the land holder, should not soon have the effect of entirely depopulating it." 18

After the unification importance was given to Terai more as a revenue generating region than as a part of the kingdom that needed development. As argued by a scholar, in Nepal "any real economic development necessarily involves increased agricultural production..." 19 since the land was fertile in Terai, it had all the potential to generate revenue to boost the sagging economy and expenses required for the military conquest of the Kathmandu rulers. The only alternative to increase revenue after Nepal’s unification in 1769 was to cultivate the fertile land of Terai that could substantially increase the government revenue. Since Terai was malarious, hot and humid, the hill people were not interested to settle there. Moreover, land was also available in abundance in the hills and there was shortage

18 William Kirkpatrick, An Account of the Kingdom of Nepal (Delhi, 1975), p.15.
19 New land availability was located in the mountain slope that was difficult to farm and yielded poorer returns and also because the development of such lands would require man-power that was not easily available. Even if manpower had been available for this work, the manpower-productivity ratio would have been so low that no substantial increase in national revenues could have been expected from this effort. Stiller, n.14, p.43
of manpower to cultivate these lands. The Nepalese were thus instructed to “attract settlers from Birta land or from India”20 to settle in Terai. This as a western scholar has put it “led to a significant Indian migration to Nepal, particularly to the Terai region...considering the economic potential of the Terai region, the Shah rulers were interested in its development...”. Given the unwillingness of Hill people to settle here “Indians were encouraged to clear swamps and forests in the Terai and start cultivation. And, as a result of this, people from all walks of life in the neighbouring Indian regions began to migrate to the Terai region of Nepal”21. “Local administrators were instructed to entice Indian settlers and Jamidars (revenue collectors) were often obligated to settle a specific number of immigrants every year. Birta and Jagir landholders were also allowed to settle Indian immigrants and were rewarded for their efforts with additional waste land.” 22

These additional waste lands were given to Jamidars as ‘jirayat’23 with some other

22 Nanda R. Shrestha, n.13, p.172. The Jimidar regulation provided that any individual could offer to reclaim virgin waste lands which were situated at a distance of more than a days walk from existing settlement which peasants were unable to reclaim through their own land and resources... he was permitted to procure settlers from India or else divert cultivators from Birta lands. He was granted tax exemption for ten years and one tenth of the total reclaimed area as his birta.... The settlers were given allotment, free of taxes for five years. For details see M.C Regmi, Land Ownership in Nepal (Berkley, 1976), pp. 108-109.
23 Waste land for which no settlers were available were then given to him as his Jirayat. For cultivating his jirayat lands, a Jimidar was permitted to appropriate the unpaid services of one ox-team, or at least one plowhands, from every settler family each year. His right to the entire reclaimed area were inheritable and secure from arbitrary eviction, and from confiscation even if he committed as offence against the state. See Regmi, n.22, pp. 108-11. Also see Shrestha, n.13, pp.172-74.
facilities. A specific policy regarding settlement was formulated in 1798 by Rana Bahadur Shah stating that “Nepal wished to attract settlers from India in wherever possible to develop cultivation in the Tarai...”\textsuperscript{24} To promote land settlements. Contractors were required to pay only nominal taxes to the government.\textsuperscript{25}

To attract the Indians, lucrative offers were made. “Any Indian who moved into Nepal territory with his family was given free allotment of agricultural land in addition to a homestead and free supplies of building material for constructing a hut. Once he was settled in Nepal along with his family, he could be appointed as Jamidars (revenue collector)”\textsuperscript{26}. However, a ban was later imposed subsequently on the purchase of land and Jamidari holdings in the Terai by Indians\textsuperscript{27}, although no ban was imposed on immigration of Indians.

“The demand for labour from India was closely related with the prevailing land holdings and absentee landlordism...”\textsuperscript{28} in Nepal. Since Terai was malarious, and most of the people who had lands were from the ruling class and staying in Kathmandu, the problem of cultivating the lands arose. Therefore, “the Shah rulers...

\textsuperscript{25} Shrestha, n.13, pp.172-73. The jimidar was under obligation to supply the credit needed by them for maintenance as well as the cultivation, on paymaent of interest. For details see Revenue Regulations for eastern Terai District (1861), sec. 68; in Regulation Regarding land Reclamation in the Eastern Terai Districts, \textit{Magh badi} 3, 1921 (January,1865), as cited in Regmi, n.22, p.109.
\textsuperscript{26} Revenue collection for Eastern Terai districts1861, sec.23, 24and 68 as cited in Regmi, n.22, pp. 109-10. Also refer to Stiller n.14, p.45.
without any exception, made lavish Birta grants to the leading families of the nobility of the day". Indian migrants were required to come and till these lands because of manpower shortage.

After the unification of Nepal, Terai being a part of the territory of Nepal was treated as priceless colonial possession. It was treated as a region which could be exploited to fill the state exchequer and enrich the ruling class material status. As a scholar from Nepal has put it, "Indeed, the Terai region was treated more as a colonial possession serving the economic and other interests of the Kathmandu-based aristocracy and bureaucracy, who were invariably of hill origin than as a constituent units of newly founded kingdom."30

Systematic migration and settlement in Terai dates back to the period of Rana regime after they came to power in 1846. To increase the revenue, the Ranas encouraged settlement in the Terai region. The ‘Paharis’ (hillfolk) were not interested in settling down there. The out migration had started after the British made a formal agreement with the Ranas regarding the recruitment of Gorkhas in the Indian Army. Inspite of the best efforts by the Ranas to attract Paharis to settle in Terai for revenue generation purpose, they preferred to emigrate to India to join the British army or work in the tea plantations. There was “...the preference for working in India due to high wages and highly prestigious social position accorded by the hill society to the people working in the foreign army”31. In addition to this, the climatic conditions and disease prone Terai prevented them to settle there. Realising the

29 ‘Land ownership was synonymous with social status because of the primordial base of the country’s economy. The power to bestow or withhold favours in form of Birta grants was of considerable significance in organising the foundation of new political authority and administration...disloyalty was punishable by confiscation of property including Birta land....’ For details see Regmi, n.22, p.25. Also see Shrestha, n.13, p.169, Stiller, n.14, p.49.
30 Regmi, n.13, p.13.
31 Kansaker, n.28, p.53.
difficulties in reclaiming and cultivating the lands in the Terai. The Ranas made provision in the first legal code of the country entitling alienation of land through sale or purchase to foreign nationals residing in Nepal.

The Rana family exploited the Terai region for their economic benefits. “Jang Bahadur Rana and his family held all the Tarai region of far western Nepal comprising of Banke, Bardia, Kailali and Kanchanpur districts as Birta.” This was the territory which was transferred to Nepal in 1858 and comprised of 2,736 square miles. During the Rana period some important legislations were passed “to encourage cultivation of lands in Tarai e.g. the Madesh Mulko Sawal (Revenue Regulation for Tarai Districts) and Mulki Sawal (Administrative Regulations). These Acts were promulgated in the reign of king Surendra Bikram Shah...”

As has been discussed earlier, the tenural inequalities in the adjoining areas of northern India, apart from natural calamities, made it possible for the Ranas to implement the policy of settlement in Terai with a considerable measure of success. As a noted scholar has put, "the documents around 1850-60 reveal that Zamindaries and minor government posts in Terai were given to Terai inhabitants in three preferentially selected categories. The first preference went to 'Hill Folks', second to those who settled in Nepal territory with their family members and who were rich and loyal to government and had respectable origin". Indians in those days

33 Sarkar-Akar-Sarbhangat Matir Birta Lab-Birta Grant to Prime Minister Jung Bahadur, Aswin Sudi, 6, 1917 (October, 1860) as cited in Regmi, n.22, p.31.
35 Dahal. n.15, pp. 58-61.
36 Regmi. n.34, p.114.
were categorised as men living in Tarai without their family, living there on temporary basis\(^{37}\) and were thus out of this purview.

After the World War I, the industrial revolution and development of railways, timbers was required for the construction-and setting up of railway lines. Prime Minister Chadra Shamsher who had land holdings in Morang and Bōra during the 1920s and Prime Minister Juddha Shamsher in Mohottari in the 1930s had their forest logged by Indian timber contractors and hill tribal labourers in order to supply the demand of the Indian railroads for tiers (sleepers) and for Indian industry as construction material\(^{38}\). The Indian railways also "... strengthened commercial links between the Tarai region of Nepal and the adjoining areas of India...". Terai had abundant forest resources especially timbers. These facilitated many Indian businessmen to go and settle in Terai. "In an attempt to take advantage of the newly-gained proximity to the Indian market, Jung Bahadur established two new market-towns in the far western sector, namely Nepalgunj in Banke district, and the Golaghat or Golamandi, which was shifted to Rajapur in Bardiya district in 1894".\(^{39}\)

Though small commercial centers were developing because of the development of transport and communication in the border areas, the traditional business community like Newars, Sherpas and Thakalis were not interested to move into Terai because of its malarious climate. However, a place like ‘Nepalgunj’ "...soon developed into a bustling town with a growing population and a thriving trading community consisting mainly of Marwaris and other traders from India."\(^{40}\) The Indian business


\(^{38}\) Gaige, n.21, p.25.

\(^{39}\) ‘Order to the Bardiya Mal regarding shifting of Golaghat market to Rajapur’. *Asadh Badi* 3,1954 (June,1897), *Regmi Research Center*, as cited in Regmi, n.34, p.355

man who were encouraged to set up business in Nepal Terai were given two Bighas of land\textsuperscript{41}.

The British India Government was mainly interested in trade with Nepal which also served as a trade route between Tibet and British India before Sikkim's annexation. "The signing of British India's treaty with Nepal in 1923 further opened many avenues for the migration of Indian traders, entrepreneurs, skilled and unskilled labourers to Nepal Tarai and other part of the Kingdom."\textsuperscript{42} The Treaty of 1923 stabilised the relationship of Nepal with British India and secured its southern part from British expansion. This resulted in a change in the policy of Rana government towards Terai and its development was given priority as British expansion was warded off through the Treaty.

The development of communication network in the industrialisation of Terai, not only opened avenues for Nepali goods to be exported but the new and vast market of India was opened to Nepal. As Nepal was industrially underdeveloped, the capitalist section of Indian community found Nepal a fertile place for small scale industries. The traditional capitalist class of Nepal were not interested to shift their business to Terai and most of the mountain people were engaged in trade with Tibet. So the natural choice was Indians, who not only had the capital but the skill and technology required for the establishment of industries. In 1936, Nepal initiated the development of organised industries in Morang district\textsuperscript{43}. This was the first industry to be established and it was established by an Indian Industrialist\textsuperscript{44}. "Rice Mills and biri factories were established in Bhadrapur, Biratnagar and Janakpur and Birgunj by

\begin{itemize}
\item \textsuperscript{41} Dahal, n.l5, p.3.
\item \textsuperscript{42} Upreti, n.21, page 286.
\item \textsuperscript{43} Kansaker, n.32, p.291.
\item \textsuperscript{44} An agreement was concluded with Birla House for setting up of a textile mill--the biggest in the country at a cost of 2.19 crores.\textit{Hindustan Times}, 15 February 1961, as cited in R.S.Chauhan \textit{Political Development in Nepal, 1950-70} (Delhi, 1971), p.176.
\end{itemize}
Indian businessman during this period. Managing hands in these factories and industries were Indian nationals and of course all office and administrative workers and labourers were Indians.\textsuperscript{45} Since then as a scholar has put it, they have dominated this sector of the economy as a result of capital resources and technology\textsuperscript{46}. It was established that Nepal’s industrialisation would not be a success without Indians which strengthened the migrant’s position in the society and established their indispensability. The concentration of people of Indian origin in Nepal Terai can be attributed to the fact that most of labour required for these industries were from India.\textsuperscript{47} This was due to the unwillingness of the hill people to migrate to Terai and the low density of population in the hills. People from India were preferred because of their acclimatization to Terai climate, and close socio-cultural ties which helped them to adapt themselves in Nepal. Not only unskilled or semiskilled labourers, but many educated people from India migrated to Nepal when educational institutions were established. As pointed out by a noted analyst, “during Rana period, initially most of the technical manpower needed for running schools, colleges, hospitals, hydro electric installation, water supply, ropeway and railway came from India”\textsuperscript{48}.

Terai’s contribution to the national revenue of Nepal is very significant. Nepal is predominantly an agricultural country. ‘...Agriculture accounts for about 75 per cent of export and it absorbs more than 90 per cent of the labour force’\textsuperscript{49}. From among this the Terai possesses 70 per cent of the total cultivated land of the

\textsuperscript{45} D.R.Dahal, n.15, pp.65-66.
\textsuperscript{46} Upreti, n.21, p.291.
\textsuperscript{47} Kansaker, n.32, p.235.
\textsuperscript{48} Kanskakar, n.28, p.52.
country.\textsuperscript{50} The Terai accounts for over 70 per cent of the total industrial production in Nepal. The share of the small industries of this region in the total small industries of the country is 72 percent.\textsuperscript{51}

Since agriculture plays an important role in the economy of Nepal, it also absorbs a major chunk of the unemployed population. Agriculture, it may be noted here, "constitutes one of the important occupations of Indian migrants, in which 4.42% males and 7.20% females in the urban areas and 20.45% males and 14.84% females in the rural areas are engaged."\textsuperscript{52}

The mountains consist of 51,817 (41.68%), hills constitute 61,345 (35.21%) and Terai makes for 34,019 (23.11%) of the total 147,181 area of Nepal. The total area for agriculture constitutes 26.5 percent and out of it the percentage used in the mountain areas is 9.3%, hill areas 43.1% and Terai 47.6%.\textsuperscript{53} The share of agricultural land is very significant and Terai is the economic backbone of the country which has an agrarian based economy.

Population wise Terai is the most populous area of Nepal. The population is 7.82 percent in the mountains, 45.56 percent in the hills and 46.62 in the Terai. The district with the highest population is Morang (676,417) in Terai, while the one with the lowest is Manang (5,369) which is situated in the mountains.\textsuperscript{54} Terai produces 56 percent of the GDP and contributes 76 percent of the government revenue.\textsuperscript{55} In

\textsuperscript{50} Jha, \textit{The Terai Community and National Integration in Nepal} (Kathmandu, 1993) p.49.
\textsuperscript{51} ibid., p.50.
\textsuperscript{54} ibid., p.624.
\textsuperscript{55} Sohan lal Yadav, \textit{Rural and Agrarian Social Structure of Nepal} (Delhi, 1992). p.238.
1990/91, the contribution of agricultural GDP at current price is about 56 percent. Due to the topographical constraints, about 18 per cent of the total land area is brought under cultivation and Terai accounts for 57 per cent of the cultivated land.56

The socio-cultural base and geographical location of the region has determined the policies of the Kathmandu based aristocracy. The land in Terai is fertile, rich in mineral resources and forest products, it is practically the 'grain basket' of Nepal. It is the gate way of Nepal to India for trade. Upto 1950, almost ninety percent of foreign trade of Nepal was limited to India barring a small quantity from Tibet side.57 Out of total food crops produced in Nepal (587,866 m.tons), Terai produces 60.31 percent (354,5560). In terms of cash crops Terai produces 73.53% of Nepal's total production (231,5490). The share of arable land is 55.49% in Terai.58 This gives a background about the indispensability of the Terai region. Although from the very beginning the economic potentiality of Terai was realised by the Shah ruler, the development of Terai was never considered to be significant because the ruling elites-both the Shahas and Ranas-believed that the Terai's development was not in their long-term interest. As put by a scholar, "They were afraid lest economic development should provide a motive to the British to annex the Kingdom. A deliberate policy of keeping the country economically undeveloped may have been justified in the contemporary situation by consideration of national security."59 Furthermore, "they were afraid that it would open the flood-gate of

56 His Majesty Government of Nepal, n.53, p.3.
57 Yadav, n.55 p.149.
59 Ten years after sepoy mutiny the attitude towards British had changed. It was "able to pursue its policies of reorganising the district administration as well as of speeding up land reclamation and settlement in the Terai region without any fear of external aggression". Regmi, n.34, p.26.
revolutionary ideas from the south (India), thereby undermining their political rein."\textsuperscript{60}

As has been discussed earlier in this chapter, the Treaty of Sagauli in 1816, the acquisition of Terai region by the East India Company and its subsequent transfer to Nepal in 1817 and in 1858 had resulted in the transfer of population from one government to other. However, between 1858 and 1950 there has been significant migration because of the encouragement by the Nepali rulers. The treaty of Peace and Friendship 1950 between India and Nepalis is a land mark in the sense that it has defined the legality of Indian migrants and has added the reciprocity clause to prevent any kind of harassment against the Indian community by the government of Nepal without any repercussion on the Nepalese in India. It may be noted that in the pre 1950 period, restriction was put on the movement of the people across the border due to the prevailing political climate in Kathmandu. In the anti Rana movement "the freedom fighters were successful in several battle fronts aiming to the support of the people of Tarai and the support of newly established National Government of India".\textsuperscript{61} The people of Terai extended all kinds of help to the leaders in their fight against the autocratic Rana government. Ranas were cautious of the potential of the people of Terai and the extent of their political socialisation due to the proximity to the Indian border.

The Treaty concluded between the government of India and the Rana ruler, Mohun Shamsher Jang Bahadur Rana, the then Ruler of Nepal in 1950 is extremely significant and has remained as a framework for bilateral relations. Article VI and VII are two important clauses of the Treaty of Peace and Friendship. Article VI of

\textsuperscript{60} Shrestha, n.13, p.167.
\textsuperscript{61} Rama Niwas Pandey, "Historical Perspective of Nepal-India Border Relations" as cited in Jha,ed. n.7, p.25. Several Indian participated in the overthrowing of Rana in 1950 were later encouraged to settle down. Dahal, n.15, p.63.
the Treaty states that "Each government undertakes, in token of the neighbourly friendship between India and Nepal, to give to the national of the other, in its territory, national treatment with regard to participation in industrial and economic development of such territory and the grant of concessions and contract relating to such development." Article VII further states that "the government of India and Nepal agree to grant, as reciprocal basis, to the nationals of one country in the territories of the other the same privilege in the matter of residence, ownership of property, participation in trade and commerce, movement and other privileges of a similar nature."

This Treaty is unique in the sense that in no other country of the world is the status of migrants' secured by a Treaty on the basis of reciprocity. The policy makers in both the countries know that given the realities on the ground it is very difficult to restrict migration. The Treaty itself is important because it reaffirms the deep socio-cultural ties and migration itself has been accepted as a natural phenomenon.

The post 1950 period in Nepal was marked by a significant political change. The Rana government was overthrown by the people of Nepal with the support of India and power was restored to the Shah dynasty the ruler of Nepal. The restoration of power to the Shah ruler opened a new era of friendship between India and Nepal. This was reflected in the 1951 Citizenship Act, which was the first Act of its kind. However, the cordiality of relationship was short-lived due to the internal political situation and fall of the first democratic government led by Nepali Congress. as a noted scholar has put it, "Towards the latter half in the fifties and in the 1960s

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owing to a complex network of political elements anti-Indianism grew\textsuperscript{63}.

The Nepali Congress leaders went underground due to the ban imposed on the political parties. These leaders not only found sympathisers across the border but were given shelter in Terai which became the hot bed of congress activities during this period. The Indians who had experience with democratic innovations in their country were sympathetic to the Nepalese cause for the political change. "The concentration of the Indian community in Terai made the king identify the community with Nepali Congress his arch foe."\textsuperscript{64} This led to the adoption of a series of legislations curtailing Indians rights.

The introduction of Panchayat regime in 1960 on partyless basis was criticised by India. The government’s policy of restricting migration from India, as a noted analyst has put it, stemmed out of the fact that "In the domestic context, the dismissal of the Nepali Congress government turned the power equation in favour of the hills. All these factors were exploited to whip up an anti Indian feeling in the name of nationalism..."\textsuperscript{65}


\textsuperscript{64} S.D Muni, “Indians in Nepal: Foreigners not Aliens” in I.J Bahadur Singh ed., \textit{The Other India} (Delhi,1979), p.86.


identity can get sucked to that of India.” To evolve a distinct identity as a sovereign nation, steps were taken to dissuade immigration from India and to encourage the people from hills for resettlement in Terai, thereby serving the twin purpose of reducing the population pressure of the hills and Nepalisation of Terai in a cost effective way.

The policy of ‘Nepalisation of Terai’ is not a new concept in Nepali politics. During the Rana regime this objective could not be achieved due to the unwillingness of hill people to settle in Terai. There was no compulsion either because land was available in abundance in the hills and Terai was malarious. As a scholar has put it, “Ultimately the revenue generation interest began to take precedence over the political economic goal of Paharisation of Tarai through its colonisation...”

The prevalent political scenario of Nepal and the suspected politicisation of the people of Nepal because of anti-British sentiment in India and exploitation by the jmidars aroused a sense of dissatisfaction in Terai and insecurity in the Kathmandu rulers in 1920s about the repercussions it may create. Geographical proximity and the fear of infiltration of ideas from the South through Terai, made the Rana government nervous. Most of the Nepalese, who studied in India especially in Benaras, were influenced by Indian freedom movement which was attracting the masses by its anti-colonial tirade. Some of these political leaders also participated in the Indian freedom struggle and went to jail. These politically conscious people saw the autocratic rule of Rana as an extension of British rule in Nepal. To curb any chances of revolt by the Nepali leaders in connivance with the Indian settlers, the rulers to settle the hill people in Terai. According to Shrestha,

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67 ibid., p.257.
68 Shrestha, n.13, p.172 and 174.
the paharisation was a sensible answer to both problems in that
resettlement of the hill residents, primarily disgruntled and disadvantaged hill
peasants, in the Terai was expected to appease the potential revolutionary
forces in the hills on the one hand, and on the other hand these hill resettlers
were expected to serve as the guards of Rana autocracy, a hedge against the
possible anti-Rana revolt by the Madheshis.69

The socio-cultural links of Terai people with India made the ruling elite
suspicious about their loyalty and conscious of their need to integrate them to the
national mainstream. The objective to evolve separate identity with a hill cultural
orientation for the people of Nepal mainly arose from the fear that their identity
would submerge with the Indian identity unless a distinct national identity was
involved. As a noted scholar has put, “The identity question of India’s neighbouring
states; at least on the cultural plane, has thus been rendered extremely vulnerable,
because India, as the oldest country in the region, seems to prompt all their cultures.
The vision of India’s unity in ancient times was based in its cultural entity and now
it is also a cultural name to begin with.”70 From the economic point of view, Terai
is vital for the economy of Nepal. Thus, the government always wanted to keep
Terai under its control culturally and ethnically. Terai is mainly dominated by
Indians and the close socio-economic ties of the people of Terai with India are
viewed by Nepalese with anxiety. As put by a keen observer, “The Tarai is the
channel through which Indian influence can infiltrate into Nepal...some concerned
members of Nepal’s governing elite look upon the Tarai as their nation’s vulnerable
underbelly”71. The need for national identity is important for Nepal to retain a
separate entity. As stated by a scholar,

69 ibid., p.177. In 1923 a number of measures were taken to develop agriculture
and promote land reclamation and resettlement in Rapty valley. ibid.
70 Sharma, n.66, p.258.
71 Gaige, n.21, p.2.
a nation comes to give a different historical and cultural interpretation of itself, or make a different evaluation of itself as regards its geographical and topographical features and adopt all sorts of political stances in its bilateral and multilateral relations, so that its identity remains continuously assertive... the smaller and economically weaker countries are more sensitive to the issue of their national identities.72

The post 1950 period was thus marked by various legislative measures which were aimed at integrating Terai to the national mainstream and culturally binding them with Kathmandu than with India. The policy of national integration as pursued by Nepali elites alienated the Indians settled in Nepal. The alienation of Indians mainly resulted from disagreement with the concept of ‘National identity’ which was synonymous with the hill language and culture. Indians did not fit into the concept of ‘Nepali nationalism’. As Lucian Pye73 has emphasised, the important barrier for political development is crisis of identity; legitimacy, penetration, participation, integration and distribution. These factors i.e. like giving legitimacy as co-partners in governance, equal participation, distribution of socio-economic benefits, it is being held in informed circles, can integrate the immigrants more than emphasizing one language and one identity.

The geographical location of Terai, its people, their customs and culture do not fit into the so called ‘Nepalese identity’. This leaves less space for such marked differences between both so-called plain-culture or culture of Terai and hill culture. The plain culture is always considered synonymous with Indian culture which essentially finds expression in the culture of Terai which has a predominant/

72 Sharma, n.66, p.253.
73 Lucian Pye in *Aspects of Political Development* (Boston, 1966), has dealt with the factors of political development which if not given importance may lead to disintegration, where groups living in a nation complains of discrimination and the state structure is not in a position to accomodate the demands of various group can lead to problem of democratisation.
population of Indian origin. The way the people of Terai dress up, their eating habits etc. are the same as the people of India. Their method of celebrating different festivals are similar to those of adjoining parts of India.\textsuperscript{74} It was feared that the Terai culture was simultaneously being merged with that of the northern Indian plains as a result of migration from U.P. and Bihar. The plain tribals living closest to the settlement of caste Hindus of plain origin have been undergoing assimilation into the north Indian plain culture for many centuries.\textsuperscript{75}

The hill culture or what is called the 'Nepali culture' is the way of life of most of the elites in Nepali society, including the ruling elite.\textsuperscript{76} As a noted western scholar has observed, the Nepali national culture is "the culture dominated by the ruling hill-Brahmin-Chetri-Newar Coalition.... Despite the economic and political rivalries that have existed among these groups, their mutual interdependence has prevailed and has resulted in the evolution of the unique hill culture. There is a general feeling among them that the physical proximity of the Terai region to India makes it vulnerable to India's influence and if Terai is not integrated to the Nepali culture a situation may arise that can lead to the alienation of madhesias and ultimately perhaps to ethnic conflict. Nepal's major towns and villages are also dominated by Indian immigrants, many of whom have already achieved the status of permanent settlers. Although, "...Nepal accepts the concept of a plural society but it does not accept cultural pluralism as a guiding force for running the affairs of the state. Proudly, there are four main bases of cultural pluralism: race, language, religion, tribe & custom\textsuperscript{77}". The hallmark of the plural society is that politics is

\textsuperscript{75} Gaige, n.21, p.23.
\textsuperscript{76} Gaige, n.21, pp., 195-96.
\textsuperscript{77} Lokraj Baral, \textit{Migration, Ethnicity and Security: A case Of South Asia} (Delhi, 1990), pp.5-6.
practiced almost exclusively along ethnic lines. As a noted scholar has put it, there is fear that, "the Terai of Nepal where the people of Indian states of Bihar and U.P. share such commonalties of ethnicity may be converted into a zone of conflict." Not only the converging identity but the concentration and growing number of Indian people in Terai has also strengthened the Nepalese elites fears. The large scale immigration of Indians are reflected in various census data. The census of 1961 records that out of total population, 3.6 per cent are foreign born and out of the foreign born, 96 per cent are born in India and among them 93.2 percent (or 308,516), were reported in Terai. In 1971 Census, the Indian born population constituted 95.6 per cent of the total foreign born population residing in Nepal, an increase of .4 per cent since 1961 out of this 91.3 percent were residing in Terai. In 1981 census, of the total foreign born; the share by country of birth was 95 per cent from India. Of the total Indian born 90.6 per cent were reported in inner Terai and 96.5 per cent of the Terai among the foreign born. (See Figure : 1) The Foreign born population in Nepal (see the graph for details about the people from other countries) constitutes 95.3 percent of the total foreign population in Nepal. In 1961, they constituted 95.6 percent of the total foreign born. Both in 1971 and 1981 their number decreased which can be attributed to the restrictive policies followed by the Panchayat regime to restrict migration. The reason was that due to land scarcity in the Hills, people from hills were encouraged to settle in Terai. This served the twin purpose of reducing disenchantment of the hill people towards Panchayat regime and restricting Indian influence in Terai which was the hot bed of Congress activities in

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78 R.S Mitre, "Ethnicity, Democracy and Political Development" (Review Article), *Pacific Affairs*, vol.76, no.3, Fall 1973, p.430; as cited in n.74, p.6.
79 Baral, in.
those days. In 1991, the percentage increased by 0.3 percent. This might have resulted from the restoration of democracy.

**Figure 1**

PERCENTAGE OF INDIA BORN POPULATION OUT OF TOTAL FOREIGN BORN POPULATION OF NEPAL (1961-91)


in Nepal in 1990.

The total foreign born population in Nepal is 41,8982 (see map in the next page for foreign born population distribution in Nepal). The Indian born population constitute 95.33 (439488) percent out of the total foreign born population of Nepal (See the map for Indian population distribution in Nepal for the census year 1991). Terai has the share of 378692 persons as foreign born. From among these 97.21 percent of people are born in India. (See Table 1)
INDEX OF INDIAN POPULATION CONCENTRATION IN NEPAL - 1991 (DATA BY INDIVIDUAL DISTRICT)

NAME OF DISTRICTS WHICH ARE NOT MENTIONED IN THE MAP — 1. BHAKTPUR 2. KATHMANDU 3. LALITPUR 4. KABHRE PALANCHOK 5. RAUTAHAT 6. DHANUSA
7. OKHALDHUNGA 8. TERHATHUM 9. SPARBAT 10. RAMECHHAP.
TABLE I

FOREIGN BORN POPULATION IN TERAI, DERIVED FROM CENSUS OF NEPAL-1991

<table>
<thead>
<tr>
<th>DISTRICT</th>
<th>TOTAL FOREIGN BORN POPULATION</th>
<th>INDIA BORN POPULATION</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>JHAPA</td>
<td>32941</td>
<td>30689</td>
<td>93.16</td>
</tr>
<tr>
<td>MORANG</td>
<td>32240</td>
<td>30819</td>
<td>95.59</td>
</tr>
<tr>
<td>SUNSARI</td>
<td>18540</td>
<td>16524</td>
<td>89.13</td>
</tr>
<tr>
<td>SAPTARI</td>
<td>16255</td>
<td>16190</td>
<td>99.60</td>
</tr>
<tr>
<td>SIRAHU</td>
<td>16517</td>
<td>16364</td>
<td>99.07</td>
</tr>
<tr>
<td>Dhanusha</td>
<td>27739</td>
<td>27608</td>
<td>99.53</td>
</tr>
<tr>
<td>Mahottari</td>
<td>27979</td>
<td>27893</td>
<td>99.69</td>
</tr>
<tr>
<td>Sarlahi</td>
<td>27096</td>
<td>26964</td>
<td>99.51</td>
</tr>
<tr>
<td>RAUTTHAT</td>
<td>19936</td>
<td>19874</td>
<td>99.69</td>
</tr>
<tr>
<td>Bara</td>
<td>24627</td>
<td>24564</td>
<td>99.74</td>
</tr>
<tr>
<td>Parsa</td>
<td>29104</td>
<td>28983</td>
<td>99.58</td>
</tr>
<tr>
<td>Chitwan</td>
<td>7535</td>
<td>6996</td>
<td>92.85</td>
</tr>
<tr>
<td>Nawal Parsi</td>
<td>17748</td>
<td>16919</td>
<td>95.33</td>
</tr>
<tr>
<td>Rupandehi</td>
<td>23264</td>
<td>21699</td>
<td>93.27</td>
</tr>
<tr>
<td>Dang</td>
<td>1985</td>
<td>1924</td>
<td>96.93</td>
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<tr>
<td>Kapilbastu</td>
<td>19559</td>
<td>19289</td>
<td>98.62</td>
</tr>
<tr>
<td>Banke</td>
<td>18189</td>
<td>17940</td>
<td>98.63</td>
</tr>
<tr>
<td>Bardiya</td>
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<td>5366</td>
<td>97.96</td>
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<tr>
<td>Kailali</td>
<td>6608</td>
<td>6472</td>
<td>97.94</td>
</tr>
<tr>
<td>Kanchanpur</td>
<td>5352</td>
<td>5069</td>
<td>94.71</td>
</tr>
</tbody>
</table>


The 1961 census reported 110061 foreign citizen in Nepal. Out of total foreign citizens Indian citizens constituted 69.3 per cent. In 1971, Indian constituted 94.4 percent of the total foreign citizens in Nepal. In 1981 the percentage of foreign citizens was reduced to 24.2 percent only. Many people were shown in the others or unstated category (74.2%). In 1991 census, Indian citizens constitute 0.37 percent of the total population of Nepal. Out of total Foreign citizen India born constitute 75.73 percent of the total foreign citizen (see figure II). The Indian Citizens constitute 0.63 percent of the total population of Terai. Out of the total foreign citizens, i.e. 69019
in Terai, the Indians constitute 77.6 percent of the population\(^8\). (See Table 2). The unstated category constitute 1584 persons.

### TABLE 2

<table>
<thead>
<tr>
<th>DISTRICT</th>
<th>TOTAL FOREIGN POPULATION</th>
<th>INDIAN IN FIGURE</th>
<th>INDIAN IN PERCENTAGE</th>
<th>OTHERS IN FIGURE</th>
<th>OTHERS IN PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>JHAPA</td>
<td>10115</td>
<td>8638</td>
<td>85.40</td>
<td>1477</td>
<td>14.60</td>
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<td>MORANG</td>
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<td>6244</td>
<td>84.46</td>
<td>1149</td>
<td>15.54</td>
</tr>
<tr>
<td>SUNSARI</td>
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<td>3059</td>
<td>68.24</td>
<td>1424</td>
<td>31.76</td>
</tr>
<tr>
<td>SAPTARI</td>
<td>1543</td>
<td>1319</td>
<td>85.48</td>
<td>224</td>
<td>14.52</td>
</tr>
<tr>
<td>SIRAHA</td>
<td>2508</td>
<td>1005</td>
<td>40.07</td>
<td>1503</td>
<td>59.93</td>
</tr>
<tr>
<td>DHANUSHA</td>
<td>3538</td>
<td>2216</td>
<td>62.63</td>
<td>1322</td>
<td>37.37</td>
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<tr>
<td>MOHATTARI</td>
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<td>87.04</td>
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<tr>
<td>SARLAHI</td>
<td>4143</td>
<td>2138</td>
<td>51.61</td>
<td>2005</td>
<td>48.39</td>
</tr>
<tr>
<td>RAUTHAT</td>
<td>896</td>
<td>583</td>
<td>65.07</td>
<td>313</td>
<td>34.93</td>
</tr>
<tr>
<td>BARA</td>
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<td>2131</td>
<td>71.14</td>
<td>831</td>
<td>28.06</td>
</tr>
<tr>
<td>PARSA</td>
<td>4483</td>
<td>3824</td>
<td>85.30</td>
<td>659</td>
<td>14.70</td>
</tr>
<tr>
<td>NAWALPARSI</td>
<td>2622</td>
<td>1971</td>
<td>75.17</td>
<td>651</td>
<td>24.83</td>
</tr>
<tr>
<td>RUPANDEHI</td>
<td>4131</td>
<td>3189</td>
<td>77.20</td>
<td>942</td>
<td>22.80</td>
</tr>
<tr>
<td>KAPILBASTU</td>
<td>1484</td>
<td>1066</td>
<td>71.83</td>
<td>418</td>
<td>28.17</td>
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<tr>
<td>BANKE</td>
<td>3009</td>
<td>2598</td>
<td>86.34</td>
<td>411</td>
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<tr>
<td>BARDIYA</td>
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<td>2104</td>
<td>78.86</td>
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<tr>
<td>KAILALI</td>
<td>4559</td>
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<tr>
<td>KANCHANPUR</td>
<td>2350</td>
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<tr>
<td>CHITWAN</td>
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<td>2215</td>
<td>90.41</td>
<td>235</td>
<td>9.59</td>
</tr>
<tr>
<td>DANG</td>
<td>920</td>
<td>701</td>
<td>76.20</td>
<td>219</td>
<td>23.80</td>
</tr>
</tbody>
</table>


FIGURE-II
FOREIGN CITIZEN IN NEPAL-1961-91 (INDIANS)


Being aware of the fact that it was very difficult to restrict migration because of the open borders, the government aimed at the policy of integration. The Nepal government's policy of cultural and political integration of the Terai to the national mainstream was undertaken, keeping significant factors in mind like population redistribution to reduce population pressure in the hills and balancing the population-land ratio and planned resettlement of the hill people in Terai to reduce the influence of madhesias. This was done in order to prevent the dominance of Indian origin
people in Terai so that in future the influence of Indian culture could be contained. Though the government highlighted the economic reasons for migration from the hills, the underlying justification perhaps was the cost effective way of ‘Nepalisation of Terai’.82

Till late 1950s, Terai development was never on the agenda of the rulers of Kathmandu. As the pressure of population increased in the hill area and there was no alternative to strike a reasonable balance between the population and land ratio emphasis was laid on population redistribution and planned settlement. Efforts were made for the eradication of malaria from Terai to remove the hesitation of the hill people to migrate. The Nepali Malaria Eradication Organisation, which was established in 1958, was given active cooperation from United States Agency for International Development (USAID) the World Health Organisation (WHO) and His Majesty Government of Nepal to eradicate malaria. Within few years of introduction of the programme, the disease was controlled and reduced considerably.

Efforts were made to encourage migration especially from the hills where population pressure in addition to impoverished economy were as making the condition of living miserable. The reason for the decline of the economy of hills can be attributed to the following factors. The hill economy sustained mainly on trade and pastorism. But trade across the northern border suffered and stopped due to political upheaval in Tibet in 1959. After the trade was resumed, the traders continued to face difficulties because they were used to the barter system which was replaced by cash transaction at selected localities. In addition to this, the food deficit in hills hindered transaction. The Nepali traders who took their animals to Tibetan pastures were restricted from going thereafter the signing of Sino-Nepal

82 Gaige. n.21. p.23.
boundary alignment and agreement in 196183. Further, environmental causes i.e., land sliding due to deforestation etc. also made the hill people to migrate.

The government established Rapti Valley Development Plan (RVDP) in 1954 for resettling the migrants from Hills in Terai. In addition to this, Nepal Resettlement Company (NRC) was established in 1964 to help in planned resettlement, but within a few years in 1967, the population of the valley grew by tenfold84. Not only were food grains distributed but land made available to these people free of cost in the beginning and available at a nominal price at the latter stage. In addition, education, health and other facilities were provided85. As a result, migration from India was discouraged and settlement of Hill people was encouraged.

The post-1950 period was marked by cordiality in Indo-Nepal relations because of India’s help in restoration of power to the king of Nepal. This resulted in a liberal Citizenship Act of Nepal requiring only five year stay in Nepal to get Citizenship. Thus as a scholar has put it ‘In the general election of 1958, most of the Indian settlers in Nepal were included in the voters list. This was encouraged by the Nepali Congress and Praja Parishad inspite of opposition from parties of Tanka Prasad, K.I Singh and the Communists.... Thus voters included for what were originally political reasons were later encouraged to settle down as citizens in Nepal86’.

It may be noted here that till 1951 it was essential for the Indians to acquire a passport from Birgunj to enter Kathmandu. Before 1951, it seems that only those who could speak Nepali language i.e. Nepali, Newari, Magar or Gurung were

83 Gurung, n.80, p.68.
85 Jha, n.50, p.38.
86 Dahal, n.15, p.67.
permitted to go to Kathmandu valley without a passport\textsuperscript{87}. After 1950, this provision was done away with. The existence of such a provision, however, signified that Indians were treated as foreigners, though they had been settled there for more than hundred years.

After a brief experiment with democracy, Panchayat System was introduced in Nepal in 1962. During this period, the political compulsions were more marked by the restrictions on migration from India in addition to the existing demographic pressure. The agitation against the Panchayat system not only found patronage in India but also in Terai, thus resulting in the adoption of the Citizenship Law of 1962 which seemed to have been aimed to reduce Indian influence. For the first time, knowledge of Nepali, both written and spoken, was introduced as an eligibility criteria. The time period specified to acquire citizenship which was five years in 1952 Citizenship Act was now increased from 12 to 15 years. It was also stated that "the person of non-Nepali origin would be granted citizenship only when the government was satisfied that they would contribute towards art, literature, philosophy, peace and humanity or economic development of Nepal\textsuperscript{88}. This provision itself is quite vague and spells ambiguity. Indeed, if contribution towards economic development were to be taken as criteria for granting citizenship, most of the Indian workers and businessmen would have to be automatically be declared as citizens of Nepal.

Under clause 16 of Nepal Citizenship Act of 2020 B.S(1964), the chairperson and vice-chairperson of the village Development Committee were given powers to recommend the name of a person eligible for acquiring citizenship. It was stated in

\textsuperscript{87} Yadav, n.55, p.103. Also see Rishikesh Shah, \textit{Politics in Nepal} (Delhi,1990), p.18.
the new regulation, that "the voters list prepared for referendum of 2037 B.S, the list prepared by government employees deputed in all the villages to distribute citizenship certificates in 2032 B.S(1980) and a certificate providing one's continuous service in the government and semi-government offices will serve as a basis for providing citizenship certificate under new regulation89. This provision instead of simplifying the procedures to get citizenship made it more complicated. A certificate from chairman or officers to prove one's antecedent as a resident of Nepal could often bred corruption and favoritism.

The constitutional validity of the Nepal citizenship Act was consequently challenged. Later by an interim order of the Supreme Court the distribution of citizenship certificate was stayed. Although during 1979-80, a large number of people of Indian community got citizenship, still many them were left abeging. In 1988, the Minister of State for Home, Prakash Bahadur Singh while speaking in Kanchanpur district stated that "since the pressure of external population can skew the country's economic balance, citizenship will from now onwards will be available only on the basis of descent"90. This was widely seen by Indians as a move to exclude them.91 It was stated that genuine Nepali who possessed document of land holdings would be registered as citizens. If he did not possess such documents, the ward chairman, Upa pradhan, Pancha, Pradhan Pancha, Primary Committee, Presidents of Class Organisation, area members of the district panchayat level office bearers of the class organisation were authorised to make recommendation in this regard92. Since most Indians did not possess such documents, they faced great difficulties. It was also laid down that citizenship certificates would not be issued on

90 ibid., 7 February 1988.
91 The Patriot (Delhi), 5 February 1988.
the basis of naturalisation and birth to the migrants, except to those who had applied for such certificates before 1980\(^3\).

Besides this, several citizens of Indian origin who had acquired citizenship faced the problem of disenfranchisement. Fears regarding this were voiced even as the Nepalese Home Minister, Niranjan Thapa made a statement in 9 April 1989 saying that Nepal would have a fresh look into the status of 6.48 million people of Indian origin including those holding citizenship certificates\(^4\). The measures taken by the government of Nepal from time to time only generated insecurity among the people of Terai who saw themselves as being reduced to the status of aliens inspite of their contribution to the economy and their residential status in Nepal.

It is worth noting that in the 1990 constitution of Nepal, which was promulgated after the revival of democracy in Nepal, the criteria for acquiring citizenship remained the same. The citizenship rights by descent are to be given only to the citizens whose father is a citizen of Nepal and not according to the nationality of the mother. In this case, if a Nepali woman marries an Indian and in the eventuality of her husband’s death and divorce, she has to go through the process of naturalisation and in these cases the children also have to go through the process of naturalisation, as they are not considered Nepali citizens. However, according to clause(6) “the descendant of a citizen of Nepal who has resided in Nepal for a period of two years, shall be qualified to become a citizen of Nepal on the terms and conditions as specified by law”\(^5\). The Citizenship Act has affected the people of Terai region more than anybody else because they have close socio-cultural links and marriage relationships outside the national boundary. The provision of national

\(^3\) ibid.. 3 March 1988.
\(^4\) *Hindustan Times* (Delhi), 15 April 1989. also see *Navbharat Times* (Delhi). 15 June 1989.
\(^5\) *Constitution of Nepal*, n.3, pp.4-5.
language being the criteria for citizenship, is bound to affect the Terai people who use Hindi more than Nepali. Moreover, the illiterate people who do not know how to write in their mother tongue have to go through the process of not only speaking but also writing in Nepali. This has affected the people of Indian origin and is bound to handicap the process of acquisition of citizenship. In 1992, His Majesty's Government of Nepal announced a new “Nepal Citizenship Regulation -1992” with the objective of simplifying the procedures of acquiring citizenship. However, nothing concrete in this direction has taken place yet. The 1994, Citizenship Commission was headed by Mahantha Thakur, M.P. Hridayesh Tripathy M.P (National Sadhbhavana Party) who said on 11 December in the House of representative, that 80 percent of the citizenship problem would be resolved if the recommendations of the Citizenship Commission formed by the UML group were implemented. He objected to the formation of another commission.  

IV

Nepal is a multi-ethnic, multi-lingual state which is reflected in the thirty one languages spoken in the Kingdom. It is important to note here that the people of Nepal are classified into three major ethnic groups: Indo-Aryan, Mongoloid or the Tibeto-Burman subfamily and the Austro-Asiatic branch. The languages spoken by these groups are also very different from each other. The Brahmin, Maithili, Chetti, Bhojpuri, Devnagri language can be included in Aryan fold, the Rai, Limbu, Tamang, Gurung, Kirati, Sherpa, Magar, Tharu and Bhole and certain sections of Newer community are of Mongoloid origin. Dhami, Mechi, Kusunda, Sattar, Raute and Sajthali etc. are inducted in Austro-Asiatic group. Nepali was spoken by

97 Gaige, n.21, p.2.
48.74 per cent of the population in 1952-54 which rose to 58.36 per cent in 1981 and in 1991 census, the figure of Nepali speaking population is recorded to be 50.31 per cent.

The history of different languages, other than Nepali, can be traced back to history where it was used as Court Languages. In some small principalities around Kathmandu valley, Maithali, Awadhi, Bhojpuri and Hindi was used as their court language. When Nepal was under different kings before its unification, Maithali was an important language in the court of Malla king in Kathmandu. The Sen Kings of Palpa and Makwanpur who ruled from 15th century A.D. - 18th century A.D. made Maithali their official language. Before the Gorkhali unification campaign under Prithivinarayan Shah started in late 17th century, Khas kura, the progenitor of the language of the hills was used extensively. Since Nepal was divided into different small principalities, the development into one nation, one people and one language was never became a reality. The early kings of Shah dynasty used Nepali and Hindi as the languages of the state... Also, during the 104 years rule of the Ranas, language was not an issue as both Hindi and Nepali were given importance. However, by the middle of 18th century Nepali became the official language of some of the smaller states of that time while it remained the most powerful contact language for the people of different ethnic groups and of

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99 Jha, n. 50, p.22.
100 Ibid.
102 Jha, n.50, p.22.
different states. “Nepali was formally declared to be the national language by Chandra Shamsher in 1905...”

The intention of the Government of Nepal in introducing Nepali as a national language was done with the two objectives of seeking internal cohesion and external distinction. As a scholar puts it, “...many of its people, particularly those who live on the country’s borders are indistinguishable from their neighbour in India or Tibet in their appearance and custom.”

Nepali was not only made the national language but was introduced as medium of instruction, that excluded other languages from official patronage and alienated the people of other language groups. The motivation of making Nepali as the national language of Nepal was justified on the grounds that “...Nepali alone can be the instrument of national integration and that the promotion of any other language is disintegrative...”. This, as a scholar has argued, “has given rise to unconcealed fear in some quarters that Nepali is being promoted by the state, not so much as an instrument of national integration”, but as “an unfailing tool of cultural domination by a minority of Khas Brahmins.”

The language controversy in Nepal started with the recommendation of NEPC (1956) which recommended Nepali as a medium of instruction at all the grades of school education. It was also recommended that no language other than

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103 For details see C.M Bandhu, The Role of Nepali Language in Establishing the National Unity and Identity of Nepal, Kailash (Kathmandu), vol.15, no.3-4, 1983, p.125.
105 Hagauen, as cited in Hutt, n.104, ibid.
106 Hutt. ibid., n.104, p.4.
Nepali to be taught even optionally at primary school, for that would hinder the teaching of Nepali. It was claimed that Nepali, the national language, had its affinity more with Hindi than any other local languages which could make learning easier. Besides it was emphasized that no truly Hindi speaking people inhabited in any part of the country. In October 1957, K.I. Singh's ministry ordered all schools to use Nepali as the medium of instruction unless they received the Education Ministry's permission to use another language. In addition, it ordered all teachers to demonstrate within two years their ability to use Nepali for instruction purposes and also ordered all teachers to provide evidence of Nepali citizenship within six months.

After Nepali was introduced as the official language, efforts were made to over-enumerate the Nepali speaking population so as to make a strong case for the official language. In the 1961 census, "the number of Hindi speakers dropped from 80,200 to 2,900 while speakers of Bhojpuri increased from 16,300 to 577,400 and Awadhi received its first mention, with 447,100 speakers". This was seen as being done to de-emphasise the importance of Hindi and reattribute its speakers to Awadhi and Bhojpuri, which were regarded as dialects of Hindi in India. There was no mention of the Hindi language in both the 1971 and 1981 census. In the 1991 census, the number of Hindi speaking population is shown as 0.92. In 1971 and the following census report, the word Hindi was struck off and was replaced by other languages as Rajbanshi, Danuwar and Tharu on top as three main languages of Nepal. Nepali like Hindi is written in Devanagari script. See Article 4 of the Constitution of Nepal, n.i.3, p.5.

108 *Nepali like Hindi is written in Devanagari script.* See Article 4 of the Constitution of Nepal, n.i.3, p.5.
110 ibid., pp.116-17.
111 *Samaj* (Kathmandu), 12 October 1957 as cited in Gaige, n.21, p.111.
112 Hutt, n.104, p.4.
113 ibid., also see Gaige, n.21, p.117.
Efforts were made to prove Tharu as a separate language spoken mostly by Indian settlers. Absence of any references to Hindi language in the census, both in 1971 and 1981, seems to have been done with the intention to indicate that there is no cultural link between India and Nepal. However, there is an inclination among the Maithali, Bhojpuri, Awadhi and Tharu speaking communities towards accepting Hindi as the *lingua franca* of Terai. Critics of the government’s language policy maintain that Hindi is one of the major languages of Nepal and the number of speakers make it imperative on the part of the government of Nepal to recognise Hindi as an important link language. According to 1991 census data, the following summarises percentage of people speaking Hindi and Nepali as their first and second language respectively, out of total population in Nepal.

<table>
<thead>
<tr>
<th>First language in percentage</th>
<th>Second language in percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hindi</td>
<td>Nepali</td>
</tr>
<tr>
<td>0.92</td>
<td>50.3</td>
</tr>
<tr>
<td>Hindi</td>
<td>Nepali</td>
</tr>
<tr>
<td>2.65</td>
<td>18.0</td>
</tr>
</tbody>
</table>

Similarly, the following is applicable to the Terai region considering its total population (see Table 3 for details of Terai region).

<table>
<thead>
<tr>
<th>First language in percentage</th>
<th>Second language in percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hindi</td>
<td>Nepali</td>
</tr>
<tr>
<td>1.82</td>
<td>33.7</td>
</tr>
<tr>
<td>Hindi</td>
<td>Nepali</td>
</tr>
<tr>
<td>5.2</td>
<td>15.0</td>
</tr>
</tbody>
</table>

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115 ibid., p.28.
If we consider total Hindi population in Nepal, 91.4% living in Terai speak Hindi as their first language, but it is 91.1% in case of second language of Nepal. However, there seems to be a large segment of population (13,259,158) who have not stated their language. This may have been used to add some people to different language group making a stronger case for other languages. As one scholar has remarked, “Nepali is the national language not because it is the language of

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118 Ibid.
comparatively overwhelming majority (51 percent), just because it is the language of conquering race, is due to nationalism which is anti-Indian in orientation”120.

After the introduction of Nepali as a medium of instruction, a large number of teachers mostly Indians were suddenly rendered jobless. These teachers were asked to seek proficiency in Nepali within two years because the future plan was to appoint only Nepalese as teachers121. The Terai Saddhavana Parishad and the Terai Students maintained that “the Terai people were deprived of equal social, economic and political rights because of their difficulty to understanding the Nepali language122”. The Terai Congress which was established in 1951 took up the issue and started the 'Save Hindi' campaign. Later this campaign also garnered support from Nepali Congress, the United Democratic Party and Praja Parishad (PP). It was also emphasized that the removal of Hindi was against the spirit of national integration as it would only create difference between the Madhesi and the Hill people in Nepal123.

In 1956, the Nepali Terai Congress demanded recognition of Hindi as a state language124. After the Nepali Congress assumed power as a result of 1959, election status of Hindi was restored as a medium of instruction from Primary to University level. In addition to Hindi, Maithali and Newari were also taught in the schools. Hindi was used in the deliberations of the Parliament. However, after the

121 Jha, n.50, p.24.
122 Poudyal, n.116, p.38.
123 Jha, n.50, p.24.
124 Gaige, n.21, pp.108-10
introduction of Panchayat democracy not only was Hindi abolished as a medium of instruction but was also declared as a foreign language. During the Panchayat Government era too, the anti Hindi sentiments continued. The New Education Plan (NEP) introduced in 1971, discouraged education in the Hindi medium. Further, although the school curricula made provision for students to study Hindi in standard 9 and 10 as an optional subject, no teachers were made available to teach this language. The Maricham Singh government even de-recognised the degree of M.A. in Hindi, Maithali and Newari as a basis of promotion. Insipite of the government’s policy to reduce the importance of Hindi “the Maithali, Bhojpuri, Awadhi, and Tharu speaking community continued to accept Hindi as the lingua franca of the Terai”.

After the restoration of democracy in 1990, and with the implementation of the new constitution, the situation became is slightly better than what it was. Hindi, Newari and Maithali bulletins have been resumed by Radio Nepal. The Constitution has accepted that all the languages spoken as mother tongues in Nepal would be treated as national languages. In Article 18 of the Fundamental Rights of the Constitution, it is clearly stated, “(1) Each community residing within the Kingdom of Nepal shall have the right to preserve and promote its language, script and culture and (2) Each community shall have the right to operate school upto the primary level in its own mother tongue for imparting education to its children.”

In the first session of the Parliament, controversy, however, arose regarding the use of Hindi in the Parliament. There were frequent rulings against Hindi in both Houses of Representative and National Assembly. In one his rulings, the speaker of

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125 Jha, n.50, p.24.
126 ibid., p.25.
127 Poudyal, n.120, p.37.
the National Assembly (Upper House) clearly said that no language, other than Nepali would be allowed in the deliberations of the house. If members persisted in using other languages they will not be included in the proceeding. On July 7, 1992, however, Mahanta Thakur, Deputy speaker of the House of Representative gave a historic ruling under Article 62 of the Constitution that the Parliamentarians could use their native language apart from the national language in the discussions in the House. While giving this ruling, he added, “Constitution has allowed full freedom for the Parliamentarians to use their respective mother tongues except for the ministers, who will use national language for the government purpose and parliamentary notice.” The government’s decision to broadcast news bulletins in eight regional languages from 17th August 1994 was however criticised in some quarters. It was said that ‘Hindi is not inferior to any other language, but can work as a helper and guide in the development of other languages’. On the whole, the Hindi language has not only been systematically removed as a major language, but also has been relegated to secondary status in a bid to revive ‘Nepali nationalism’ and integrate Terains into the fold of what is called ‘Nepali Culture’. As keen observer of the scene has put it, “the absence of Hindi, the national language of India from within the kingdom of Nepal has been used by the Nepali government as a means of affirming its cultural difference from India.”

After 1960, a series of legislative measures were also taken to curb Indian migration to Nepal. The citizenship law was passed in 1964 making naturalisation difficult. In reply to questions on the subject, King Mahendra said, “The privilege granted by the constitution laws and Acts can be enjoyed. But no country under any

circumstances can afford to give privileges to foreigners at the cost of the interest of their own nationals". When asked whether encouraging foreign investment could hamper national interest, he replied "We are in the initial stage so privileges have been granted to both the parties and more facilities are granted to our own people. Latter, even more encouragement can be given to our own people gradually".

The Industrial Enterprise Act of 1961 required a capital investment of 50,000 to start small scale industries and could only be opened by Nepalese nationals. This was seen by some analysts as against Indians who wanted to establish small commercial enterprises like Hotels, Restaurants and other small scale industries. The Industries which had a Nepali as a principal partner with about 51 per cent investment were preferred to the Indians who would have had complete ownership by investing the total capital. Foreigners could own large-scale industries but for medium scale industries they needed a 'sleeping Nepali partner' in whose name it could be registered. The restriction on Indian migrants was due to the fact that while during the fifties there was no competing business class in Nepal, by the 1960s this class began to emerge and by the 1970s it was firmly entrenched. The presence of Indians was now resented because competition for employment and business opportunity increased in Nepal. The government also tried to discourage the Indian business community by imposing heavy tax on it. In addition, people without citizenship certificates were subjected to double taxation. It was not

134 ibid.
135 Upreti, n.21, p.291.
136 ibid, p.292.
allowed to set up industries in the Terai up to 8 kms of the Indian border. The 1982 Industrial Enterprise Act stated that "necessary man power required for an enterprise would have to be employed from among the Nepali. It further stated that foreigners may be employed in an enterprise for a maximum period of seven years without prior approval of the department of labour. The 1964 Company Act required all companies, small as well as large to maintain their records in either Nepali or English. All these measures affected the Indian migrants because most of the industries was in Terai and since it was owned by Indian migrants it was more likely that the record was maintained in Hindi.

The 1963 Mulki Act barred the foreigners from acquiring any immovable property without citizenship. The 1964 Land Reform Act prohibited the Nepalese to sell, give away or otherwise relinquish their rights on any immovable property in favour of any foreigner or corporate bodies of foreign nationals, without the prior approval of the government of Nepal. If such rights were relinquished and taken up, the property in question would become liable to be confiscated and secured to the government of Nepal. The surplus land acquired through the implementation of this Land Reform Act was to be distributed among Nepalese nationals. Instead of equitable distribution of land, as was stated to be the aim of this legislation, it resulted in the replacement of land owners and tenants of Indian origin. Having implemented the maximum ceiling provision, only 3 per cent of the land was found to be excess and some 27,000 hectares of land was distributed among 13,000 families, but no such land was given to people of the Indian Community.

138 Jha, n.12, p.51.
140 Gaige, n.21, p.125.
141 Muni, n.65, p.163.
142 Paramanand, n.137, pp.1009-10.
The Ukhand Land Tenure Act of 1964 provided for the termination of the existing ownership rights over land being cultivated under share crop system by tenants and the Act asked for the registration of the land only in the name of Nepali nationals. Since most of the tenants from India did not have citizenship certificates it was virtually impossible to prove their ownership. This enabled the Zamindars to declare the tenants as alien and dispose the land to other people. In this case, the tenants, mostly Indians, were exploited to a great extent. The growing discontent among the Nepalese people of mid-western Terai resulted in the Ukhand Land Tenure First Amendment Act in 1965. The Act declared that in case such peasant is, or is subsequently proved to be an alien, the Ukhand lands cultivated by him shall be registered in the name of His Majesty's Government which may sell or distribute such lands to landless Nepalese peasants. The Indian migrants who were earlier threatened with losing their right to cultivate were now also threatened with dispossession.

The government of India's reacted discreetly to all these Acts. When asked about the effect of land reform Acts in Nepal Terai, the then Prime Minister Mrs. Indira Gandhi replied that, "we were told that the land reform laws made there apply to everybody equally whether they are Indians or Nepalese..." Though it was applicable equally, there was a feeling among Indians in Terai that it affected the Indians more because they were supposed to have citizenship identity cards. This caused concern in India. On 2nd December 1966 Minister of State Mr. Dinesh Singh presented the list of laws which has violated the rights of Indians. Severely criticising the action of the government of Nepal as being against the spirit of 1950

143 Dahal, n.15, pp.150-51.
145 India, Lok Sabha Debates, 21 November 1966, as cited in ibid, p.117.
146 India, Lok Sabha Debates, col.7016, no.22, 2 December 1966.
Treaty, he stated, “the government of Nepal in accordance to the provision of the Treaty can take steps to protect its nationals from unrestricted competition. The Nepalese government should have in our opinion, consulted the government of India before bringing in any legislation or taking any other action which would restrict the right and privilege of Indians vis-à-vis Nepalese citizens...we also, propose to request the government of Nepal to ensure that lands and properties lost by Indians under the provision of this Act be restored to them147”.

Steps had also been taken to restrict the political rights of the Terai people in the 1960 Panchayat elections. The basic fear of the hill people was domination by the people of Terai and they being sucked into the Indian cultural cauldron. In 1960 Panchayat elections, the organisation of various zones was effected in such a manner that the candidate from Terai had to depend on the hill people for election to National Panchayat, when election to the specified seats, 112 out of a total of 140, became direct as a result of the Third Constitution Amendment of December 1980. Districts were adopted as constituencies of the 75 districts such as, 37 are double-member and the remaining 38 single member constituencies with only rough regard for the population of the districts, thereby placing the Terai district at a disadvantage. The remote mountain district of Manang with a population of hardly 10,000 has been allotted one member, whereas the Terai district such as Dhanusha with a population of 312,565 was allotted only 2 members in the national legislature148.

In 1983 the Panchayat government decided to appoint a commission under H.S.Gurung to prepare a report on Internal and International Migration. The report was submitted in 1988. Out of its 70 recommendations for controlling internal and international migration, most were concerned with the regulation of the Indo-Nepal

147 Bhasin, n.62, p.122.
148 The Statesman (Delhi), 7 May 1984.
It recommended multi-entry/Single entry permit system to be introduced to regulate migration on Indo-Nepal borders. The main factors responsible for attracting immigrants into Nepal were: open border, peace and security, opportunity for trade and other economic activities, social & family relations, increased demand for skilled, semi-skilled and unskilled manpower, ease of acquiring of citizenship and facilities for free and unrestricted repatriation of the Indian currency earning from Nepal\textsuperscript{149}. Though all these reason were true, it needs to be pointed out that acquiring citizenship was not easy since the provision of reading and writing Nepali was necessary to acquire citizenship.

The report also highlighted that the Migration of hill population had enhanced Pan-Nepal values in the Terai\textsuperscript{150}. The report made it very evident that it was the cultural values of the hill people that was synonymous with Nepali culture. Internal migration in Terai had magnified the 'Pan Nepali' culture which was previously not synonymous with 'Nepali culture'. It was very much obvious that the component of 'Nepali culture' did not include the socio-cultural way of the Terai people who were of Indian origin.

Another major grievances reported by Gurung was that, "the job opportunities created by expansion of development activities were being exploited by the foreign labour force which contributed further to increasing unemployment and under employment of Nepalese\textsuperscript{151}". Although partly true, it needs to be pointed out that since Nepal is underdeveloped it is not self-sufficient in technical and skilled manpower. A break up of the manpower engaged in the manufacturing establishment shows that Nepal is not yet self-sufficient in manpower. Where as in

\textsuperscript{150} ibid., p.33.
\textsuperscript{151} ibid.
operative and contract kind of work, the total manpower engaged in both small and large establishment is 24,256 foreigners as against 21,9,583 Nepalese. In administrative and technical fields, both small and large scale establishments there are 1002 foreigners as against 22,893 Nepalese. The total foreigners engaged are 25,258 as against 24,2,476 Nepalese\(^\text{152}\). This data indicates that inspite of unemployment problem and out migration of hill people, there is still a need for foreign manpower. Though this data does not reveal the exact number of Indians but it is very likely that the major chunk among the foreigners are from India. Apart from this caste and ethnic considerations also prevails in the employment of the workers since most of the businessman are from India, they prefer Indian workers for some reason or the other.

The biasness of the Gurung report is quite clear. The commission while criticising Indo-Nepal Peace and Friendship Treaty of 1950 commented that "The treatment which Indians are successfully getting in Nepal has been far from bilateral"\(^\text{153}\). This is however far from truth. As far as Nepalese in India are concerned their language is recognised like any other language in the 8th schedule of the constitution, while Hindi language is treated as ‘language of Indians and symbol of Indian culture in Nepal’. The Nepalese are treated at par with the Indian citizens, except that they are only represented in the state Assemblies and Parliament.

Gurung in his report has also pointed out that Indians are changing the ethno-cultural composition of Terai\(^\text{154}\). This is not true since after 1950s systematic


\(^{153}\) Population Commission Report, n.149, p.50.

\(^{154}\) ibid.
effort has been made for planned settlement of the Hill people in Terai upsetting the demographic balance in favour of hills and minimising the influence of the Terains culture (Indian culture). The allegation in the report that Indian people provided cheap labour and were thus, preferred over Nepalese is true. Due to the appointment of Indians, as Gurung has reported, in a skilled sector, the process of skill development among Nepali workers is retarded.

The recommendation was however shelved scheduled due to wide protest in the Terai region. The Tamil crisis of Sri Lanka in 80s strengthened the fear of the Nepali government of Indians upsetting the demographic balances in Terai. The Rashtriya Samaj Sudhar Sanstha and other Nepali leaders demanded to expel Indians from the Kingdom.

In April 1987, His Majesty government of Nepal included Indians in the category of foreigners requiring work permits for employment in any organised sector. It started in three districts around Kathmandu and later was extended to the whole country. The introduction of work permit system was seen as being done with the intention of excluding the Indian labour force from potential employment. As a scholar has observed, "the employment of skilled and semi-skilled immigrants might have added to the productivity of concerned industries/sectors but at the same time, it has also increased an acute sense of dependency...while nationals emigrate in search of jobs else where, emigrants effectively compete and take over jobs created within the nation".

The work permit was issued without any verification as no machinery to verify existed. In the first instance, it was issued for one year, but later the period

was cut down to six months. A person requiring a work permit was supposed to pay a substantial fee of two hundred rupees.\textsuperscript{156} The work permit was later extended to the whole country in 1988.\textsuperscript{157} The reason for enforcing the ‘work permit’ system as explained by the Foreign Minister Shailendra Kumar Upadhaya was: (1) security considerations in Kathmandu (where there are foreign nationals from all over the world) to maintain proper records (2) for the purpose of maintaining a statistical record of the total workforce employed and (3) for planning purposes keeping in view the future perspective and to ascertain the percentage of non-nationals for whom Nepal was providing employment.\textsuperscript{158} Apart from this, another contention was the work permit would ensure protection for labor promised by the law of the land.\textsuperscript{159} According to, the then labour minister of Nepal, Ramanath Pandey, “the measure has been introduced to ensure that workers in Nepal were paid the minimum wage provided under the recent minimum wages Act.” He said that the government was in no position to implement the law on minimum wages without proper registration of workers\textsuperscript{160}.

Indians faced great problems in opening Bank accounts in Nepal. The Indian transporters had difficulty in registering their vehicles in Nepal. Apart from this, many Indians were not allowed into a 10 kilometers wide strip along with the Sino-Nepal border as being their own safety in the inaccessible areas.\textsuperscript{161} The is restricted to five points in Nepal-Tibet border and applied to all foreigner, it was clarified later.\textsuperscript{162}

\textsuperscript{156} Hindustan Times (New Delhi), 12 May 1987.
\textsuperscript{157} National Herald (New Delhi), 2 May 1989.
\textsuperscript{158} The Hindu (Madras), 16 April 1989.
\textsuperscript{159} The Times of India (New Delhi), 11 May 1987.
\textsuperscript{160} Hindustan Times, 12 May 1987.
\textsuperscript{161} The Telegraph (Calcutta), 2 April 1989.
\textsuperscript{162} The Telegraph, 10 April 1989.
Many Indian professionals including teachers were given termination notice. Even the doctors and other professionals were required to have work permits.\textsuperscript{163} The worst sufferers were the truck drivers whose permits were seized in the absence of work permit, it even affected the self-employed people in Terai region.\textsuperscript{164}

The work permit system not only restricted the Indian immigrants but also the Indian professionals employed by the third country. Farms executing contracts in Nepal who were refused employment solely because they were Indians and needed work permits to work.

After 1990, when democracy was established in Nepal, the work permit system was lifted. The Supreme Court of Nepal has, however, recently delivered a landmark judgment which makes it obligatory for foreigners including Indians to obtain ‘work permit’ or in technical terms ‘permission from the Labour Ministry’ via their employers if skilled persons want to work in Nepal. The judgment has been operative with effect from May 15, 1994 and the Court has not considered it necessary to refer to Indo-Nepal Treaty of Peace and Friendship of 1950.\textsuperscript{165} Such permits will be issued for a fixed period.\textsuperscript{166} The government has not filed any appeal against the decision of the Supreme Court.

The policies discussed above have not only put the Indians in a disadvantageous position restricting migration but, it has also alienated the Indians. The alienation of Madheshias has been mainly due to socio-economic and political policies of government. The orientation in the thinking process of the ruling elite has only made assimilation difficult. The attitude of the Kathmandu based ruling elites

\textsuperscript{163} The Patriot, 12 May 1989.
\textsuperscript{164} The Hindustan Times, 12 May 1987.
\textsuperscript{165} Hindustan Times, 14 April 1994.
\textsuperscript{166} ibid.
towards the people of the Terai, as a scholar has put it, was one of "...inferior, second class citizens. The Terai citizens are also viewed as having a closer affinity to India than to Nepal; their loyalty to the central authority of Nepal is always suspected rather than expected by the ruling elites"167.

The Terains as always, were suspected of their loyalty towards Nepal .The Paharis have always considered themselves as culturally superior and more civilised. They have historically treated the Indo-Aryan residents of Terai as inferior second class citizens. Madhesis literally means a Terai (plain) inhabitant, colloquially it has a demeaning connotation - an alien or an uncivilized migrant from Northern India168.

The massive resettlement programme in Terai, which began in 1965, has reduced them to a minority in seven of the eighteen districts—— Jhapa, Morang, Sunsari in the East, Kailali, Kanchanpur, Banke and Bardia in the West and Chitwan in the inner Terai169.The successive legislative measures during the Panchayat period alienated them more. The Paharization of Terai with an introduction of Nepali language in educational institutions, government services, public corporation and even in the acquisition of citizenship has been seen by them as discriminatory policies of the government. There has been a growing resentment that the non-Nepalis speakers were being deprived from socio-economic and political benefits170. Most of the students in Terai are educated across the border in India where the educational facilities were better. However, since the medium of instruction in these educational institution is in Hindi, these people after coming back to Nepal were sitting idle as Nepali was introduced as the medium of

168 ibid., p.166.
169 Times of India, 24 June 1990.
170 Anant Raj Poudyal, n.120, p.35.
instruction and official language. It was difficult to find a job in Nepal. The Public Service Commission did not even recognise any other language except Nepali and English. As a scholar has stated, “The government policy towards language is that Nepali and only Nepali among the languages of Nepal should be used in administration, courts of justice, information and media. Nepali is the only language used and promoted by semi-government bodies such as the Royal Nepal Academy and other publishing concerns with large government shares and investment.\(^\text{171}\)

The imposition of Nepali and banning the wearing of ‘dhoti’ and ‘kurta’ in official functions have caused ‘intense emotional hurt’ to the Madhesis who have been deliberately kept out of the army and civil services.\(^\text{172}\) They are almost non-existent in foreign services and Palace Secretariat and cannot hope to rise above an inspector in the police.\(^\text{173}\) Out of seventy-five Madhesis, not more than 200 have made it to gazetted posts in the country.\(^\text{174}\)

The issue of citizenship has been one of the major grievances of the Indian settlers in Terai. Citizenship plays an important role in the nation building, in terms of gaining legal status in the host country and enabling him to enjoy all the rights — political, civil and legal. It means sharing equal responsibility in the governance of the country, developing a sense of belongingness. However, in Nepal from time to time systematic efforts have been made by the government to prevent many of Indian settlers from gaining citizenship. The provision of reading and writing of Nepali as a requirement for acquiring citizenship is ambivalent as most of the people are illiterate. The provision of ‘citizenship by birth’ also causes difficulties as there is no provision of compulsory birth registration. The people of hills can register

\(^{171}\) Malla, n.104, p.460.  
\(^{172}\) *Times of India*, 21 June 1990.  
\(^{173}\) *Times of India*, 24 June 1990.  
\(^{174}\) Ibid.
themselves as citizens as matter of fact whereas the people of Terai have to prove their residency.

Citizenship certificates are required not only to vote in the elections, but also for admission into schools, campuses, to start any business, industry or other vocation, purchases and sale of property, operating bank accounts and obtaining a passport to go abroad. The citizenship certificate distribution is another factor that has alienated the Madhesis; From among the 12.5 million voters only 4.2 million have been granted citizenship certificates. The move by Nepali Sadbhavana Party to amend the present citizenship certificate was defeated in the Parliament. Though all the political parties have taken up the issue seriously, nothing concrete has been done.

The open border between Nepal and India has resulted in dual citizenship. Because of physical similarities, it is difficult to determine who is a Nepali and who is an Indian. Since, till recently, there was no provision of citizenship identity card in India, many people took advantage of this and vote in the election. They have residence both in Nepal and India. While some of the family members are working with the governments of India and others in Nepal. It was reported in the Nepal press that 'many Indian nationals living in the border region are claiming to be Nepali citizens ever since the policy granting citizenship to anyone whose name has been mentioned in any official document of Nepal has been adopted. Hundreds of thousands of India nationals have succeeded in entering the electoral rolls.'

In the elected bodies like parliament, the people of Indian origin are not given representation in proportion to their population. The members of the Indian Community numbered 20 (18.4 per cent of total 109 in the first ever elected Lower

House of the Parliament, then number was reduced to 13 (10.4 per cent) in the single chamber 125 member National Panchayat in 1967. In 1977, the member of the Indian Community numbered 13 (9.62 per cent) in a house of 135...However, their number in National Panchayat increased to 17.77 per cent by obtaining 24 seats in the first ever direct election.

After 1990, with the restoration of democracy, the share of the people of Terai in the national Parliament however, did not increase. “Out of a total 205 seats in the House of Representative, 83 seats are allotted to Terai region. Beside this, those who had voted in 1979 referendum and the 1981 and 1986 general elections have been defranchised for non-possession of citizen certificates. Constituting 46 per cent of the total population as recorded in 1991 Census report and accounting for 23 per cent of the total land area, they are not adequately represented. The ethnic representation of various groups in the Council of Ministers from 1960-80 was as under: Brahmin 36 (16.66%), Chhetri 82 (37.96%), Newar 23 (10.64%), Muslim 3 (01.38%), whereas in 1992 Council of Minister the ethnic representation is Brahmin 12 (50%), Chetri 3 (12.50%) Newar 3 (12.50) Terai people 4 (16.66%), RLGMT 2 (8.33%)

The ethnic representation in the House of Representatives as it stands in 1991 out of total 205 seats is as under Brahmin 76 (37.07%), Chhetri 41 (20%), Newar 15 (07.31%), Terai people 32 (15.60%), RLMGT 33 (16.09%), Muslim 5 (02.43%) others 3 (0.146%) The ethnic representation in the National Assembly, 1991, reflects that out of 60 seats the Brahmin constitute 21 (35%), Chhetri 12 (18.3%), Hill Tribals 8 (13.3%) Teraians 9 (15%) and other 2 (3.3%).

177 Paramanand, n.13, p.1014.
178 Times of India, 6 February 1991.
179 Poudyal. n.116, pp.143-45.
180 ibid.
181 Baral, n.116, p.106.
The presence of Indian migrants in Nepal is not only due to economic conditions of adjoining states but also due to the special relationship between India and Nepal which provided a preferential treatment to the other's national inside its territory. The letters exchanged between the two governments stated that "If the government of Nepal should decide to seek foreign assistance in regard to the development of the natural resources, or of any industrial project in Nepal, the government of Nepal shall give first preference to the government or the nationals of India, as the case may be, are not less favourable to Nepal than the terms offered by any other foreign government or by other foreign nationals." The Treaty spelled the voluminous Indian investment and the presence of large number of Indian labourers.

However, over the years the Terains have been distanced from the socio-economic and political life of Nepal which is dominated by the hill people. As an analyst has observed, "The hills have traditionally been even before national unification under Prithivi Narayan Shah, the geographical centre of political power and domination in Nepal. On the other hand, Terai's location in the Nepalese power structure has always been, and continues to be kept on the periphery. This discrimination is also admitted by Mahendra Narayan Nidhi, the General Secretary of Nepali Congress who said "There is no discrimination in Law and Constitution, but in practice the people of Terai have suffered from the problem of equal opportunity of development." The Nepali Sadbhavana party has been trying to articulate the interests of the people of Indian origin, since its inception. The rise and development of this ethnic based party has made ethnic politics more strong and competitive by emphasizing

182 Baral, n.71, p.65.
183 Shrestha, n.13, p.167.
that their group interest is protected better by an ethnic party than by a party of national character. The Indian immigrants interest was reflected in 1953 by Vedananda Jha, a defector from the Nepali Congress who helped form the Terai Congress. The main objective of the party were:

(a) establishment of an autonomous state
(b) recognition of Hindi as a state language
(c) adequate employment of the Terai people in the Nepal civil service
(d) formation of Nepal Union (federation)\(^{185}\)

However, the Terai congress was unable to make any significant impact partly because the interests of Terai people to some extent were reflected in the activities of Nepali Congress i.e. supporting the cause of Hindi and opposing the absence of any democratic means to equal and proportionate representation to the people. Since most of the parties and people were preoccupied with the movement to restore democracy and their fight against Panchayat regime, the party could not take off as it was expected.

Formation of Sadbhavana Party, in 1990 having its support base in Terai and protecting and putting forward Indian interest indicates the arrival of a “potentially, formidable third force, besides the Nepali Congress and the communist”. It also carries with it certain warning signals which, if not heeded properly might strike at the very root of the nascent democracy here\(^{186}\). Before the 1990 General elections, Mr. Gajendra Narayan Singh, the party President said, ‘Sadbhavana Party is essentially a party of 7.5 million Madhashias settled for generations mostly in the Terai area. They, form a major part of the 1.6 crore people of Nepal’, who have been traditionally neglected and discriminated against. He added “if we are present

\(^{185}\) Vaidya. n.74. p.167.
\(^{186}\) Times of India, 24 June 1990.
in the new parliament in a sizable strength, we shall be able to make our voice felt for the improvement of the lot of the madheshias."

In the party's election manifesto it was demanded that Hindi should be given the status of second language and Maithili, Bhojpuri, Avadhi, Urdu, Tharu, Rajbanshi, Newari should be given constitutional recognition. Since the Terai people were only marginally represented in the National Assembly, demands were made for their greater representation. However, the delimitation of the constituency according to the population, which is a major grievances of the Terai people is yet to be fulfilled.

The other demands of Sadbhavana Party included the formation of a federal government at the centre with five provincial governments, citizenship rights for all residents of Nepal at the time of the enforcement of the New Constitution (November 9, 1990) and the delimitation of election constituency on the basis of population in both the hills and the Terai. It even went to the extent of demanding reservation of all parliamentary seats in the Terai area for 'Madheshias' for a minimum period of ten years. However, in the 1990 elections the party only got six seats. In 1994 election the number of seats were reduced to four.

The Sadbhavana party, is a member of the coalition that is in power in Nepal now. The party which champions to demands concerning the aspirations of Terai has demanded the abolition of discrimination against Madhesias. At one point the party stated that if a special programme was not implemented to alienate the problem of

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188 Ibid.
189 Times of India, 6 February 1991.
190 Ibid.
Madhesias, the party would withdraw its representative from coalition. As Gajendra Narayan Singh, Minister of Supply and President of NSP said "we are fighting for social justice because the Madhese community is being politically oppressed and economically neglected. Our struggle will continue so long as the Madhese people do not reach the status of free and respected citizens". The grievances of Madhesias have ranged from social to political discrimination. In the words of Gajendra Narayan Singh, Minister of supply, "They see themselves as being treated as second class citizens in their own country where they are denied opportunities in all fields, ranging from education to employment. They are not even allowed to take interest in issues of national defence. Only 105 million Malhesis have perhaps been issued citizenship certificates from among nearly 10 millions".

It is clear that in a multi ethnic pluralistic society, the role perception and orientation of the settlers are to a large extent shaped by the government's policies, governing elites attitude and attitude of the indigenous mass. Accordingly, the migrant settlers, depending on their number, is large, adopt the path of integration in the polity or maintain a distinct identity without assimilation. Here ethnicity comes to play an important role in the perceptions, grievances and formation of distinctive identity built up over a period of time. Recognition and development of their language, culture and guarantee of minimum political rights and civil rights continue to be issues of crucial importance for Indian migrants in Nepal.