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SUSTAINING POVERTY ESCAPES IN NEPAL

Policy Implications Brief

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POLICY AND PROGRAMMING CONTEXT

“Poverty and resilience are directly linked. [Without] looking at poverty from a resilience perspective... we will have people falling back into poverty.” - Interview with stakeholder

A poverty dynamics lens conceptualizes resilience as the set of capacities which allows households to escape and sustainably stay out of poverty. It suggests that efforts to reach zero poverty need to recognize the phenomenon of poverty as dynamic. While many individuals and households escape poverty and remain out sustainably, others escape but then fall back into poverty, while others become impoverished over time and/or remain poor over extended periods of time. Research by CPAN supported by USAID’s Center for Resilience investigated the extent and drivers of transitory and sustained escapes from poverty across a series of country studies to better understand the sources of resilience that enable people to sustainably escape poverty given the complex risk environments in which they live.

This brief draws on results of mixed methods research in Nepal (see Diwakar, 2018), to offer policy and programming implications for sustained poverty reduction. The data sources that the research draws on are: (i) analysis of the 1995/96, 2003/04, and 2010/11 rounds of the Nepal Living Standards Survey; (ii) key informant interviews in Kathmandu in 2017 with a range of policy makers, researchers, development partners and program implementers; and (iii) qualitative interviews with 40 households across Banke and Dailekh in 2017 to investigate the pathways of sustainable poverty escapes.

The brief advocates a portfolio response to poverty reduction that incorporates a sound understanding of poverty dynamics. In doing so, it focuses on three areas. Out of the long list of topics outlined in the research summary below, these three areas were chosen as they emerged as particularly salient issues out of the quantitative and qualitative analysis of resilience and sustainable poverty escapes:

- **Mitigating life cycle effects**, particularly through social protection
- **Reducing and diversifying livelihood risk**, with a focus on agriculture and migration
- **Fostering norm change interventions** through a negotiated approach

The next section presents summary findings from the research, followed by a discussion of the policy and programming areas highlighted above. The final section reiterates the need for a portfolio response while outlining administrative and governance constraints that need to be overcome for poverty reduction efforts to truly be sustained over time.

SUMMARY RESEARCH FINDINGS

This section presents the key results of the mixed-methods research on transitory and sustained poverty escapes in Nepal. The research identified a need to:

I) Building the initial household resource base

- Building **assets** are generally helpful in improving welfare, but in Nepal have been highly vulnerable to risks including conflict, theft, and fires as the fieldwork highlights. Overall, assets are thus associated with a statistically significant increased risk of an escape from poverty being transitory.
- “Having **land** is... better than not having land” (Arka Fakar, urban Banke). Still, poor productivity of land, as outlined in the fieldwork, continues to limit its benefits in promoting poverty escapes.
- **Livestock** helps smooth consumption when other costs arise, and is particularly a beneficial source of income for households with productive members. Of the resource base attributes covered in the study, livestock had the largest impact on promoting sustained escapes from poverty, providing households with a relatively liquid asset to smooth consumption in times of distress.

2) Improving household and personal attributes and capacities

- Regression results indicate that **larger households** are less at risk of a poverty escape that is transitory rather than sustained. The fieldwork develops this, revealing that large households are advantageous to some families depending on the demographic makeup.
- **Female headship** due to widowhood, separation, or divorce can drive households back into poverty after they have escaped; on the other side, according to qualitative data, marriage alone may be insufficient in sustaining a poverty escape, especially where gendered norms curtail women's agency.

3) Reducing the risks associated with single-source economic activities

- According to qualitative data, **engagement in agriculture** can, in specific circumstances and for households with sufficient land, be a successful pathway out of poverty, particularly in instances where households have access to information about production technologies and quality inputs, where partnerships exist between husband and wife, where there is diversification (even within agriculture), and when linked with markets.
- **Non-farm enterprises** offer a particularly sustainable way out of poverty, especially for those with training and education. Controlling for other variables, regression results indicate that engagement in a non-farm enterprise reduces the risk of a poverty escape being transitory rather than sustained by the largest amount compared to other economic activities. Still, lack of customers and capital problems constrain profitability for some households.
- **Engagement in non-farm economic labor** also has its risks. Fieldwork reveals that social connections in these settings continue to disadvantage marginalised social groups.
- **Migration** can under certain circumstances be a pathway out of poverty, particularly where skills learned through migration are used upon returning to Nepal. However, cases of indebtedness and social breakdowns through death and permanent illness often offset the benefits, and render poverty escapes only transitory as seen in the regression results.
- Risks of **loan** traps and non-repayment means that loans are associated with impoverishment.

4) Managing and mitigating the effects of shocks and stresses

- **Health shocks** increase the risk of a poverty escape being transitory rather than sustained. This operates through increased health expenditures and the reduced ability of ill or disabled members to contribute to income generation.
- **Alcohol consumption** and associated behaviours can reverse household welfare gains, contribute considerably to a heightened risk of a poverty escape being transitory rather than sustained, and also prevent asset accumulation. Controlling for other variables, regression results reveal that alcohol consumption has the largest risk of an escape from poverty being transitory rather than sustained.
- According to qualitative findings, rapid-onset disasters like **flooding** can prevent an escape from poverty from being sustained; while flood relief helps offset some of these immediate losses, they may not necessarily help households recover from floods in the long term.
- According to qualitative results, the Maoist **insurgency** prevented poverty escapes from being sustained and may have contributed to the intergenerational transmission of poverty.

KEY AREAS OF FOCUS FOR PROGRAMMING AND POLICY

This section outlines key issues, from the research, which program design practitioners and policymakers working on poverty reduction and resilience should consider. It focuses on the need to reduce the following risks: life cycle effects, low agricultural productivity, vulnerable migration, and adverse norms.

MITIGATING LIFE CYCLE EFFECTS

Problem statement: Research findings indicate that life cycle effects of poverty are strong. Many households that were once poor improved their wellbeing when children started to contribute to household income. However, these households again descended into poverty when the head of the household became much older and offspring began their own, separate families.

What can be done?

1) **Target the elderly through social protection.** Poverty eradication policies and programs need to take these strong life cycle effects into account. Special attention could be accorded to issues of older persons when designing agriculture or other programs. This could be for example through a focus on labor constrained households, or simple devices to make work easier.

CPAN’s policy guide on social protection offers policy suggestions on how to build households’ resilience capacities and promote sustainable escapes from poverty. These are summarized in Table 1, along with its relevance for mitigating life cycle effects amongst the elderly. Additionally, a similar argument could be made in terms of an improved child grant to support families with young children, discussed later.

Table 1: Features of social protection and their relevance for Nepal’s Old Age Allowance

FEATURE	DESCRIPTION	IMPLICATIONS FOR THE ELDERLY IN NEPAL
Adequacy and coherence	Sufficient size and quality of support, integrated within and across policies or programs, can help households invest and build resilience over time.	Already, available social protection schemes, particularly Nepal’s Old Age Allowance and Single Women’s Allowance have helped vulnerable households manage day to day needs and even continue economic activities through investing funds in agriculture. However, assessments criticize small value of benefits compared to the high costs of travel and time to collect the benefits.
Appropriate and tailored support	Social assistance and insurance would vary depending on the household’s wellbeing and other characteristics. Programs should be tailored to the specific context and characteristics of households.	The Old Age Allowance differentiates age of receipt by caste and ethnicity, given higher poverty amongst certain groups. However, it does not address the needs of the chronically poor, households without earning members, or those who are landless. On the latter, KIIs reflected how urban households experience high living costs and reduced access to services. The elderly in urban areas would accordingly require differential where the cost becomes high and services sometimes difficult to access, thus acting as barriers to sustainable poverty escapes.
Convenience and adaptability	Reducing time, cost, and documentation to receive a social transfer or service would help expand social insurance coverage.	The new system of distribution which requires elderly citizens to go to banks to collect their Allowance requires monetary costs for travel, as well as time and physical ability that many of Nepal’s elderly population simply do not have. Other poverty-related initiatives like

	Programs should have the flexibility to adapt and evolve over time.	the government’s poverty card distribution currently does not take into account the age variable, but could consider doing so in the future.
Reliability and timeliness	Reliable and predictable transfers could help households anticipate and absorb shocks. Responses following a shock need to be timely to reduce negative coping strategies.	Assessments of the Old Age Allowance generally indicate a positive perception by recipients. However, dates of its receipt have been known to change due to delays in money transfers from the central administration and other bottlenecks. This constrains households’ financial management and ability to use the Allowance to smooth consumption and promote sustained poverty escapes.

Source: Scott and Diwakar, 2016; KC et al., 2014; and key informant interviews (2017).

So far, the measures discussed have focused on transfers to the elderly to protect against negative life cycle effects. Another effective form of social protection could be through improved targeting of other stages of the life cycle, which we turn to next.

2) Improve financial management and savings amongst working-age individuals. This helps families manage increasing expenses upon childbirth, could reduce the risk of negative coping strategies in response to shocks, and provides household members with funds on which to draw as they age- all factors which can improve their resilience capacities and promote the ability to sustain a poverty escape. In a study of the slums of Pokhara, Prina (2013) found that households with savings accounts increased their education expenditures by 20%, and their income was less affected by health shocks. Our life histories (2017) also points to the importance of financial planning. Dipesh Jeewan in urban Dailekh notes that people “should save some money in the bank or accumulate some gold or silver. It will be useful to them in the future when they are in need.” As such, we offer the following system-wide recommendations:

- **Demand:** Improve financial literacy, low levels of which prevent adequate execution of financial inclusion initiatives. The Monetary Policy of 2016/17’s aim to deepen financial inclusion through improving financial literacy and access to finance is a step towards overcoming these constraints (Pant, 2016). Following Smith et al. (2015), effectiveness of such policies rely on:
 - Its implementation through a *multi-stakeholder approach* to reach the poorest, including through collaboration with district or village development committees.
 - Its facilitation through *microfinance institutions*, often more aware of the concerns of the rural poor. MFIs can be used to expand coverage of financial services to remote rural areas. But they need to focus on providing savings opportunities as a greater priority than credit.
 - *Targeting of women*, more likely to be excluded from financial services in many societies.
- **Supply:** Increase access to financial institutions particularly in remote, rural areas, and areas where the shares of transitory escapers are particularly high. Financial institutions remain scattered around urban or semi-urban areas, and branches remain predominantly in the central region (Pant, 2016).
- **System:** Formal and informal financial systems should be linked to strengthen “the informal provision of savings and credit through local-level collective action”, while financial services should be linked with social protection schemes to incentivize branches to expand their reach (Smith et al., 2015).

3) Focus on investments in poor children. A long-term solution to reducing negative life-cycle effects is through building up the intangible assets of children through education, so contributing to their resilience later in life and reducing the intergenerational transmission of poverty. This is particularly relevant given that many households saw their economic wellbeing decline due to costs associated with child-rearing, and since child or early marriage may be a constraining factor in improving children’s educational access and longer term wellbeing.

In Nepal, scholarship programs to promote education uptake amongst the poor are found to be pro-poor, but geographically concentrated and so have scope for expansion (Upreti et al., 2012). Key informants stressed that free education alone does not suffice, given the additional costs of sending children to school as well as prevailing view of children as assets. In this context, the Child Grant in Nepal goes some way in helping poor households and building child resilience (Box 1). An improved child grant could also help improve educational access for poor children (Bastagli et al., 2016).

Box 1: Recommendations to help ensure poverty escapes are sustained through the Child Grant

Established in 2009, the Child Grant has contributed to food and health expenditures of households particularly from Dalit communities. However, its low level has meant that impacts are modest at best. Analysis by Hagen-Zanker et al. (2015) has revealed that in general there is good awareness of the Grant, but confusion around details of registration, targeting errors, infrequent payments, chaotic distribution, and limited understanding of the grievance mechanisms. The child grant should thus:

- **Increase its financial value of payments:** This could potentially translate into sustained impacts on health, nutrition, and education of children. Although statistical analysis by Adhikari et al. (2014) has not found an impact of the Child Grant on access to and utilization of health and education services, qualitative interviewees from that study spoke of its role in financing small expenditures on notebooks, school lunches, or small health expenditures.
- **Improve regularity of payoff:** Improved regularity of ‘distribution windows’, its extended length and increased access points could reduce the difficulties for poor households to secure the grant.
- **Scale up:** Universal transfers be relevant in communities where most children are poor. Targeting only by caste group could risk elite capture and perceptions of injustices by non-recipients.
- **Support to implementing officials:** Government capacity at local levels is weak, and trainings infrequent. Monitoring the program would identify gaps and improve access and impacts over time.
- **Improve information sharing:** This is particularly relevant for mothers as well as fathers and the wider community. Grievance mechanisms also need to be improved. It could potentially include some messaging, i.e. as people register and receive payments, there could be initiatives to explain the importance of registering children at birth, of vaccinations, and of school attendance. The success of such messaging would be its adoption and building long-term well-being.

Source: Hagen-Zanker et al., 2015

IMPROVING AGRICULTURAL PROFITABILITY

Problem statement: Especially in rural areas amongst the chronically poor, many households invest considerable financial and human resources through the year in agriculture- their primary occupation. However, its profitability remains low in much of the country, due to factors such as limited access to new farming technologies, inputs, and services, and particularly the failure of these systems to reach poor households. High risks of failure in agriculture from the fieldwork was moreover linked to low productivity of the land and inadequate irrigation systems, as well as external shocks such as drought, floods and pests.

What can be done?

1) **Improve linkages to markets.** Physical and virtual linkage of farmers to the market, for example through mobile phones, could help households determine the price of products and reduce dependency on brokers. Klls advocated for systemic interventions by engaging with the private sector (Box 2). This may be encouraged through an enabling environment for private sector development by implementing policies and investment support for smallholder agriculture, including through promoting agricultural value chains that generate sufficient returns to smallholder farm households (Mariotti and Shepherd, 2015).

Box 2: Building private-sector involvement through KISAN

The Knowledge-Based Integrated Sustainable Agriculture (KISAN) project, established in 2013, sought to improve food security, increase income, and diversify diets for disadvantaged rural households across 20 districts in Nepal, through integrated agriculture and nutrition activities. Female-headed households comprised 70% of beneficiaries. In later years of operation, KISAN began to categorise and offer differential training to farmer groups by wellbeing, from commercial groups to the poorest groups. Under KISAN, private sector seed companies were given grants to work with various actors—from seed companies to financial management entities—in order to reach out to farmers, provide extension services, and buy produce. It was first implemented through the government staff, then local service providers, and later aggregates in an effort to ensure sustainable impacts.

Challenges in implementation included those:

- *Amongst farmer groups:* difficulties in changing farmer practices through a short (often 15-20 day) training. However, while it proved difficult to change overarching methods of farming, it was easier to convince farmers to try different varieties of crops. Other challenges stemmed from the fluctuation of market prices due to the open border with India, preventing Nepalese farmers from competing with Indian produce. To overcome this, KISAN worked with market production centres to recreate market-led production and engage in ‘production smoothing’ over time.
- *Amongst the private sector:* motivation to go to farms. This largely changed once private sector organisations visited farmers and built a relationship through multiple visits. Another deciding factor was in linking local service providers to aggregate to sell in bulk. Nevertheless, sometimes larger private sector aggregates continue to feel the return is too small, a challenge expected to continue.

Today KISAN II is in the development phase. Again, there is a focus on working with the private sector where possible to reach out to farmers through a facilitative approach. There will also be a focus on productivity, enhancing the capacity of private sector actors to increase market competition, policy advocacy for an enabling environment, business literacy, and constant collaboration and adaptation.

Source: Key informant interview

2) Invest in rural infrastructure and associated services. This is particularly relevant in a country where agriculture is the primary source of income for poor, rural households. In parts of Nepal, bridges, roads and suspension bridges have been constructed from villages to roads or markets, allowing a larger quantity of produce to be sold to a wider consumer-base and reducing transportation costs, together which allow households to increase their profits and sustainably improve well-being over time. In spite of these benefits, many roads in rural and peri-urban areas continue to be muddy tracks, often non-functional during monsoon. Accordingly, during harvest and production time, households may be cut off from the market, so raising transportation costs and increasing dependency on brokers.

Besides improving infrastructure around market linkages, improved provision of irrigation facilities, crop insurance and protection from floods could help prevent households from falling into poverty. A large number of households depend on pumps for watering their crops, but power-cuts and lack of powerful transformers continue to limit their utility. Thus, further investment in a robust power supply system and innovations such as solar pumps could help households improve agricultural yields, and also improve prospects for the non-farm sector. Ultimately, a balance between farm and nonfarm investment is needed, because sustained escapes depend on non-farm economic activities as well as farm-based activities.

3) Expand coverage of agricultural extension services. By sharing information on ways to access better quality land, diversify within agriculture, and intensify agricultural technologies, extension services

could help farm households improve yields over time. Suvedi and McNamara (2012) also argue that improving links between research, education, and extension would help improve extension services in Nepal. Though extension offices have been established across all districts in the country, it is estimated that they reach just 15% of farming households (IRIN, 2013). Participation in extension programs are influenced by socioeconomic variables including distance to the extension office, as well as off-farm employment and training (Suvedi et al., 2017). In this setting, it is important not only to expand their coverage to remote areas – through radios and farmer groups, for example- but moreover to introduce measures to avoid elite capture even amongst remote or marginal groups. Where there is elite capture, communities may need several groups to cater for different socio-economic status. In addition, particularly in the face of high rates of male migration, extension services should target women.

4) **Explore agriculture markets beyond Nepal** to cities of India. During fieldwork, farmers in border areas noted that there were seasons where vegetables were not available in Indian markets, allowing them an opportunity to export their products and improve their returns. There is thus a need to invest not only in the modernisation of agriculture, but couple this with an assessment of neighbouring market needs and on building linkages with Indian markets. Moreover, while vegetable production has recently been paying off, other niche opportunities exist and should be exploited. Exploring the potential of fresh and processed fruits exports might reduce over-dependency on income from traditional cereal production.

5) **Invest in higher levels of education and the creation of local employment opportunities**, including those out of agriculture. Freedom to choose livelihood options for the rural poor until recently have been limited due to practices like bonded labour. Fieldwork revealed instances where sustained escapers engaged in diversification both within and out of agriculture, and poor households that invested in higher levels of education also experienced multiplier effects. After education, children were able to take up better jobs and invest further in education and skills of siblings, resulting in more household members with improved resilience. Increases in education also resulted in diversification particularly where local employment opportunities were available or migration offered similar opportunities. As such, building entrepreneurship skills and innovations on agro-based enterprises, for example creating value addition along agricultural value chains, could help generate opportunities for those not interested purely in farming. To this end, it was the combination of investments in education, diversification, and links to local employment opportunities that had particularly sustainable results for household escapes from poverty. On promoting education of poor children, Hossain et al. (2013) suggests intervention around:

- Early childhood nutritional, care and pre-school programs, to ensure that the basics are provided
- Education quality improvements through governance reforms, including accountability to parents
- Affirmative action measures to promote the education of girls
- Accessible and affordable schools, through cash transfers and scholarships
- ‘Second chance’ initiatives to reconnect adolescents and young adults to education
- Skills and vocational training matched to job opportunities or self-employment needs

MANAGING THE RISKS OF MIGRATION

Problem statement: Many poor migrants are less skilled, and ultimately end up in dangerous jobs with the risk of disability or death. Exploitation by middlemen is also common, with migrants forced to take up loans with high interest rates to secure foreign employment. Stemming from such conditions, returns are often low, and the risk of impoverishment high as they strive to pay off what may be exorbitant debts.

What can be done?

Internal and international migration was a common strategy in the fieldwork and quantitative analysis, for households across the wealth spectrum. In what follows, we distinguish between: internal versus

international migration; and international migration to the Gulf and other countries such as Malaysia, versus migration to India. The latter is more accessible to poor Nepalis, who can more easily migrate to India, though still more ambitious than local or internal migration. Moreover, migration to India does not involve the complex intermediation that the more distant international migration involves. Migration thus needs to become “safer, fairer and more beneficial” (Scott et al., 2016). To reduce migration risks and help it contribute to sustained poverty escapes, supply- and demand-side changes are needed.

Demand-side recommendations for internal and international migration include:

- **language training and orientation** before departure need strengthening. Insufficient capacity in rural areas remain and highlight the need to extend the reach of migration (Asis and Agunias, 2012).
- **investments in skills upgrade** of migrants to help migrants move away from low-skilled vulnerable employment, including an upgrade of existing training centres. In a study by Thapa et al., (2013) of 303 returnee migrants between 16-40 years old in Dhanusha, Tanahu, Achham, Kathmandu Valley with at least two years’ employment experience in another country, it was found that a majority of respondents felt they did not acquire any skills while working overseas, or did not think that the skills they acquired overseas were relevant for starting an enterprise at home. Training should thus both teach new skills and help returnee migrants apply learned skills (Thapa et al., 2013).
- **raising awareness** of the risks and rewards of migrating, including rights, negotiations of wages, remittance channels, and accessing social services, in Nepal and destination countries. Thapa et al. (2013) noted that respondents felt access to information should be linked to business prospects.
- **‘portable’ social protection** to endow the migrant at the basic level with social security, healthcare, and other essential benefits. This requires migrant support programs including the reform of public services in destination countries (Scott et al., 2016).
- **for returnee migrants, skills-sharing and matching** local employment opportunities with skills learned through migration. Kils noted that many returnee migrants were just above the poverty line, requiring a renewed focus on skills and tapping them into the local economy to reduce vulnerability.

Supply-side recommendations, geared primarily towards international migrants, include:

- **steps towards regulating labour market intermediaries** and brokerage costs (Scott et al, 2016). In 2015, the government put forth a zero-cost migration policy wherein destination countries were required to pay visa and flight costs of migrants (Rai, 2015).
- **implementation of minimum standards** around working hours, minimum wage, specific provisions for women workers, as well as around worker welfare through insurance against accidents, regular medical check-ups, and an employee welfare fund (Adhikhari, 2013).
- **legislation on free movement of labour, accompanied by enforcement** of existing policies to ensure that violators face punitive measures. In spite of the zero-cost policy, many recruiters continue to charge ‘facilitation fees’ effectively negating reduced costs through this policy (Rai, 2015).
- **greater competition** amongst labour market intermediaries to reduce brokerage fees.
- **access to finance** that is independent from recruitment agencies or the contracted agents, and which can support remittance services (Scott et al., 2016).

In the research, international migration was more common amongst transitory or sustained escapers, relative to the chronic poor where seasonal internal migration to neighbouring villages or cities for jobs in construction work was more common. Internal migration may be more viable for poor households who cannot take loans to go for international migration, or women and men who cannot go for foreign employment due to responsibilities back home (Box 3). With high rates of internal migration in Nepal, there is also a need to assess evidence on working conditions of these migrants who may be employed in informal or unregulated sectors with dangerous working conditions. Advocacy to raise awareness of their vulnerability to poverty, ill health, indebtedness, and poor welfare is needed, as well as concurrent development of strategies to enforce decent work standards (Deshingar et al., 2012).

Box 3: Internal migration and high skilled jobs as a way out of poverty

Alam is a 26 years old. His grandparents used to work in the farm of a very rich landlord. Due to the land reform act in 1964, his grandfather got a considerable amount of land. The property eventually got divided amongst the sons and Alam's father got a meagre 0.084 hectare of land. His father died when Alam was 14 years old, leaving a sick son and the mother behind for Alam to take care of. Alam thus dropped out of school to treat his brother. The brother did not survive leaving Alam without help and a large debt. He married soon after to acquire additional help in the household and farm work.

After marriage, Alam has been leaving home to take care of agriculture during the off season and migrating to the city for seasonal work. He has thus been able to make a better living, constructing a new pucca house to replace his thatched house. He perceived that better investment in agriculture has brought more yields than what his father had made. He notes that he cannot go for international migration as he is the only male member in the household and feels a need to take care of the women. He is also wary of the risks of failure that comes with international migration. Internal migration, with lower risks, has proved fruitful for him. He perceives his situation would further improve if he could move up the job ladder from his current masonry work, to perhaps working as a skilled plumber in the future.

Source: Life history interview (2017)

However, due to lack of skills, Nepali workers tend to work in non-skilled activities while skilled work such as plumbing or laying tiles generally requires imported labour from India. Imparting skills to Nepali workers in construction would help households move out of poverty while taking up less risky jobs within the country. So, too, would measures to target both would-be and returnee migrants, in particular women, who may be particularly vulnerable across the migration cycle (Box 4).

Box 4: Pourakhi- Reducing risks throughout the migration cycle for vulnerable women

Pourakhi is a member-based organisation which advocates for the rights of returnee and would-be migrant women. It provides services for the whole migration cycle, and policy advocacy. The focus on women stems from a recognition that they are often particularly vulnerable, with poverty acting as a major push factor for female migration. As a result, many women may then be trafficked or engage in exploitative forms of bonded labour. Targeting women allows for these negative cycles to be reduced, with benefits for the wider household. On the other side of the migration cycle, returnee women migrants also face social stigma and discrimination, with domestic work in foreign countries seen to compromise their sexuality and dignity. As such, these women are often unable to sustain economic activities upon their return, and so re-migrate under less than favourable circumstances.

Pourakhi identifies vulnerable, often uneducated women at both ends of the migration cycle. To reach the poorest, they engage in door-to-door interactions with would-be vulnerable migrants. Volunteers provide these women with skills training particularly around improving business enterprises, linking this with financial institutions to allow women to establish enterprises. Pourakhi sometimes provides small seed funding, as well as periodical reviews and refresher training courses. In addition, it links women with health accessibility and services, finding that many of the poor are often not aware of existing systems. Many of Pourakhi's impacts are intangible, such as behaviour change and women becoming role models in a form of social remittance. This is also aided through the projects' strong empowerment mechanism and psychosocial counselling. Such components of its holistic approach enable mind-set change amongst beneficiaries who may otherwise feel that they cannot be successful entrepreneurs.

Source: Key informant interview

COMBATting ADVERSE NORMS

Problem statement: There are important norms that need to be combatted in Nepal to ensure that vulnerable groups are able to escape poverty sustainably. These include gender- and caste-based norms, alcohol abuse, stigma towards certain jobs, division of property and abandoning elderly members. The focus of this section is on gendered norms, given that gender differences in the ability to sustain a poverty escape were noted in the study, and gendered social norms appeared frequently in the research results. Fieldwork revealed instances of women, once well off but since impoverished, who did not take up work due to social stigma and restricted mobility, and so were unable to contribute to household income. In urban areas, though women may experience fewer sociocultural restrictions, they may have increased workloads and so transfer care work to daughters, thus transmitting traditional gender roles and poverty to future generations (Chant, 2013).

What can be done?

1) **Norm change interventions** that work to change gender discriminatory norms can help address a root cause of household poverty in Nepal. The types of gendered norms that need to be changed to sustain poverty escapes include those around women’s mobility, work, education and marriage. Such norms result in early marriages, pregnancies, and drop-out from education, a larger number of children due to son-bias, and time poverty, all of which render women less competent for decent paid jobs in Nepal (Ghimire and Samuels, 2014; Ghimire et al., 2016). Paired with norms that prescribe men should take sole financial responsibility in the household, the overall effect can be to impoverish.

Major drivers of norm change, according to Ghimire and Samuels (2014), are:

- *External*, insofar as they originate outside the community. These include government policies and programs that promote gender equality, reliant on strong enforcement, and NGO programs. These generally work with community members, mobilize local youth and groups, and create awareness.
- *Internal* to the community, such as female role models, family, schools, media, supportive male relatives and community leaders. In Nepal, there is an age dimension to these agents in favor of younger people, while older people often ‘police’ changes and intervene to prevent wrongdoings.

2) **A negotiated approach to norm change.** Attempts to change laws and practice must avoid purely top-down directives but instead adopt a negotiated approach that can “focus on what is important to influential local players, develop constituencies and work to build on positive practice” (Cooper, 2010; in Bird, 2017, forthcoming). This requires a combination of policies and programs at the local level.

3) **Learn from domestic successes.** There is much learning to be done from existing women empowerment programs in the country (see Box 5 for an example). The success of such programs has rested on inclusion of different levels of stakeholders, from the adolescent, to parents, and wider community in which they reside. Specific targeting of chronically poor adolescents, which suffer particularly low rates of education completion and may be pushed into child marriages earlier to avoid imposing extra financial costs for households, could help promote the resilience of girls.

Box 5: Tipping Point- A holistic approach to adolescent norm change

“Aba Mero Palo” or Tipping Point is a program run by CARE Nepal since 2014 which is implemented through local level NGOs in Rupandehi and Kapilvastu districts. It is a livelihood and life-skill program for adolescent girls, helps empower girls and fight discriminatory norms. It focuses on adolescents, and in particular around child marriages and promoting education, but also the broader community to train adolescents, while other elders help support adolescents to fight gender discrimination in the society.

The adolescent groups are given peer education training. It brings adolescents of each VDC in groups of male and female separately, and is both child-availability and -time friendly. There are male peer educators for adolescent boys' group and female peer educators for the girls' group. These educators also complete a seven-day Training of Trainers (TOT) course to conduct sessions and make lesson plans. There are additional social mobilizers from local NGOs to help run these sessions and peer educators and social mobilizers have weekly meetings to plan for the coming week.

The parent committee is made to support the adolescent groups in each VDC. There is another Community Monitoring Centre made up of 5 members at village level to assist the parent committee by reporting and advising them around the course and the village activities. They have monthly meetings with the social mobiliser, parent groups and the adolescent peer leaders.

Finally, there is a VCPC – village child protection committee made up of the village secretary, representative of adolescents, representatives from the women and children development office and other members of the community. The VCPC is responsible for monitoring, reporting and safeguarding wellbeing of children and adolescents in the community. The committee monitors action of parents in cases such as in case of child marriage or whether girls are being sent to school or not.

Source: Ghimire et al, 2016.

Another example of norm change interventions is seen in the Choices program (Box 6). It has promoted gender neutrality of household tasks, and has helped change adverse norms of the double burden for women, and the associated intergenerational transmission of unequal gender norms.

Box 6: Choices- Working to block the intergenerational transmission of gender inequalities

The Choices program by Save the Children targets young adolescents aged 10-14 years old to transform thinking around gender norms and inequalities. It adopts activities that encourage behaviors based on an understanding of gender equality. It was piloted in 12 VDCs in Bhawanipur and Pokharvinda in the Siraha district of Nepal, and reached 309 children directly. Results indicate that program participation led to more equitable gender behaviors. For example, boys and girls were more likely to consider household chores including washing the dishes or sweeping the floor as gender neutral, and less likely to accept stereotypical gender norms that had been supported prior to program implementation. Finally, results indicate that the program may have also encouraged parent-child communication and in some cases exposed parents to new ways of behaviors through their children.

Source: Lundgren et al., 2013

TOWARDS A PORTFOLIO RESPONSE

Beyond the issues highlighted in this brief, there are various other areas that emerged in the research as being critical to ensuring that poverty escapes are sustained over time. These include collective action around: social protection to avoid negative coping strategies in the face of shocks including natural hazards, local security to reduce the risk of theft and forms of conflict, reducing risks in nonfarm economic activities and enterprises, promoting affordable health care, and reducing land insecurity and improving access to services in urban areas.

The issues in this brief were highlighted due to their particular salience in the fieldwork and data analysis of resilience and sustainable poverty escapes in this study. The breadth of issues reflect the need for a portfolio response that recognizes the multiplicity of pathways for escaping poverty. On agriculture, which continues to employ a majority of Nepal's poor and vulnerable populations, pathways include:

- 1) **Stepping up within agriculture** for example through improved production, access to markets (including those beyond Nepal) and extension services, and investment in rural infrastructure.
- 2) **Stepping out to also engage in non-agricultural activities** to diversify livelihood risk to ensure that escapes from poverty are sustained. Fieldwork in Nepal found that this was successful where temporary migration of poor household members to nearby towns or cities in the country helped offset seasonal income security. To this end, offering loans or grants to incentivize migration amongst poor households may be an effective strategy to diversifying livelihood risk and reducing vulnerability in agriculture (Akram et al., 2016).
- 3) **Moving out of agriculture altogether** as both a means of escaping poverty and reducing livelihood risk to ensure that those escapes are sustained. As noted above, it was the combination of diversification with investments in education and links to local employment opportunities or migration that had particularly sustainable results for household escapes from poverty.

The breadth of and overlap amongst these issues reflects the need to adopt a cross-sectoral risk-informed approach to programming, and has implications for various stages of a program cycle from design to monitoring and evaluation. For such a response to be effective, current governance constraints need to be overcome, noted as a concern by stakeholders and reflected in negative World Governance Indicator Scores (WGI, 2017). Some areas requiring further work, according to KIIs, include those around:

- **Leadership:** Though policies exist to help reduce poverty and build resilience, many KIIs felt their implementation and targeting could be more effective. Some donors expressed a desire for national and local government to be in the driving seat of change. This was a particularly strong sentiment from NGOs, given the short lifespan of many donor projects restricting its ability to contribute to long-term change. Overall, stakeholders expressed hope that with the new federal system and elections for local authorities, there would emerge renewed incentives to promote public goods.
- **Coordination:** There is a need to avoid duplication through improved coordination within and between donors, NGOs, government projects. On the latter, for example, stakeholders noted that certain government offices would benefit from increased collaboration. Stakeholders also stressed the need for government agencies to be open to collaboration with the private sector. This suggests that there should be greater use of multi-stakeholder partnerships, and sectoral working groups comprised of members including the government, civil society organizations, researchers, and the private sector.
- **Budgeting:** Some KIIs believed that there are too many intermediary channels, which increases the risk of corruption and reduced the amount of money reaching beneficiaries. Available funding was at times perceived to be small in size, scattered and with time gaps which reduced its usefulness. Local authorities in village development committees and municipalities often noted that they did not receive their budgets on time, and sometimes as late as a mere one to two months before the end of the fiscal year, at which point it proved difficult to spend all the funds by the deadline.
- **Targeting:** Differences in poverty measurement approaches existed across different institutions, which led to confusion on what is poverty and who constitutes the poorest of the poor.

Working through these governance issues and adopting a systems approach, one which is context-specific and adopts a poverty dynamics lens, can help ensure that the resilience is strengthened and poverty escapes in Nepal are sustained into future generations.

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