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Migration Year Book
2010

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Nepal Migration Year Book 2010

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PREFACE

Migration has reemerged as an important issue in the twenty first century contributing as an important factor in shaping the politics, economy, sociology, culture and even security of the concerned countries. In Nepal growing impact of migration is felt especially in the economic sector. Its contribution to other sectors remains yet to be explored. It is in this vein that the Swiss National Centre of Competence in Research (NCCR) North-South in collaboration with the Nepal Institute of Development Studies (NIDS) initiated migration studies and the preparation of yearly Migration Year Books since 2006. It felt that the lack of basic data on migration like different forms of migration, the numbers of migrants their actual remittances etc. has hampered in the clear understanding of migration and evaluate its significance in Nepal. Nepal Migration Year Book would help to fill in this void. It is envisioned that this would form an important document to policy makers, political parties, government and non government personnel and students working on this issue.

The South Asia Regional Co-ordination office of the NCCR North-South extends its heartfelt congratulations to NIDS for their hard work in bringing out this important document. Working with NIDS has always been a pleasant venture for us. It takes this document as yet another symbol of successful co-working of NIDS and South Asia office of NCCR North-South. NIDS – NCCR North-South collaboration has always borne important fruits since our joint work twelve years ago. This book has provided another impetus to continue our co-work. I would like to thank the NIDS family for keeping up the spirit of relationship bright.

This document is the outcome of the collective work of several persons and we would like to thank all of them, though not feasible to mention all individuals here. However, we mention some persons without whom this book would not have been possible. First and foremost, special thanks go to Dr. Ganesh Gurung for his guidance to the entire writing process, contribution both in vision and content. We would also like to thank the authors for their contribution of chapters. We thank Dr. Jagannath Adhikari, Dr. Ashok Rajbanshi, Dr. Susan Thieme and Dr. Anita Ghimire for their time and efforts in shaping the draft. Also we appreciate the hard work and are grateful to Miss Puja Shakya and all her NIDS team who assisted in collecting data, going through reviews, compiling and working on the formats to bring the book in its present shape.

The research for this publication was conducted within the framework of the Swiss National Centre of Competence in Research (NCCR) North-South from the co-funding of the Swiss National Scientific Foundation (SNSF) and Swiss Development Cooperation (SDC). We are thankful to the SNSF and SDC for their support.

Thank You.

Dr. Bishnu Raj Upreti
South Asia Regional Coordinator
NCCR North- South
Migration has been an important part of people’s life in Nepal. Whether it is an internal migration or foreign migration, a large number of households now have migrants. This fact has also been demonstrated by both Census 2011 and NLSS III study. Accordingly, migration has also significantly contributed to the household economy. The remittances sent by migrants now contribute as much as that of agriculture. In addition, migration has many consequences in the family life as well as development of the country.

Considering the ever expanding phenomenon of migration and its effect on both household and the nation, it is important to come to terms with various dimensions of migration. In this venture, NIDS has been publishing Migration Year Book every year in order to disseminate an understanding of the dynamic and contemporary status of migration in the country. It has been covering new and emerging patterns of migration also like diasporas and refugees in Nepal.

As an attempt to have continuity in our efforts to publish Migration Year Book, NIDS takes pleasure in publishing Migration Year Book 2010. It is hoped that this publication will help individuals and institutions to have an understanding of migration status and its consequences in Nepali economy and society.

This book is partially based on work conducted within the framework of the Swiss National Centre of Competence in Research (NCCR) North-South: Research Partnership for Mitigating Syndromes of Global Change. The NCCR North-South is gratefully acknowledged.

We are thankful to the SNSF and SDC for their support.

Dr. Jagannath Adhikari
Executive Director, NIDS
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<tbody>
<tr>
<td>ANM</td>
<td>Auxiliary Nurse Midwife</td>
</tr>
<tr>
<td>BNS</td>
<td>Bachelor of Nursing Studies</td>
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<tr>
<td>BN</td>
<td>Bachelor of Nursing</td>
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<tr>
<td>BPKIHS</td>
<td>BP Koirala Institute of Health Sciences</td>
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<td>BS</td>
<td>Bikram Sambat</td>
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<tr>
<td>CBS</td>
<td>Central Bureau of Statistics</td>
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<tr>
<td>CTEVT</td>
<td>Council for Technical Education and Vocational Training</td>
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<td>DoFE</td>
<td>Department of Foreign Employment</td>
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<tr>
<td>DV</td>
<td>Diversified Visa</td>
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<tr>
<td>ECAN</td>
<td>Educational Consultancy Association of Nepal</td>
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<td>FEPB</td>
<td>Foreign Employment Promotion Board</td>
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<tr>
<td>FNCCI</td>
<td>Federation of Nepalese Chamber of Commerce and Industry</td>
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<tr>
<td>FY</td>
<td>Fiscal Year</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Production</td>
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<tr>
<td>ICC</td>
<td>International Coordination Council</td>
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<td>IEC</td>
<td>International Education Consultancy</td>
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<tr>
<td>IOM</td>
<td>International Organization for Migration/Institute of Medicine</td>
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<tr>
<td>ITP</td>
<td>Industrial Training Program</td>
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<tr>
<td>JITCO</td>
<td>Japan International Training Cooperation</td>
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<tr>
<td>MN</td>
<td>Masters of Nursing</td>
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<tr>
<td>MoE</td>
<td>Ministry of Education</td>
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<td>MoF</td>
<td>Ministry of Finance</td>
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<tr>
<td>MoLTM</td>
<td>Ministry of Labor and Transport Management</td>
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<tr>
<td>MTA</td>
<td>Money Transfer Agencies</td>
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<td>MWs</td>
<td>Migrant Workers</td>
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<td>NCC</td>
<td>National Coordination Council</td>
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<tr>
<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>NCCR</td>
<td>National Center of Competence in Research</td>
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<td>NECA</td>
<td>Nepal Educational Counseling Association</td>
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<td>NIDS</td>
<td>Nepal Institute of Development Studies</td>
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<td>NLFS</td>
<td>Nepal Labour Force Survey</td>
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<td>NLSS</td>
<td>Nepal Living Standard Survey</td>
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<td>NNC</td>
<td>Nepal Nursing Council</td>
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<tr>
<td>NOL</td>
<td>No Objection Letter</td>
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<tr>
<td>NRB</td>
<td>Nepal Rastra Bank</td>
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<td>NRN</td>
<td>Non Resident Nepali</td>
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<td>NRNA</td>
<td>Non Resident Nepali Association</td>
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<tr>
<td>NVQ</td>
<td>National Vocational Qualification</td>
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<tr>
<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
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<tr>
<td>PCL</td>
<td>Proficiency Certificate Level</td>
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<tr>
<td>RA</td>
<td>Recruitment Agencies</td>
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<td>SAARC</td>
<td>South Asian Association for Regional Cooperation</td>
</tr>
<tr>
<td>SLC</td>
<td>School Leaving Certificate</td>
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<tr>
<td>TIP</td>
<td>Technical Internship Program</td>
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<tr>
<td>TU</td>
<td>Tribhuvan University</td>
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<tr>
<td>UAE</td>
<td>United Arab Emirates</td>
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<tr>
<td>UK</td>
<td>United Kingdom</td>
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<tr>
<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organization</td>
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<tr>
<td>UNHCR</td>
<td>United Nations High Commission for Refugees</td>
</tr>
<tr>
<td>US</td>
<td>United States</td>
</tr>
<tr>
<td>VAT</td>
<td>Value Added Tax</td>
</tr>
<tr>
<td>WHO</td>
<td>World Health Organization</td>
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<tr>
<td>WMR</td>
<td>World Migration Report</td>
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<tr>
<td>WMWs</td>
<td>Women Migrant Workers</td>
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CHAPTER I
INTRODUCTION

1.1 Background

According to the World Migration Report (WMR) 2010, the number of international migrants in the world today has exceeded 214 million, which is unprecedented compared to just 191 million in 2005. If the pace of migration continues at the same rate as in the last 20 years, the number of international migrants worldwide could exceed 405 million by 2050. If internal migrants, estimated at 740 million are also taken into account, the total number of migrants would be nearly 1 billion worldwide today.\(^1\) With the increase in number, there is a greater diversity of migrants in terms of ethnicity, language, culture and religion. There has also been greater participation of women. Regarding destinations and origin places of migrants, new markets are emerging not just in Asia and the Gulf but also in Latin America and Africa.

The WMR recognizes migration as an integral feature of the world today and focuses on building capacities to enable States and other stakeholders to respond to and plan for migration in an effective and sustainable way. Its three policy focuses are: (a) the relentless pace of migration and new migration challenges mean that governments must make a concerted effort to manage migration, (b) it is essential for governments to systematically engage adequate financial and human resources to ensure that States and migrants reap the full potential of future migration, and (c) the risk of not putting in place adequate policies and resources is to lose a historic opportunity to take advantage of the benefits of this global phenomenon.\(^2\)

In South Asia, India is the main country of destination in the region and also a major country of origin. The Indian diaspora consists of 25 million worldwide with 10 percent found in the United States alone. Bhutan has the largest estimated number of international migrants in South-Central Asia, representing a share of 5.7 percent of the total population of Bhutan. Bangladesh, Pakistan, Afghanistan, Nepal and Sri Lanka are other major countries of origin. The biggest demand for Sri Lankan

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2 Ibid.
male and female workers is in the Middle East countries, mainly Saudi Arabia, Kuwait, the United Arab Emirates, Jordan and Qatar accounting for 86 percent of migrant employment.\(^3\) The Sri Lankan Ministry of Foreign Employment Promotion and Welfare published the National Policy on Labour Migration last year aimed at ensuring the protection of the interests of its migrant population.

When the Nepal Institute of Development Studies published its first Migration Year Book 2005, the number of migrant workers was 135,992 for the fiscal year 2004-05. Today, the number has increased dramatically. According to the Department of Foreign Employment, 240,269 Nepalis left for overseas for foreign employment in the first nine months of the fiscal year 2010-11 (DoFE, 2011). On an average at least 1,099 Nepali migrant workers fly out of the country every day. Foreign employment continues to be a strong demand among the young Nepalis looking for income and job opportunities as well as skill and technological enhancement. The contribution of remittance to the gross national income is estimated at 25 percent.

The Migration Year Book 2010 mainly analyzes the status and trends of migrant workers in terms of their numbers and destination and critically examines different dimensions of labour migration. Major challenges Nepal faces is the compilation of timely and accurate data on different aspects of migration; refining national migration policy goals, strategy and action plans; effective legal framework; and suitable administrative structures, among other things.

### 1.2 Objectives

Migration Year Book 2010’s primary objective is to provide factual, comprehensive and non-partisan data and analysis of trends and issues relating to labour migration with particular focus on migrant workers. It covers the period between January and December 2010. The specific objectives are to:

(a) Review the general status and trends on migration

(b) Analyze national laws, regulations, plans and programs on migration

(c) Review governmental and private sector efforts to promote foreign employment and

(d) Critically examine its social, political, economic, gender and other dimensions.

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\(^3\) Ibid.
1.3 Methodology

The report is entirely based on data available with Ministry of Labour and Transport Management (MoLTM), Ministry of Education (MoE), Ministry of Finance (MoF), Department of Foreign Employment (DoFE), United Nations High Commission for Refugee (UNHCR), International Organization for Migration (IOM), Nepal Institute of Development Studies (NIDS), Central Bureau of Statistics (CBS) and Nepal Rastra Bank (NRB). Data is compiled by Nepali months of the fiscal year beginning and ending mid-July.

1.4 Limitations

Data available from sources referred above are neither complete nor comprehensive. For example, DoFE compiles data on the number of permissions it grants on a month-to-month basis. Since there is no data on people who actually migrate, it is assumed that all that seek permission must have left. This figure leaves out migrants who leave without government approval. There is no data on how many migrants have returned after or before completing their contract tenure or for any other reason. There is a room for improvement in compiling such data as well as the cumulative data on the number of Nepali migrant workers by country and month/year. Data on remittance by country is not available. Nor is there data on gender disaggregated remittance. The NRB, the central bank, has been compiling figures through commercial banks on the flow of remittance only by month. Since there is no way to independently verify the quality of data obtained from different sources, their consistencies may be questionable.
CHAPTER II
POLICY FRAMEWORK

The Nepal government has given priority to promoting employment opportunities both at home and abroad for Nepali youths. The Nepali state has not been able to mobilize human resources for the development of the country.1 It is estimated that 30 percent of Nepal’s total human resources remain outside the periphery of the Nepali state and among the Nepali migrants working overseas, 75 percent are unskilled.2 The Three Year Interim Plan (GoN, 2010) Approach Paper published in September 2010 states that the prime responsibility of the state is “to promote employment opportunities by imparting knowledge and skills to national human resources in line with national and international labour market.”3 It also calls for instituting “tripartite bond among government, employers as well as workers and to create investment friendly environment” by investing in labour management infrastructure. However, the key challenge remains to promoting foreign employment into a systematic and dignified sector.

2.1 Plan Emphasis

The number of working age Nepalis currently unemployed is estimated at 2.5 million.4 The labour participation rate stands at 83.4 percent. Of Nepal’s total population, at least 30% is either unemployed or underemployed (i.e. people who are seasonally or partially employed) and 400,000 people are entering labour market every year. In this context, the Three Year Plan has placed emphasis on: (a) increasing employment opportunities within the country, (b) protecting the rights of workers, (c) initiating reforms in labour law and administration to increase production and productivity, (d) promote decent, safe and productive foreign employment, (e) increase access of youth, women, indigenous people, people with disability, Madhesi, Dalits, conflict affected people as well as disadvantaged and poor people to productive employment, 

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1 Remarks made by Dr. Ganesh Gurung, member of the National Planning Commission at an interaction program in Kathmandu. See Nepal Samacharpatra, July 16, 2010.
2 Ibid.
4 This estimate of unemployment figure is disputed by a number of economists as gross understatement. Deependra Bahadur Chetri, former governor of Nepal Rastra Bank, also disputes this figure, saying the Ostrich-like attitude that ignores ground realities is unlikely to solve the problem of unemployment.
and (f) ensure social security to workers including elimination of worst forms of child labour as per international commitments.

The Three Year Interim Plan (GoN, 2010) takes note of a number of achievements and progress made in relation to labour management and employment promotion. These include the creation of Department of Foreign Employment, protection of workers’ rights and fixation of minimum wage, establishment of Foreign Employment Promotion Board, rescue and relief operations for Nepali migrant workers facing difficult circumstances, establishment of Migration Resource Center, appointment of Labour Attaches in countries with large concentration of Nepali migrant workers, labour agreements with five different countries, establishment of Foreign Employment Court (Nyayadhikaran), formulation of the National Master Plan on Child Labour, commencement of the process of sending industrial apprentices to Japan, rescue of 16,000 child labourers from worst forms of child labour, prevention of additional 17,000 children from entering labour market, operation of Informal Education and Daycare Centers and investment made by non-government sector in alleviation of child labour.

However, major challenges remain. These include the inability of the national economy to grow at a faster pace in creating new employment opportunities, inadequacy of vocational and skill development training opportunities, inability to cater the needs of national and international labour markets for skilled human resources, severe constraints in curbing frauds and abuses related to foreign employment, widespread prevalence of child labour both in formal and informal sectors, and weak collaboration and coordination among national and international agencies in promoting employment opportunities. Despite the constraints and challenges, the demand for Nepali migrant workers in international labour market has remained strong. For the country, the remittance sent home by migrant workers is significant i.e. 23.6 percent of the GDP is received from remittance. One of the key challenges in the area of foreign employment would be to enhance the skill profile of human resources and explore new and lucrative market opportunities.

2.2 Objectives

The Plan has defined the following objectives in relation to foreign employment opportunities:

1. Create employment and self-employment opportunities within the country.
2. Create healthy, safe and decent working environment through cordial labour relations.

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3. Reduce unemployment by developing enterprising, competent and skilled human resources capable of competing in domestic and international labour markets.

4. Increase the contribution of foreign employment to poverty reduction by maximizing benefits and minimizing risks.

5. Eliminate worst forms of child labour as a matter of priority and strive to eliminate all forms of child labour.

2.3 Strategy

The Department of Foreign Employment is currently in the process of finalizing Foreign Employment Policy, and Strategy and Action Plans to implement the policy in consultation with key stakeholders. The Plan has adopted the following strategy in relation to employment promotion:

1. Provide for employment guarantee of stipulated duration in stipulated sectors while unleashing employment opportunities and potential through employment-centric investment.

2. Promote cordial industrial relations by protecting the rights of the workers as well as creating investment friendly environment and strengthening Employment Information Centre into an Integrated Employment Exchange Centre.

3. Make foreign employment safe, decent, dependable and more rewarding while initiating qualitative reforms in the entire migration cycle.

4. Create enabling environment for self-employment by enhancing opportunities for vocational and skill development trainings and by localizing such trainings to reach consumers.

5. Reform child labour related policies, legislation and institutions and simultaneously implement child programs linked with national poverty alleviation programs.

2.4 Working Policy

The plan has the following working policy:

_Employment Promotion:_ Employment Guarantee Law will be enacted to ensure employment in the designated sectors for limited period. New jobs would be created through employment intensive technologies while investing in agricultural and non-agricultural sectors such as infrastructure, tourism, forest and industrial enterprises. Employment monitoring system will be strengthened to ensure effective employment opportunities. Access to jobs in accordance with knowledge and skills
will be facilitated through creation and expansion of Information Centers, and analysis of the enlisted human resources will be carried out to strengthen effective employment exchange system.

**Labour Welfare:** Establish Worker/Labour Commission to protect the rights of workers and resolve labour disputes and create tripartite mechanism of government, employers and workers down to the local levels. Labour laws would be reviewed with a view to balance labour flexibility with social security and reforms will be initiated in labour relations and entire labour administration to create investment friendly environment to enhance employment opportunities. Labour inspection system and model labour offices will be developed. Provide for contributory social security. Within labour market planning provisions will be made to protect the rights of domestic and home based workers and regulate labour relations. Promote industrial peace by initiating reforms in policy, legislations and institutions.

**Foreign Employment:** Establish an integrated operational system after constituting high level effective coordination structure of all stakeholder agencies to coordinate all related matters and institutional structure dealing with foreign employment down to the local level. Priority would be given to labour diplomacy by appointing competent and professional labour attaché in destination countries, enhancing diplomatic presence in destination countries, mobilizing non-resident Nepalis in expanding and promoting labour market, and protecting the interests of migrant workers. Establish special channel to facilitate outbound and incoming Nepali migrant workers at the international airport. Collaborate with SAARC countries to develop security and support systems for female migrant workers in destination countries. Conclude labour agreements with major destination countries to ensure safe and systematic foreign employment for Nepali workers. Awareness programs will be carried out down to the local level to provide basic information related to foreign employment and labour migration.

Institutional/corporate responsibility will be encouraged among remitting agencies and effective packages will be implemented for the facilitation and productive use of remittance. Foreign Employment Welfare Fund will be mobilized for ensuring security, protection, economic relief and reintegration of migrant workers for the education and health of their family members along with awareness programs. Foreign employment oriented quality trainings will be provided to ensure access of women, Dalits, poor, marginalized communities and people from remote areas. At the same time foreign employment will be made inclusive and pro-poor. Policies will be formulated to encourage outbound migrant workers to fly from Nepali land instead of taking the route of third countries. Special package will be devised to help
women make informed choice on foreign employment. Arrangements will be made to send people on foreign employment or domestic labour market after carrying out tests of their acquired training or skills and certification. Collaboration with financial institutions will be sought to facilitating loans for foreign employment as well as for those who seek employment within the country. The security and protection related concerns of Nepali people going to India for employment will be addressed. Documentation and record system of Nepali migrant workers will be improved, systematized and updated with emphasis on disaggregation.

**Skill Enhancement:** Implement integrated micro enterprise development programs to promote self-employment including provisions of skill and entrepreneurship development and soft loans. Undertake campaign for skill development programs by consolidating all institutions providing vocational and skill development training under one umbrella and developing it as a professional quality training institution. Coordinate and liaison with Ministry of Education and Council for Technical Education and Vocational Training to improve quality and relevancy of trainings of longer duration, including technical SLC trainees. Launch new pilot programs for the elimination of worst forms of child labour after revising National Master Plan on Child Labour. Provide for institutional arrangements to rescue and rehabilitate child labourers. Research and studies on child labour related issues will be continued.

The implementation of the policies, strategies and action plans is expected to promote skilled human resources that can compete with those from the region and beyond in labour markets overseas. It would help protect and promote the well-being and interests of Nepali migrant workers. Women, youth, Dalits, indigenous nationalities, Madhesi, Muslim, conflict affected as well as poor and marginalized people will have enhanced access to employment opportunities. It would result in better remittance flows into the country. New markets would be opened for Nepali migrant workers. Last but not the least, disaggregated database of foreign employment would have been established.

### 2.5 New Destinations

The political unrest brewing in the Gulf countries at the end of 2010 could spread to other parts especially in countries which host large number of unskilled Nepali migrant workers. This will pose a grave risk for the future destinations, contracting the labour markets in the Gulf and other countries. Although Nepal has officially opened 108 countries, not all of these countries are big markets in terms of future labour employment prospects. The fact that Malaysia and the Gulf countries alone account for 90 percent of the Nepali migrant workers indicates the vulnerability
in terms of future growth. The first warning came when many of the destination countries were hit by the global financial meltdown during 2008 and 2009 that severely affected the inflow of remittance and added to the uncertainties for job prospects in destination countries. The demand for Nepali migrant workers in the Gulf countries such as Qatar and the United Arab Emirates dropped by more than half. The demand for unskilled manual labour is on the decline anyway in several destination countries.

In this context, it would be better for the Nepal government to promote programs for new skill training enhancement and language proficiency activities to cater to new markets and the government and other stakeholders, particularly the recruiting agencies, to explore the prospects of semi-skilled labour markets overseas. It is time Nepal prepare a long-term strategy to enhance the vocational skills of the Nepalis in accordance to the dynamics of global labour demand as is being done already by China and Sri Lanka. The start could be made by undertaking serious research study on new market destination in selecting emerging markets in Africa and the Central Asian Republics, for example, and an appropriate vocational training and education course developed to promote labour migration for aspiring Nepalis.

2.6 Conclusion

The key challenge in foreign employment is to making the sector systematic and professional one. It has been suggested that the relevant laws regulating foreign employment should also provide for rights and obligations of migrant workers in order to make foreign employment systematic and dignified sector. Many Nepalis are believed to have been engaged in union and other activities of political nature because of recent violent political crisis in Nepal. This has made many companies reluctant to hire Nepali workers. Secondly, the orientation programs for foreign employment given by 47 agencies have not been effective because such orientations have not helped those going for foreign employment in terms of knowledge on the work environment, social and cultural context and labour laws in destination countries. Thirdly, labour diplomacy has not been given the priority it deserves by promoting the capacity of Nepal’s diplomatic missions in the major destination countries.
Labour migration has maintained steady and strong trends among the Nepali youths. According to the Department of Foreign Employment (2010), some 1.2 million Nepali migrant workers left for overseas for foreign employment in the last five years since Nepal was transformed from a Hindu monarchy to the world’s youngest federal democratic republic.\(^1\) This steady growth is mainly because the 3.5 percent economic growth rate has not been able to absorb some 400,000 new entrants in the labour market annually. Many youths do not see any future for them in the country despite the tall promises the politicians had made during the *Jana Andolan II* (People’s movement led by major political parties and civil society against autocratic king’s rule to establish Nepal as a federal democratic republic state) in April 2006. As the table 3.1 (below) illustrates, the number of Nepali men and women migrating overseas for foreign employment had declined in fiscal year 2008-09 because of the global economic meltdown but has picked up again in the subsequent months. Elusive political stability, frequent closure and strikes and reluctance of businessmen to invest in Nepal and closure of many industries that provided jobs and income opportunities were blamed for such a situation.

<table>
<thead>
<tr>
<th>FY</th>
<th>Number of Nepali Labour Migrants</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07</td>
<td>204,433</td>
</tr>
<tr>
<td>2007-08</td>
<td>249,051</td>
</tr>
<tr>
<td>2008-09</td>
<td>219,965</td>
</tr>
<tr>
<td>2009-10</td>
<td>294,094</td>
</tr>
<tr>
<td>2010-11</td>
<td>354,716</td>
</tr>
</tbody>
</table>

*Source: Department of Foreign Employment, 2010*

During the period between 2006 and 2010/11, the largest number of Nepalis (361,464) had gone to Malaysia followed by Qatar (351,544), Saudi Arabia (246,448), United Arab Emirates (178,535) and Bahrain (20,303). If in the beginning those migrating overseas were unskilled manual labours, technically qualified personnel such as medical doctors and engineers are also leaving the country because the income they make in Nepal is far below the money they have invested in getting medical and

\(^1\) *Kantipur*, June 5, 2011.
engineering degrees. Even Nepalis who had migrated overseas for jobs but have since then returned back to the country are now regretting due to unemployment and disappointing political and socio-economic condition of the country. Many of them are planning to return back to the countries they had migrated in the past.

3.1 Status

A total of 375,830 Nepali men and women migrated overseas for employment opportunities between December 2009/January 2010 and December 2010-January 2011 (Table 3.2). On an average there were about 38,043 Nepalis getting permission from DoFE for migrating overseas every month. This means on an average daily 1,268 people were leaving Nepal for foreign employment. The number includes 375,830 Nepali migrant workers who applied at DoFE through recruiting agencies and another 80,695 who applied for official permission on individual basis.

<table>
<thead>
<tr>
<th>Month</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec09/Jan10</td>
<td>21,633</td>
<td>25</td>
<td>21,658</td>
</tr>
<tr>
<td>Jan/Feb</td>
<td>28,192</td>
<td>290</td>
<td>28,482</td>
</tr>
<tr>
<td>Feb/Mar</td>
<td>23,878</td>
<td>52</td>
<td>23,930</td>
</tr>
<tr>
<td>Mar/Apr</td>
<td>35,299</td>
<td>110</td>
<td>35,409</td>
</tr>
<tr>
<td>Apr/May</td>
<td>34,042</td>
<td>150</td>
<td>34,192</td>
</tr>
<tr>
<td>May/Jun</td>
<td>29,763</td>
<td>365</td>
<td>30,128</td>
</tr>
<tr>
<td>Jun/Jul</td>
<td>34,812</td>
<td>507</td>
<td>35,319</td>
</tr>
<tr>
<td>Jul/Aug</td>
<td>31,279</td>
<td>372</td>
<td>31,651</td>
</tr>
<tr>
<td>Aug/Sept</td>
<td>24,981</td>
<td>413</td>
<td>25,394</td>
</tr>
<tr>
<td>Sept/Oct</td>
<td>23,044</td>
<td>468</td>
<td>23,512</td>
</tr>
<tr>
<td>Oct/Nov</td>
<td>30,422</td>
<td>480</td>
<td>30,902</td>
</tr>
<tr>
<td>Nov/Dec</td>
<td>28,463</td>
<td>622</td>
<td>29,085</td>
</tr>
<tr>
<td>Dec/Jan11</td>
<td>25,809</td>
<td>359</td>
<td>26,168</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>371,617</td>
<td>4,213</td>
<td>375,830</td>
</tr>
</tbody>
</table>

Source: Department of Foreign Employment, 2010

The outflow of Nepali migrant workers by month depends to a large degree on the labour market demand. In 2010, the lowest outflow recorded was during December 2009-January 2010 when 21,658 Nepalis left for foreign employment. This is in sharp contrast to the previous year when the highest number of 32,691 was for the same month. The highest number was in March/April with 35,409 migrant workers leaving, dropping slightly at 34,192 during April/May but picking up again

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2 The data on foreign employment is collected in Nepal on the basis of the Nepali months based on the Bikram Sambat. January in the Gregorian calendar begins mid-Poush and December coincides with early Poush. All figures mentioned here are based on the Nepali months.
at 35,319 in June/July. There is also variation in terms of gender. In case of women migrant workers (WMWs), it began to build up during August/September with 413 WMW, then to 468 in the following month, and 480 in October/November climbing to the year’s highest at 622 in November/December (Table 3.2). For the male migrant workers, the highest departure was in March/April but the lowest number of departure was in December09/January10. Even though there were only 4,213 approvals for WMWs in the year 2010, their number has been growing steadily over the years.

3.2 Trends

In terms of organizational approvals (through a organization i. e. manpower agencies) for foreign employment, the migration outflow in 2010 was limited to only 24 countries even as more than 109 countries are open for foreign employment for Nepali men and women. Malaysia and the Gulf countries of Saudi Arabia, Qatar, United Arab Emirates and Bahrain remain major destinations for Nepali migrant workers, as shown in table 3.3. Malaysia is believed to host a total of 361,464 documented Nepali migrant workers. A total of 146,938 Nepali migrant workers left for Malaysia in 2010. This is the highest number of Nepali migrant workers going to any country anywhere in the world. This does not include undocumented Nepali migrant workers in Malaysia. The second largest concentration of Nepali migrant workers in East Asia is in South Korea with 3221 Nepalis working there under a significantly reformed Employment Permit System (EPS). South Korea is emerging as new potential for Nepali migrant workers with the introduction of EPS. In August 2010, more than 36,181 Nepalis applied for Korean language proficiency test for 4,200 jobs in Korea under EPS, indicating the strong attractions to migrating to South Korea.

Other destinations in Asia include Afghanistan with 472 Nepalis, Pakistan with 145, and Hong Kong with 118. However, many Nepali migrant workers employed in casinos, hotels and companies in Macau were returning back to Nepal after authorities refused to extend visa for Nepali workers.4

3 DoFE 2010, Nepal Government
Table 3.3: Migrant Workers by Destination

<table>
<thead>
<tr>
<th>No.</th>
<th>Country</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Afghanistan</td>
<td>472</td>
<td>0</td>
<td>472</td>
</tr>
<tr>
<td>2.</td>
<td>Algeria</td>
<td>35</td>
<td>0</td>
<td>35</td>
</tr>
<tr>
<td>3.</td>
<td>Bahrain</td>
<td>16,554</td>
<td>119</td>
<td>16,673</td>
</tr>
<tr>
<td>4.</td>
<td>Hong Kong</td>
<td>86</td>
<td>32</td>
<td>118</td>
</tr>
<tr>
<td>5.</td>
<td>Israel</td>
<td>65</td>
<td>0</td>
<td>65</td>
</tr>
<tr>
<td>6.</td>
<td>Japan</td>
<td>16</td>
<td>6</td>
<td>22</td>
</tr>
<tr>
<td>7.</td>
<td>Jordan</td>
<td>249</td>
<td>0</td>
<td>249</td>
</tr>
<tr>
<td>8.</td>
<td>Kuwait</td>
<td>3,916</td>
<td>8</td>
<td>3,924</td>
</tr>
<tr>
<td>9.</td>
<td>Lebanon</td>
<td>756</td>
<td>867</td>
<td>1,623</td>
</tr>
<tr>
<td>10.</td>
<td>Libya</td>
<td>1,185</td>
<td>0</td>
<td>1,185</td>
</tr>
<tr>
<td>11.</td>
<td>Macau</td>
<td>39</td>
<td>0</td>
<td>39</td>
</tr>
<tr>
<td>12.</td>
<td>Malaysia</td>
<td>145,942</td>
<td>996</td>
<td>146,938</td>
</tr>
<tr>
<td>13.</td>
<td>Maldives</td>
<td>45</td>
<td>0</td>
<td>45</td>
</tr>
<tr>
<td>14.</td>
<td>Mauritius</td>
<td>33</td>
<td>0</td>
<td>33</td>
</tr>
<tr>
<td>15.</td>
<td>Oman</td>
<td>1,276</td>
<td>2</td>
<td>1,278</td>
</tr>
<tr>
<td>16.</td>
<td>Pakistan</td>
<td>145</td>
<td>0</td>
<td>145</td>
</tr>
<tr>
<td>17.</td>
<td>Poland</td>
<td>27</td>
<td>31</td>
<td>58</td>
</tr>
<tr>
<td>18.</td>
<td>Qatar</td>
<td>26,964</td>
<td>29</td>
<td>26,993</td>
</tr>
<tr>
<td>19.</td>
<td>Russia</td>
<td>8</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>20.</td>
<td>Saudi Arabia</td>
<td>46,040</td>
<td>7</td>
<td>46,047</td>
</tr>
<tr>
<td>21.</td>
<td>Seychelles</td>
<td>28</td>
<td>0</td>
<td>28</td>
</tr>
<tr>
<td>22.</td>
<td>United Arab Emirates</td>
<td>20,936</td>
<td>410</td>
<td>21,346</td>
</tr>
<tr>
<td>23.</td>
<td>United States of America</td>
<td>22</td>
<td>0</td>
<td>22</td>
</tr>
<tr>
<td>24.</td>
<td>South Korea</td>
<td>2,118</td>
<td>0</td>
<td>2118</td>
</tr>
</tbody>
</table>

Source: Department of Foreign Employment, 2010.

If the number of Nepali migrant workers in the Gulf countries is taken into account, they make the largest concentration in the region anywhere in the world. The Gulf region has continued to be the popular destination for Nepali migrant workers mainly because of the construction boom that has been revived in the Gulf countries. The largest migration in 2010 was to Saudi Arabia with 46,047 MWs followed by Qatar with 26,993, United Arab Emirates with 21,346, Bahrain with 16,673 and Lebanon with 1,623 MWs as shown in the table 3.3. If the cumulative number is taken into account as of 2010, Qatar hosts about 351,544 Nepali migrant workers followed by Saudi Arabia with 246,448, United Arab Emirates with 178,535 and Bahrain with 20,303. A number of reasons are responsible for making Qatar a favorite destination for Nepali migrant workers. First, there have been greater efforts at enhancing the skills of migrant workers. Secondly, the Nepal government has already determined
minimum wage at Qatari Riyal⁵ of 800 per month for unskilled workers, 1,000 Riyal for semi-skilled, 1,300-1,900 Riyal for skilled and 5,500 Riyal for highly skilled workers. And the early initiation of direct flight from Kathmandu to Doha made it a popular destination place for Nepali MWs.

Even as India hosts the largest number of Nepali workers anywhere in the world, figures are not available because there is no system of visa or work permit between the two countries. Even data on the movement of people in each of the two neighboring countries is not maintained. Most Nepalis work in India in manual jobs. The number of Nepali migrant workers in India remains a guess estimate at best. One study found a total of 1.5 million Nepali migrants in India.⁶ This included 1,347,000 male and 153,000 female. There is no consistent estimation of the number of labourers who migrate seasonally or for longer stays in India, but it is mostly agreed that they number approximately 2 to 3 million.⁷ According to a report, the Maharashtra government in December 2010 introduced mandatory biometric identity card to all fishermen and transponders along the coastal areas where an estimated 4,000 Nepalis are working.⁸ The decision came following the November 2008 terror attacks in Bombay. Both the Home Ministry and the Ministry of External Affairs in India are working to fix the modalities of distributing electronic ID cards and verifying the documents with the Nepal government. The number of Indian migrant workers in Nepal is also tricky but migrant workers from India’s Bihar, Uttar Pradesh, Madhya Pradesh, Orissa and other states live and work in Nepal. Since there is no system for keeping the records, their number also remains a guess estimate.⁹

In terms of official approval for foreign employment on individual basis, Europe and Africa is gradually emerging as a new destination for Nepali migrant workers. These countries include Spain, Albania, Austria, Cyprus, Germany, United Kingdom, Iceland, Poland, Romania, among others. Spain has a very liberal policy, and the law court there in October 2010 ruled in favor of 28 Nepali migrant workers who were working for a company in Barcelona without labour permit for which the company refused to pay them wages. The Nepali workers filed a case, demanding 800,000 Euro but the court ruled that they should be paid 407,900 Euro. The court

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⁵ Exchange rate for Qatari Riyal 1 is equivalent to Rs. 19.62 as per Nepal Rastra Bank exchange rate published on June 4, 2011.
⁷ Thieme, S., 2006. Social Networks and Migration, Far West Nepalese Labour Migrants in Delhi, Munster: LIT.
ruling also qualifies the Nepali migrant workers to apply for residential visa and labour permit.\textsuperscript{10} In terms of volume for the individual category (i.e. migrated by individual effort without the help of any recruiting agency) in 2010, the highest number of outward migration was to Qatar with 45,234 Nepali MWs, followed by Saudi Arabia with 4,192, Bahrain with 3,287, Oman with 1,881, Japan with 520, Afghanistan with 359, the United States with 324, the Maldives with 272, Israel with 234, Poland with 233, United Kingdom with 201, Romania with 150 Nepali MWs.

The official number of female Nepali migrant workers has been progressively increasing but is much less than the number of male migration. Compared to 266,957 male MWs going on the organizational basis, the female migration was only 2,499. Since many women were leaving the country without taking official permission for foreign employment through India, the official figure as reported by DoFE does not reflect the reality. Though the data reveal an increase in documented female migration from Nepal there could potentially be an equal number travelling to various countries for foreign employment via major cities of India or even through Bangladesh. Some of the possible reasons for this could be the non declared ban (discouraging female migrants to the Gulf countries mainly due to the increasing incidents of physical assaults) by the government of Nepal on female migration especially to Gulf countries and Malaysia, and cheaper air fares to foreign destinations and also possibly the hesitation by brokers to take women through legal process. The brokers have to bear the responsibility and compensate if anything illegal happens to migrant women during her job. Despite these serious shortcomings, the DoFE recorded data shows that the number of women migrant workers has reached 30812 which is 2.6 percent of total migration. The less number of women shown in this figure is an outcome of the poor database priority of the DoFE. Several estimates show that Nepalese women going for international job is 10 percent of total migration. More women have been to Saudi Arabia (44.8 percent) followed by Malaysia and Israel (11 percent) (Table 3.4).

\textsuperscript{10} Kantipur. October 28, 2010.
Table 3.4: Estimated Number of Woman Migrants by Country of Destination

<table>
<thead>
<tr>
<th>Countries</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saudi Arabia</td>
<td>63,000</td>
<td>44.8</td>
</tr>
<tr>
<td>Malaysia</td>
<td>15,000</td>
<td>10.7</td>
</tr>
<tr>
<td>Israel</td>
<td>15,000</td>
<td>10.7</td>
</tr>
<tr>
<td>Lebanon</td>
<td>14,000</td>
<td>10.0</td>
</tr>
<tr>
<td>Oman</td>
<td>11,000</td>
<td>7.8</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>9,000</td>
<td>6.4</td>
</tr>
<tr>
<td>Kuwait</td>
<td>7,600</td>
<td>5.4</td>
</tr>
<tr>
<td>Qatar</td>
<td>4,000</td>
<td>2.8</td>
</tr>
<tr>
<td>Bahrain</td>
<td>1,900</td>
<td>1.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>140,500</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Bhattarai, 2010

According to DoFE, major destinations for Nepali WMWs are Malaysia, Saudi Arabia, UAE, Qatar, Kuwait, Bahrain, Hong Kong, South Korea, Japan, Oman, Israel, Lebanon etc. The government’s prohibition on women to migrate for works in the unorganised sectors in the Gulf countries is not effective in fact. Despite the prohibition, the size of migrant workers in countries like Saudi Arabia, Oman, Qatar, UAE, Jordan and so on is very large. This is a naked truth. From this perspective, one can conclude that the vulnerability of the injustice in matters of remuneration, terms and references of works, facilities and benefits, protection of jobs and personal interests of the workers, and most importantly the probability of economical as well as sexual exploitation is a serious problem facing the migrant women of Nepal. On this ground, the issues of WMWs are examined in the following sections under the heading gender and migration.

### 3.3 Gender and Migration

Both men and women are going abroad for labour purpose. However, the trend shows that men started going abroad for the work whereas women became mostly the dependents and very few went for the work. The concept that women can also work in abroad and can bring resources to the country is a recent phenomenon in Nepal which emerged luckily amid the traditional concept of patriarchal society. This can be proved by the fact that the DoFE responsible for maintaining the overall records of the migrant workers has started keeping record of the number of MWs to abroad by sex only after 2006. This shows a very poor sensitisation among the government officials for the maintenance of data and information which are the

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bases for formulating policies and programs. As a result, Nepal has not been able to produce a quality database with strong documentation of more than four millions Nepalese who have been abroad for labour works. And this poor documentation has mainly hampered to bring out appropriate polices and laws in favour of women, children, and youths.

3.4 Why Study on Gender in Migration?

In migration studies, women are given special focus because they have special duties to perform in the society. By birth in a traditional patriarchal society, a woman has to make up her mind that one day she needs to leave her parental house. Therefore, naturally women migration is always high in a society after their marriages. The structure of the society itself has turned women victims of men. The brunt of poverty falls disproportionately upon women due to gender discrimination; therefore women experience greater livelihood insecurity than men do, both for themselves as well as for their families. Therefore, gender studies usually deal by highlighting women's issues in a Nepali social context. Concentration is on how to enable women to play a vital role for social inclusion, good governance and inclusive democracy. And the same principle applies in the study of migration so that mainly the women’s migration can be made safer, less vulnerable and more equitable.

With the advancement in medical sciences, people can now live a longer life particularly in the developed countries. These old people need domestic caretakers in their ripe old ages. And most of those care takers are women from Third World developing countries including Nepal. Thus, women from developing countries have the opportunity to work as domestic helpers in the rich countries of the West as well as in the Gulf States. But these female migrant workers are facing a number of challenges and hardships in the process of their migration and employment in the destination countries. A male employee need only to serve the employer but a woman employed as a domestic worker must also serve fathers and mothers, sons and daughters and other kith and kins and society members, apart from the employer’s. This shows the double burden of women in our society.

3.5 Remittance and Gender

In the current era of globalization, women are found to grab global employment opportunities to ease poverty at home. Foreign women’s labour in the care economy is in high demand in developed, semi-developed and oil rich gulf countries. The best known aspect of the migration and development nexus is remittances, the money that migrant workers send back to their families or use to invest in small businesses. There are many stories of women migrant workers, even poor women,
who migrate for domestic work — who have returned from these jobs to start up small businesses — auto-rickshaw rentals in Nepal, small grocery stores in Africa, purchase of farm land, investing in agricultural technology and enhancing farm incomes in the Philippines, tour guide businesses or dive shops in the Caribbean — or play an important role in family and community decision-making. These women are positive role models for young women in their communities, helping to improve standards of living for families and communities enhance human capital and play leadership roles at local levels.12

For Nepal’s government, remittances are the main sources of economy. In 2010, the government received NRs 3813 million13 as remittance which is more than 23 percent contribution in the GDP.14 Officially, more than 80,000 Nepali women are engaged in work in 65 countries (excluding India) and sending home between NRs 9 billion and NRs 11 billion per year as remittances15, which is about 10.7 percent of the total remittances entering the country16. Whatever the actual amount of remittance that a woman contributes, the major portion goes to poverty reduction at the household level. A study conducted with 86 migrant women workers showed that 45 percent used their remittances exclusively on the provision of basic needs, schooling for children and medical care for family members. Another 23 percent used the money for constructing houses and buying land or jewelers. 17

3.6 Implication of Migration on Gender

Migration has two clearly visible implications from the gender perspective. The first is that usually women migrant workers become more vulnerable than men. It’s because women have not got an adequate environment to be secure in all three stages of migration – pre, during and post mainly due to the lack of human, financial and social assets in a traditional Nepali society. However, shy, dependent and tender women are being bold and enterprising with this phenomena. This is a very great achievement for our orthodox society. The second implication is that women and children become the dependent ones while men in the working age tend to move from the house. Because of the absence of the men members in a household, women find themselves carrying the whole burden of the family, including childcare,

12 http://www.unwomen.org/2011/05/integrating-migration-and-remittances-into-ldc-national-and-regional-
development-planning-including-through-a-gender-perspective/
13 Exchange rate- US $ 1 = NRs. 74.90 on July 15, 2010
Labour Migration. Kathmandu: UNIFEM/NIDS.
17 Ibid.
household chores and agricultural work. Without the support of the family, not all these tasks can be achieved. In addition to that women and children, who are left in the village without their male family members, live in an insecure situation. This also shows type of the inner and external exclusion.

The existing acts, rules and regulations regarding migration mostly deal with the economic and labour issues of migrants. Migration is not limited to labour and employment generating issues only. It is also a right-based approach, a social approach, a cultural approach and a political approach or rather needs to be seen as a holistic approach covering all of them. The recruiting agencies’ contribution for facilitating the youths including women to the destination countries can be positive stories. However, software parts like trainings, orientations and health certificates are also their responsibilities but unfortunately they have been just the formalities. Furthermore, weak monitoring of the government and its line agencies do not have special provisions for the women to process for the good opportunities for women. None of the recruiting agencies are identified who provide special services to the women.

Despite these poor mechanisms and environment for the women to work in the foreign countries, there are many stories of women migrant workers, even poor women, who migrate for domestic work, who have returned from these jobs to start up small businesses.

3.7 Cost of Migration

With the number of migrant Nepalis progressively increasing every year, the cost of migration is also increasing. For example, it would cost a Nepali migrant worker four times more to seek foreign employment in Japan. According to a newspaper report, the Nepali interns who have been paying Rs. 50,000 only in 2003 (to go to Japan), now have to pay Rs. 200,000.\textsuperscript{18} It has been proposed that the amount would be collected as “promotional fee” equivalent to two months of salary (of migrant), which is calculated to Rs. 200,000 on an average. This cost includes health tests, pre-departure training, language proficiency and cultural orientation, insurance premium, monitoring and job market costs. However, manpower agencies have been asking the government to increase the “promotional fees” equivalent to six month salary, which comes to around Rs. 600,000 or eight times more the current amount. They have been arguing that the cost for sending interns to Japan is very high.

\textsuperscript{18} Kantipur: November 19, 2010.
Under an agreement signed in 2003 between Japan International Training Cooperation (JITCO) and the Federation of Nepalese Chambers of Commerce and Industry (FNCCI), Nepali industrial workers are to be sent to Japan as interns. A new agreement signed in 2008 has already replaced the one signed in 2003, allowing the Nepali manpower agencies to send industrial trainees to Japan. The Nepal government has already designated 195 manpower agencies as well as FNCCI to select and screen interns. The newspaper report also said that the guidelines on JITCO’s Industrial Training Program (ITP) and Technical Internship Program (TIP) for Nepali industrial workers are being amended to provide for language skills and cultural orientation to prospective interns as one of the major reasons for the reluctance of Japanese companies to hire Nepali interns was absence of Japanese language proficiency. Language skills and cultural orientations may be obtained from institutions recognised by the Nepal government. Until now, language proficiency and cultural orientation was to be obtained by the interns only after being selected by the Japanese company.

JITCO had expected to host 20,000 interns from Nepal. However, only 10 interns have been lucky enough to make to Japan under the program in 2010. Out of 195 manpower companies designated to select interns, only 13 companies were actually involved in the selection for the year. Interns are mainly in the 18-40 age groups with two years of work experience in industrial enterprises, factories, agriculture firms, cooperatives, community-based institutions, hotels and tourism enterprises. The poor number is blamed on lengthy and cumbersome paper works that consumes at least six to seven months in finalizing the process.

### 3.8 Undocumented Labour Migration

Undocumented labour migration remains a major problem related to safe migration process and the rights of migrant workers in destination countries. Assessing the extent of the problem remains a key issue, since there is very little information on the size of undocumented labour migration. Since many of them have not applied and sought permission for foreign employment either through a recruiting manpower agency or on individual basis, there is no official data on the number of such people leaving the country for foreign employment. Many of these people have paid hefty amounts to recruiting agencies to get jobs overseas. According to a newspaper report, two Nepalis paid Rs. 100,000 each to an agency in New Delhi to get a job

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19 Kantipur, November 19, 2010.
20 Kantipur, October 26, 2010
21 This was disclosed by Kumud Khanal, general secretary of the Federation of Foreign Employment Entrepreneurs. See for details Kantipur, October 26, 2010.
in Qatar. However, they have been languishing in Qatar for the last two months and have been taking shelter at the residences of other Nepali migrant workers.\textsuperscript{22} The report does not give the precise details of what went wrong with them but is suffice to indicate that many Nepali migrant workers are leaving the country on their own but have been cheated by agencies or pretending to be agencies providing jobs in the booming Gulf countries.

A study commissioned by the Israeli Interior Ministry found that there were about 1,000 Nepali migrant workers staying “illegally” in the country. Following the publication of the report, Israel banned Nepali migrant workers in April 2009, citing growing illegal migration of Nepalis into Israel. It was also reported that Israel was to deport children of migrant workers, including those from Nepal, and this would affect around 40-50 Nepali children whose either father or mother status was unknown.\textsuperscript{23} The Israeli Interior Minister Eli Yishai stated that the children of migrant workers “are liable to damage the state’s Jewish identity, constitute a demographic threat and increase the danger of assimilation,” and because of that 800 out of 1,200 children of migrant workers who failed to meet residency criteria were to be deported starting from July.

3.9 New Destination

While the Nepal government has come under pressure to explore the prospects of promoting new destination for Nepali migrant workers, Nepal is said to have lost opportunities in sending construction workers to Canada. A Canadian company had asked for 400 construction workers from Nepal but the excessive delay in finalizing the investment cost prevented the workers from migrating to Canada. As a result, the company is seeking 200 workers from India. This sort of delay in procedural practices could end the prospects of sending Nepali migrant workers not only for this specific job offer but also for other jobs in the future.\textsuperscript{24} An average Nepali migrant worker earns Rs. 190,000 per month. Canada officially hosts only 123 Nepali migrant workers and each of them is said to have spent Rs. 1 million to Rs. 1.5 million to get the jobs. However, the Nepal government has fixed the investment cost of Rs. 136,000 only.\textsuperscript{25}

\textsuperscript{22} The Himalayan Times, July 14, 2010.
\textsuperscript{23} The Himalayan Times, July 8, 2010.
\textsuperscript{24} Based on the information provided by Nav Kishor Rai, chief of the Dubai Overseas International. For details see \textit{Abhiyan}, December 14, 2010.
\textsuperscript{25} Ibid.
3.10 Security of Nepali Migrant Workers

Security of Nepali migrant workers is much more determined by the socio-economic as well as political situation of the destination country. The recent incidents faced by Nepali migrant workers prove this fact.

Case 1: MWs stranded in Libya

Libya’s political turmoil has severely affected an estimated 1,622 Nepali migrant workers in the country. Many Nepali migrant workers had been held hostage and the International Organization of Migration was instrumental in getting 108 Nepalis rescued after eight months of captivity.\(^{26}\) Indeed, at least 108 Nepali migrant workers were found stranded in Libya after the place they were working in was abruptly closed down.\(^{27}\) Another group of 51 Nepali migrant workers were found captive by CKG steel rod company and were forced to work for free for the company.\(^{28}\) The International Organization of Migration brought back 49 Nepali after they were held captivity for 20 months in Libya.\(^{29}\) Each of the workers had paid between Rs. 135,000 and Rs. 250,000 to get the job and they were promised a monthly salary of between US$350-500. The Nepal government had opened Libya for migrant workers in July 2009.

Security concerns were also pronounced in Malaysia (Case 2), the Gulf countries including Iraq which was recently opened by the Nepal government for Nepali migrant workers. The main basis of such fear is the cold blooded murder of 12 Nepalis by the Iraqi terrorist groups on August 31, 2004 on the 20\(^{th}\) day of their entry into Iraq via Jordan. The incident has triggered a violent reaction at home, resulting in arson and riot causing damages worth at least Rs. 5 billion. The target of the rioters included the houses and offices of manpower companies. Since then, the government had stopped giving permission for migrating Nepalis to work in Iraq. But the ban was lifted on July 28, 2010 to save jobs for Nepali migrant workers after finding that at least 400 Nepalis were working in Iraq despite the ban and that they were having no problem.\(^{30}\) Most Nepali migrant workers are reported to be working in Red Zone area, which has high security risk. The problem in Iraq is far from over but there are already 30,000 Nepali migrant workers in that country. More than 300 Nepali migrant workers are entering into Iraq through countries like Kuwait, Saudi Arabia and United Arab Emirates.

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\(^{26}\) *The Himalayan Times*, September 2, 2010.

\(^{27}\) *Karobar*, August 19, 2010.

\(^{28}\) *Gorakhapatra*, August 17, 2010.

\(^{29}\) *The Himalayan Times*, August 26, 2010.

\(^{30}\) *Gorkhapatra*, September 1, 2010.
Case 2 : Insecurity in Malaysia

According to a newspaper report, Malaysia is the most preferred destination for Nepali migrant workers, but work in Malaysia can involve many risks and can even caused deaths. In fact, it is reported that 81 Nepali migrant workers have died between January and June 2010.\(^{31}\)

Some 113,982 migrant workers from Nepal left for Malaysia in fiscal year 2009-10, and the total number of Nepali migrant workers in Malaysia exceeds 400,000. The newspaper, which quoted an official at the Nepali embassy in Kuala Lumpur, reported that the cause of death of 45 Nepalis was “not known” but that five had died at their workplace, nine in road accidents, one from chronic disease and seven committed suicide. The article also shows an increasing number of suicide cases among the Nepali migrant workers, while road accident deaths seem to have decreased. At least five to six Nepalis are committing suicide every month. Another report said two Nepali migrant workers were hacked to death by a group of looters in Sugaipetani in Penang state in Malaysia on June 23 when they were heading to their apartment after work.\(^{32}\)

Two migrant Nepalis workers were also reported “missing” in Malaysia a week after they had arrived.\(^{33}\)

According to another news report, migrant workers from Nepal, Bangladesh, Vietnam and Myanmar working in Malaysia launched a movement by stopping to work for three days to protest the refusal of the employers to take their injured or sick colleagues for medical treatment. Many migrant workers were reported to have died simply because they were not rushed to the hospital for treatment of the ailments. The report\(^{34}\) said an agreement was reached between the migrant workers and employers to pay compensation of Rs. 2 million on the death of the migrant worker, establish a treatment center at the company’s hostel, provide transportation to visit hospital, right to go to hospital in case of sickness and the daily wage should be increased from 16 to 21 Ringgit.\(^{35}\) The protest was triggered by the death of Karna Bahadur Gharti Magar, 22, of Korchabang 6 in Rolpa. In an unprecedented show of solidarity some 10,000 migrant workers from all the four countries joined hands to refuse to work unless the working situation and compensation was agreed upon.

Some deaths have also been reported from the Gulf countries. In Dubai, a Nepali migrant worker was reported dead while another died in Qatar, while he was

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\(^{31}\) The Himalayan Times, July 25, 2010. The newspaper quoted Nepali Ambassador in Malaysia Dr. Rishi Raj Adhikari on the death figures and causes.

\(^{32}\) The Himalayan Times, June 28, 2010.

\(^{33}\) The Himalayan Times, September 8, 2010.

\(^{34}\) Nepal Samacharpatra, August 19, 2010.

\(^{35}\) 1Ringgit = NRs. 25.61 on November 13, 2011
watching television. A key issue was the inordinate delay in the transportation of bodies. For example, it took nearly 22 months to bring back the body of Ramesh Giri from Saudi Arabia, much to the anger and agony of parents and family relatives. The sort of delay is an insult to many of the migrant families because on the one hand they have little money left to spend on bringing the body, while on the other hand they are under considerable financial stress to eke out a living and pay back the debt accrued from the investment of getting the job and buying airline tickets.

In this particular case, it was said that the delay was in large part due to legal complications as Giri had switched several jobs during his stay in Saudi Arabia and had no valid work permit before being killed in the motorbike accident on August 20, 2008. The Foreign Employment Promotion Board collects Rs. 1,000 from each migrant worker that goes to a fund to benefit migrant workers. If they die during the contract period, they get Rs. 100,000 in compensation and get up to Rs. 100,000 in medical allowances if they meet with accidents. Giri qualified for neither because of his “illegal” status. Several similar cases have been reported from many destination countries. Since this is a major problem, Nepal government needs to address this problem with greater sense of urgency as it affects the well-being of several Nepalis.

There were also reports that Foreign Employment Promotion Board (FEPB), in collaboration with national and international non-governmental organizations, was to establish a Safe House to benefit Nepali migrant workers who are forced to return home after they are disabled. It is basically a transit home where the returnees would be provided medical treatment before they are rehabilitated to the family. It would be the first of its kind in Nepal. FPEB has already established safe houses in UAE, Saudi Arabia, Kuwait and Qatar which host some of the largest number of women migrant women. Plans are also underway for establishing more Safe House at destination countries as the cities, numbers, their capacity and budgets are currently being worked out. Paurakhi, a NGO working for the welfare of WMWs has established a Safe House in Kathmandu to rescue and rehabilitation of victimised women.

36 Gorkhapatra, July 24, 2010.
38 Kantipur, November 19, 2010.
39 The information was disclosed by Sthaneswar Devkota, executive director of Foreign Employment Promotion Board, in a newspaper interview. See Abhiyan, December 28, 2010.
### 3.11 Fraudulent Cases

Nepali migrant workers have often been duped by agencies and companies. Fraudulent cases involve fake contract documents for companies that do not exist in the destination countries, the payments are not as agreed upon the contract papers and the nature of jobs are different than what was agreed or promised in Kathmandu before departure. Newspapers have been reporting fraudulent cases with increasing frequency but there is not adequate information to conclude decisively whether the fraudulent cases have in fact been increasing or more such cases are being reported in the media. Some 46 Nepali migrant workers hired for a company could not find the company with whom they had signed the contract and so they were hired by another company but left to strand after sometime when the company fired them. The migrant workers have to borrow money from other Nepali migrant workers in order to buy their food.\(^{40}\)

There have also been reports that more than half of those migrating to Malaysia for foreign employment have fake contract papers from companies that want Nepali migrant workers but are willing to pay 481 Ringgit, which is the minimum wage fixed by the Malaysian government. This wage is much less than the minimum wage of 546 Ringgit fixed by the Nepal government for workers migrating to Malaysia.\(^{41}\) The discrepancies are puzzling and is believed to put the Nepali MWs at risk of not finding job and at the same time unable to get the amount the government unilaterally wants Nepalis to be paid. Several companies in Malaysia do pay overtime, and if this is taken into account, the wage income turns out to be more than the Nepal government’s minimum wage. What is surprising is the Nepal government’s decision itself is encouraging recruiting companies to make fake job contracts – mentioning 546 Ringgit or more as wages, which is not actually paid.

### 3.12 Complaints

There were 368 personal complaints filed with a claimed amount of Rs. 280,242,790 of which the compensated amount was Rs. 57,382,240. There were 264 organizational complaints with a total claimed amount of Rs. 65,495,895 but the compensated amount turned out to be Rs. 91,537,153 (DoFE 2010). There were 101 complaints registered at the Kathmandu District Court with the compensated amount of Rs. 120,902,240, as shown in the figure 3.1.

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40 Kantipur, November 26, 2010.
41 Kantipur, November 9, 2010.
Nepal Migration Year Book 2010

Figure 3.1: Complaints Registered

Total Complaints Registered

Source: Department of Foreign Employment, 2010

Figure 3.2: Total Claimed Amount for Compensation (Personal and Organizational)

Source: Department of Foreign Employment, 2010
There have been some concerns on the capacity of DoFE in dealing with the fraud complaints because it has only two legal officers that scrutinise the cases. This is one of the several reasons for disposition of complaint cases and has been delayed in granting justice. DoFE has requested the Ministry of General Administration for a 15-staff cell to be headed by a joint secretary to look into the piling complaint cases.\(^\text{42}\) No decision has been made on the proposal.

CHAPTER IV

MIGRATION AND REMITTANCE ECONOMY

4.1 Introduction

Remittance from Nepali migrant workers in foreign countries is an important component of Nepali economy. Its contribution is not only the cash income and other goods and commodities that come to Nepal, but also the foreign exchange which has other positive contributions in terms of social and human development. According to 2008-2009 figures, remittances coming into Nepal currently contribute to 23.6 percent of the country’s GDP. Even at the household level, labour migration has become one of the main livelihood strategies and a major contributing factor for poverty reduction. Taking into account the remittances that come through informal sector (like hand carry in case of remittance from India and Hundi system in case of other countries), contributions of remittances might well be about one-third of the GDP, which is equivalent to the contribution of the agricultural sector.

Among the economic and social contributions of remittances, poverty reduction and livelihood security are the main ones. Labour migration and remittances are primarily responsible for the reduction of poverty. For some, it has provided opportunities for prosperity. It is estimated that on an average 10 percent increase in per capita official international remittances of a country leads to 3.5 percent decline in the proportion of people living in poverty in that country.1 In Nepal’s case, remittances are responsible for 10.9 percent decline in poverty rate from 41.76 percent in 1995-96 to 30.85 percent in 2003-04.2 A massive migration of low skilled and unskilled Nepali labourers to the Gulf States is responsible for poverty reduction as the savings generated directly reached their families in rural Nepal. If there was no increase in remittance, it is estimated that poverty rate would have dropped by 4.8 percent only (instead of 10.9 percent). In 2009, poverty rate is estimated to have declined to 25.4 percent due largely to remittances.

There is now a growing recognition of importance of foreign labour migration and remittances. Even the government, which never took into account remittance

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income, now estimates the remittances. The contribution of remittances to the GDP is estimated to be between 15 percent and 25 percent. Of this, about 10.2 percent was estimated to have been earned by women migrant workers in foreign countries.\(^3\)

The Labour Force Survey 2008 has revealed that about 44 percent households have at least an absentee member; 29 percent households have their member in foreign countries and 19 percent households have their member migrated within the country. About 30 percent households received remittances in 2008.\(^4\) This survey shows that almost 15 percent of the total population was considered absentees. When classified by sex, 23 percent of the male and 6 percent females were classified as absentee population.\(^5\)

Foreign labour migration is not a new phenomenon in Nepal. The Nepalis have been migrating to foreign countries in search of income and livelihood opportunities for the past 235 years. However, the present migration is different from the past ones by destination and nature of work. In the past, people migrated either to India or to fight in wars on behalf of British army. Today, migration is primarily for labour works and that too in many other foreign countries. Moreover, its magnitude is much greater and its contribution far more important as compared to that in the past. At present, there are about 1.9 million Nepalis working in countries other than India. The range of estimates for India is between 0.8 million and 3 million (but because of the open border with India, no reliable data are available). In terms of the proportion of people participating in migration, studies report that 13 percent of population (about 3.5 million people) had been away from home for more than six months\(^6\) and 44 percent of households in Nepal have at least one member currently living either abroad or elsewhere in Nepal.\(^7\)

### 4.2 Contribution to Economy

Because of high volume of migration earning high remittances, Nepal’s macro-economy is now heavily influenced by remittances. Some of the macro-economic advantages are:

- Contribution to balance of payment, foreign exchange reserve, support in the stability of exchange rate of foreign currency, bank savings, bank interest, revenue, bank loan, price stability and increasing the wage rates.

\(^3\) NIDS and UNIFEM. 2006. *Nepali Women and Foreign Labour Migration*. Kathmandu. UNIFEM, NIDS.


\(^7\) NFHP. 2009. *NFHP II Mid Term Survey*. Kathmandu: NFHP.
The remittance income is cash income, that too in foreign currency – it has some advantage as compared to non-cash income of farm production. Therefore, it has a significant impact on monetary aspect of the economy – more than that of agriculture.

Taking into account the income from India and through informal channel like Hundi and others, the contribution could be as high as that of agriculture (one third).

Total export in 2000/2001 was 22.6 percent of GDP, which declined to 9.7 percent in 2009/10. In this period, foreign aid and loan declined from 5.1 percent to 2.9 percent. – but that of remittances increased from 10.7 percent to 19.6 percent.\(^8\)

Contribution of remittances to foreign exchange was 25 percent in 1993 and 53 percent in 2009/2010. The reverse of the case of total export, it was 51.2 percent of foreign exchange in 2000/01 but reduced to 26.1 percent in 2009/10. The export of goods and commodities is declining vis-à-vis services and it was negative in 2010/11. This is a serious condition and it would make the economy vulnerable if remittances had declined.

Nepal was able to maintain the exchange rate of foreign currency particularly Indian currency. If there was no remittance, Nepal would have taken loan at high interest. In (2000/01) the deficit in goods/commodities trade was 10.7 percent of GDP, but this deficit reached 28.8 percent in 2009/10.

Social remittances – especially the skill – have contributed significantly.

Helped in improvement of general living conditions of households as remittances are invested in the areas of education, food and nutrition, accessing health services and housing at the household level.

The advantages listed above are discussed more specifically below.

**4.2.1 Contribution to GDP**

Inflow and outflow of the foreign exchange (on cash basis) of a country is reflected in the balance of payments compiled by central bank. Nepal Rastra Bank regularly compiles and publishes the balance of payments with the main components including current account, capital account, finance account and miscellaneous items. The current account consists of trade, service and transfers. In the trade sector export earning is the inflow of foreign exchange where as in service sector travel income is the main source of inflow of foreign exchange.

Grants, workers’ remittances, pension and Indian Excise Refund are the contributing factors for inflow of foreign exchange in the transfer component. Transfers credit was only NRs. 130,861.7 million in the FY 2005/06 that reached NRs. 257,461.3 million in the FY 2008/009. It has increased to 29.2 percent in the FY 2005/06 compared to only 1.8 percent in the FY 2006/07 and it remarkably increased by 39.2 percent and 38.8 percent in FY 2007/08 and 2008/09 respectively (Table 4.1). The figures in Table 4.1 show that the transfer credit is higher than the change in reserve net. Thus in case of Nepal transfers credit has significant role in the foreign exchange earning.

Table 4.1: Macro Variables and Contribution of Workers Remittance (NRs.In Million)

<table>
<thead>
<tr>
<th></th>
<th>2005/06</th>
<th>2006/07</th>
<th>2007/08</th>
<th>2008/09</th>
<th>2009/10*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export Income</td>
<td>61,482.40</td>
<td>61,488.40</td>
<td>61,971.10</td>
<td>69,906.80</td>
<td>0.00</td>
</tr>
<tr>
<td>Travel Income</td>
<td>9,555.80</td>
<td>10,125.30</td>
<td>18,653.10</td>
<td>27,959.80</td>
<td>0.00</td>
</tr>
<tr>
<td>Transfers Credit</td>
<td>130,861.70</td>
<td>133,196.80</td>
<td>185,462.90</td>
<td>257,461.30</td>
<td>108,388.30</td>
</tr>
<tr>
<td>(Increased %)</td>
<td>29.20</td>
<td>1.80</td>
<td>39.20</td>
<td>38.80</td>
<td>0.00</td>
</tr>
<tr>
<td>OW workers remittance</td>
<td>97,688.50</td>
<td>100,144.80</td>
<td>142,682.70</td>
<td>209,698.50</td>
<td>86,746.80</td>
</tr>
<tr>
<td>(Increased %)</td>
<td>49.00</td>
<td>2.50</td>
<td>42.50</td>
<td>47.00</td>
<td>0.00</td>
</tr>
<tr>
<td>OW Pension</td>
<td>12,007.60</td>
<td>12,937.00</td>
<td>18,789.90</td>
<td>17,755.40</td>
<td>12,205.30</td>
</tr>
<tr>
<td>(Increased %)</td>
<td>-4.00</td>
<td>7.70</td>
<td>45.20</td>
<td>-5.50</td>
<td>0.00</td>
</tr>
<tr>
<td>Foreign Aid (Grant + Loan)</td>
<td>26,542.10</td>
<td>27,907.90</td>
<td>32,318.70</td>
<td>34,084.10</td>
<td>0.00</td>
</tr>
<tr>
<td>Change in Reserve Net (-increase)</td>
<td>-25,597.80</td>
<td>-5,904.30</td>
<td>-29,674.70</td>
<td>-41,279.70</td>
<td>19,599.90</td>
</tr>
<tr>
<td>GDP</td>
<td>654,084.00</td>
<td>728,178.00</td>
<td>848,402.00</td>
<td>960,012.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Workers’ Remittance/ GDP (in %)</td>
<td>14.90</td>
<td>13.80</td>
<td>17.40</td>
<td>21.80</td>
<td>0.00</td>
</tr>
<tr>
<td>Pension/ GDP (in %)</td>
<td>1.80</td>
<td>1.80</td>
<td>2.30</td>
<td>1.80</td>
<td>0.00</td>
</tr>
<tr>
<td>Population</td>
<td>25.90</td>
<td>26.40</td>
<td>27.00</td>
<td>27.60</td>
<td>0.00</td>
</tr>
<tr>
<td>Per Capita GDP (in Rs.)</td>
<td>25,290.00</td>
<td>27,538.00</td>
<td>30,272.00</td>
<td>34,732.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Per Capita Workers Remittance (in Rs.)</td>
<td>3,772.00</td>
<td>3,793.00</td>
<td>5,285.00</td>
<td>7,598.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>


* First five months.

Workers’ remittance as a major component of transfer credit has an average 77 percent contribution during FY 2005/06 to FY 2008/09. The table shows that its annual growth is also remarkable during the review years except in FY 2006/07.

{Note: US$1 = NRs.72.06) (on 4th June 2011)}
US$1 = NRs.74.90 (July 15, 2010) US$1 = NRs.78.65 (July 15, 2009) US$1 = NRs.69.10 (July 15, 2008)
US$1 = NRs.65.44 (July 15, 2007) US$1 = NRs.74.69 (July 15 2006) US$1 = NRs.70.94 (July 15, 2005)
In FY 2005/06 it had increased by 49 percent compared to the previous FY and reached Rs. 97,688.5 million where as in FY 2006/07 it had increased only by 2.5 percent. But again in FY 2007/08 it has increased by 42.5 percent compared to FY 2006/07 and reached Rs. 142,682.7 million. Further, it had increased by 47 percent in FY 2008/09 and reached Rs. 209,698.5 million. The above table shows that there is further scope for foreign exchange earnings from this source and to maintain surplus balance of payment in future as well.

Workers’ remittance is the money sent by present Nepali workers to the relatives whereas pension is the income of workers received in the country after their retirement from work abroad. Therefore, it can be treated as a remittance of past workers. Its contribution in transfer credit is around 9 percent in FY 2008/09. In terms of amount it was Rs. 12,007.6 million in FY 2005/06 and in FY 2008/09 it has reached Rs. 17,755.4 million. It has also contribution in foreign exchange earning of the country.

The ratio of workers’ remittances to GDP is gradually increasing except 13.8 percent in FY 2006/07 as compared to 14.9 percent in FY 2005/06. It has registered 21.8 percent in the FY 2008/09 as against 17.4 percent in FY 2007/08. This trend indicates that the contribution of this component has significant hope for future as well. The ratio of pension to GDP was 1.8 percent in both FY 2005/06 and 2006/07 and it has increased to 2.3 percent in FY 2007/08 and again dropped to previous level i.e. 1.8 percent in FY 2008/09.

**Figure 4.1: Macro Variables and its Contribution**

![Diagram showing macro variables and their contribution over years]

Migration Survey of Nepal\textsuperscript{10} and Nepal Labor Force Survey (NLFS) examine remittance flow from foreign countries and to different regions of Nepal (CBS, 2009).\textsuperscript{11} NLFS reveals that most remittance income was received from Qatar, Malaysia, Saudi Arabia and India. About 13.4 percent of the remittance was received from India, 19.2 percent from Malaysia, 14.9 percent from Saudi Arabia, 21.3 percent from Qatar, 2.2 percent from UK, and 29 percent from other countries. In terms of regional distribution, Western region received higher remittances and Far-western region received lowest level of remittance flow.

Nepal Migration Year Book 2009 (NIDS and NCCR North-South, 2010) reveals that a large proportion of remittances (27.4 percent) comes from Qatar, followed by Saudi Arabia (13.4 percent), India (13.4 percent), Malaysia (12.1 percent), and UAE (10.8 percent).\textsuperscript{12} Other important countries include Israel (4.6 percent), UK (2.7 percent), and Japan (2 percent). This survey also reveals that about 8.7 percent of external remittances went to Mountain region, 34.3 percent to Hills and 57 percent to Terai. This means that Terai receives a large proportion of remittances from foreign countries. In terms of region, about 33.2 percent of remittances went to Eastern Development Region, 25.5 percent to Central Development Region, 30.3 percent to Western Development Region, 6.8 percent to Mid Western Development region, and 4.3 percent to Far Western Development Region.

### 4.2.2 Contribution to Government Revenue

The Nepali workers working abroad are not only contributing to foreign exchange earnings of the country, they also are contributing directly to the government revenue in the form of passport fee and Value Added Tax (VAT) on passenger service charge of Rs. 1,000. Table 4.2 shows the contribution in the government revenue as well as their share in total government revenue and non tax revenue.

Table 4.2 shows that the income from the passport fee and VAT is increasing every Fiscal year but the percentage in revenue is decreasing. The reason for this is high growth rate in tax revenue resulting into a high growth rate in total revenue. Similarly, expansion of other non tax revenue contributing components compelled to low share of this component in non tax revenue.


\textsuperscript{12} NIDS and NCCR North-South, 2010. \textit{Nepal Migration Year Book 2009}. Kathmandu
Table 4.2: Contribution in Revenue (NRs. In Million)

<table>
<thead>
<tr>
<th>FY / Revenue</th>
<th>Passport Fee + VAT (Rs. In Million)</th>
<th>Government Revenue (Rs. In Million) as per % of</th>
<th>Non Tax Revenue (iii)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i)</td>
<td>(ii) (iii)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005/06</td>
<td>847.70</td>
<td>72,282.10</td>
<td>13,341.5</td>
</tr>
<tr>
<td>2006/07</td>
<td>1,049.30</td>
<td>87,712.10</td>
<td>15,559.3</td>
</tr>
<tr>
<td>2007/08</td>
<td>1,072.40</td>
<td>107,622.50</td>
<td>19,783.8</td>
</tr>
<tr>
<td>2008/09</td>
<td>1,128.40</td>
<td>142,211.30</td>
<td>21,375.3</td>
</tr>
</tbody>
</table>

Source: Ministry of Finance and Department of Foreign Employment, 2009

Note: Passport fee of NRs. 5,000 and VAT of NRs. 130 on passenger services is calculated on the basis of Nepalese workers permitted to work abroad (Table 3.1). This amount is multiplied by NRs. 5,130 on the assumption that the workers who get the permission from the Department of Foreign Employment would also obtain passport and fly on the same Fiscal Year, although some workers may have obtained passport previous year. The same applies to some who depart next year although they obtained passport this year. Thus, it may not have significant implication on the basis of assumption.

The other form of direct contribution on the government revenue is the fees paid by the manpower agencies. At the time of initial registration, each of the agencies has to pay Rs. 20,000 and the annual fee of Rs. 10,000. Similarly, the orientation agencies pay Rs. 10,000 at initial registration and Rs. 5,000 each year.

Table 4.3: Revenue to the Government (NRs. in Million)

<table>
<thead>
<tr>
<th>Agencies</th>
<th>Rate and Number</th>
<th>Initial revenue</th>
<th>Annual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment Agency</td>
<td>844*20,000</td>
<td>16.9</td>
<td>-</td>
</tr>
<tr>
<td>Existing</td>
<td>715*10,000</td>
<td>-</td>
<td>7.2</td>
</tr>
<tr>
<td>Orientation</td>
<td>47*10,000</td>
<td>0.5</td>
<td>-</td>
</tr>
<tr>
<td>Existing</td>
<td>47*5,000</td>
<td>-</td>
<td>0.2</td>
</tr>
<tr>
<td>Income tax:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Money-transferring</td>
<td>136.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Commercial banks and finance co.</td>
<td>34.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registration fee (Rs. in thousand):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Private limited</td>
<td>43*19,000</td>
<td>817.0</td>
<td>-</td>
</tr>
<tr>
<td>b) Company</td>
<td>2*40,000</td>
<td>80.0</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: DoFE, 2009.

Note: The Department of Foreign Employment has registered 844 manpower companies among which 715 are functioning.

The above figures show us that government has collected Rs. 17.4 million as initial registration fees from manpower and orientation agencies. The annual fees of Rs. 7.4 million can be collected in this FY and this amount may increase in future as more registration takes place.
Regarding the income tax, the concerned official suggested that about 1 percent of the total remittance (including pension) is the approximately gross income of banks, finance companies and money transferring agencies. On that income about 70 percent are shown as expenditure and 30 percent as net profit. Out of that net profit 25 percent are to be paid as an income tax to the government. On the basis of above suggestion, in the FY 2008/09 there was Rs. 227,453.9 million remittance (including pension) of which gross income (1 percent) stands at Rs. 2,274.5 million and net income (30 percent of gross income) is Rs. 682.4 million. On this net income of Rs. 682.4 million 25 percent i.e. Rs. 170.6 million is to be paid as an income tax to the government. In this business 80 percent transaction is supposed to be done by money transferring agencies and remaining 20 percent by commercial banks and finance companies. Therefore, the government would collect Rs. 136.5 million income taxes from money transferring agencies and the remaining NRs. 34.1 million from commercial banks and finance companies.

Money transferring agencies have to be registered in the Office of the Company Registrar. The registration fee varies according to type of agencies (Pvt. Ltd. or Company) and authorised capital. In our study, 43 money transferring agencies are private limited with average capital within NRs. 20 million. Each of them paid NRs. 19 thousand as a registration fee to the government. Similarly two companies, having capital below NRs. 100 million, paid NRs. 40,000 each to the government. So the government collected NRs. 897,000 as a registration fee.13

The above revenue from passports comes from formal sources, i.e., from people going overseas for work after taking the permission. But many more go for the same purpose through informal channels. The Recruitment Agencies estimate that about 40 percent of foreign labour migrants take the informal process. This essentially means that about 40 percent more will pay the government for passports and also pay the airport tax assuming that all go through Tribhuvan International Airport. In practice, a few may go through Indian Airports.

Therefore, in sum, it can be said that Rs. 1,579.76 million (as revenue) was earned by the government in 2008-09 from passports and airport tax, which is about 1.12 percent of the total revenue and 7.42 percent of the non tax revenue of the government in 2008-09.

Considering the annual renewal fee obtained from Recruitment Agencies and Orientation Institutes, the revenue in 2008-09 was Rs. 7.4 million, and Rs 17.4

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13 IOM and MoLTM, NG, 2011, Foreign Employment, Remittance and Its Contribution to Economy of Nepal (pp.27-28).
million was obtained at once for the registration. Recruitment Agencies also keep a deposit of Rs 2.3 million as bank guarantee, and Rs 0.7 million as bank deposit. It was told by Recruitment Agencies that they have to keep at least Rs 1.2 million in the bank to get this guarantee. Even though the government does not earn interest from this deposit, it gets a chance to spend this money for some time. In addition, government is getting income from medical institute, training institutes and the like. Another source of income for the government is ‘welfare fund’ to which every migrant contributes Rs 1,000. The income in this Fund ranges from Rs 1.1 to 1.4 million per day. Even though, it is meant for the welfare of the migrants, government also uses this to meet its current expenditure. The Recruitment Agencies also pay the government in terms of communication expenses and tax on house rent. In the discussion, it was revealed a Recruiting Agency spends at least Rs 50,000 a month on telephone bill and another Rs.50,000 on house rent. The taxes on these expenses also go to the government. The government also levies the income tax on these institutes.14

Considering the above provisions, it can be safely assumed that government is earning Rs 2,534 million every year from passports, airport tax, and annual renewal fees of the Recruitment Agencies and Orientation Institutes. In addition, there are also other income sources as mentioned above and it is not that clear as to how much government earns in terms of tax and registration and renewal fees.

4.2.3 Contribution to Household Economy

Two Nepal Living Standard Surveys (I in 1995-96 and II in 2003-04) and Labour Force Survey 2009 reveal contribution of remittances to household economy. A comparative picture of the major findings of these three studies is presented below in Table 4.4. NLSS surveys do not include questions on migration as such but on remittance receiving households. In 1995/96, about 23.4 percent households received remittances, which increased to 31.9 percent in 2003/04, but seemed to be reducing in 2008. This reduction could be result of peaceful political environment in the country which was instrumental for the return of those migrated due to conflict. Especially the return from India was high. The year 2008 is also marked with global recession, as a result a few more might have returned. It is interesting to note that remittances for each remittance-receiving household has increased consistently in these periods. From 1995/96 to 2008, the remittances per household (of remittance receiving households) have nearly quadrupled. In these periods, remittance from

Nepal and India has also been declining steadily, but from other countries it has increased significantly, from 22.4 percent of total remittance in 1995/96 to about 70 percent in 2008. Based on the per capita remittance as revealed in the LFS 2008, Nepal could have earned as much as Rs. 185 billion in remittance. The estimate of remittances from India (13.4 percent of total remittances) in LFS seems more or less the estimate made by Nepal Rastra Bank in 2007, which shows that this figure is about 12 percent since in 1990/91, the remittances from India accounted 45 percent of total remittances.15

The share of India has been decreasing, but the total amount of remittances from India (as a single destination country) has not. This is because the choice of destination has changed a lot and remittances have been increasing in general.


<table>
<thead>
<tr>
<th>Description</th>
<th>1995/96</th>
<th>2003/04</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent households receiving remittances</td>
<td>23.4</td>
<td>31.9</td>
<td>30.0</td>
</tr>
<tr>
<td>Average amount of remittance per recipient household (nominal NRs)</td>
<td>15,160</td>
<td>34,698</td>
<td>65,755</td>
</tr>
<tr>
<td>Share of remittances (%) From Nepal</td>
<td>44.7</td>
<td>23.5</td>
<td>16.8</td>
</tr>
<tr>
<td>From India</td>
<td>32.9</td>
<td>23.2</td>
<td>13.4</td>
</tr>
<tr>
<td>From other countries</td>
<td>22.4</td>
<td>53.3</td>
<td>69.8</td>
</tr>
<tr>
<td>Share of remittance on the income of recipient households</td>
<td>26.6</td>
<td>35.4</td>
<td>-</td>
</tr>
<tr>
<td>Per capita remittance amount for all Nepal (nominal NRs)</td>
<td>625</td>
<td>2,100</td>
<td>4,042</td>
</tr>
<tr>
<td>Total remittances received in Nepal (nominal NRs)</td>
<td>12.9 billion</td>
<td>46.3 billion</td>
<td>185 billion*</td>
</tr>
</tbody>
</table>

*estimated with the assumption that population in 2008 was 27 million.

Remittance at the household level has also played important role in poverty reduction. For example, it has helped in reducing poverty rate from 41.76 percent in 1995/96 to 30.85 percent in 2003/04 (NLSS 1995/96 and 2003/04). If there was no increase in remittances, poverty would have dropped by 4.8 percent instead of 10.9 percent. National Planning Commission had estimated in 2009 that poverty rate has dropped to 25.4 percent - mainly due to remittances (CBS, 2010).17

16 Exchange Rate US$1 = NRs. 75.34 (On July 15, 2003), US$1 = NRs. 74.75 (On July 15, 2004)
17 CBS, 2010
But still poorest 20 percent have not got this opportunity to get remittances. They are not able to do that as they lack funds for initial investment and social network needed for out-migration.

Apart from direct income from remittances for the households, there are other impacts of labour migration. A major impact of people taking part in migration and injection of remittance income is diversification in livelihoods and greater ownership and acquirement of assets and capitals.\(^{18}\) This study reveals that the main outcomes of migration are increased financial capital, education of the children, migration-specific knowledge, and increased social capital. This enlarged asset endowment lowers both investment costs and risks involved in migration, and thereby increases its potential net return.

Studies on the use of remittances have shown that the first priority in the use is payment of loan, followed by investment in basic need like food and health, education, investment on land, and investment on foreign employment of family members. After paying the loan, there are three stages in the use of remittances – short-term, medium-term and long-term. In the short-term purpose, the use of remittances is done primarily to maintain livelihood and meet immediate needs like cloths, fuel and other house expenses. In the medium-term, remittances are invested in buying cattle and for other productive works. The long-term goal of remittance investment is to buy land, construct new houses, and to invest in children’s education. A study by Bhadra (2007) has revealed that 25 percent of the remittance is invested in children’s education, 19 percent on food, 10 percent on clothing, 13 percent as bank saving, 9 percent invested in land, 7 percent on religious activities, 5 percent on loan payment, 2 percent on other social activities and 10 percent on other various activities.\(^{19}\) This shows that remittance is invested primarily in livelihood improvement.

Apart from money remittances, households also benefit from social remittances, which include non-monetary benefits like improvement in knowledge and skill, habits, social and political empowerment, exposure, family values, gender sensitivity and the like. It is seen that migrants bring trade skills, which are useful for small businesses. They also bring other values like punctuality, work-ethics, gender sensitivity and the like. Because of exposure to outside world, they also develop social network.

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\(^{18}\) Thieme, S. & Wyss, S. 2005. Migration Patterns and Remittance Transfer in Nepal: A Case Study of Sainik Basti in Western Nepal. Published online by Department of Geography, University of Zurich, Winterthurerstrasse, Switzerland.

4.2.4 Contribution of Other Income to Private Sector or Market

The Foreign Labour Industry also contributes towards generation of local activities through which local people also earn income. It is seen that about Rs. 107 million is invested per day by migrants in their process of going to foreign countries for work in 2008-09. This is partly absorbed within Nepal, but a large portion goes abroad. Of this about Rs. 70 million goes abroad per day. In a year, slightly less than US$360 million goes to foreign countries for various services and arranging the job.

The above estimate is not the cost of migration per se. The cost of migration would also include the opportunity cost of the labourers, i.e., how much they would contribute if they do not go to foreign countries. This estimate would be difficult to make, and it is clearly out of the scope of this study. The above estimate is just the amount of money that potential migrants and recruitment agents invest in arranging the work. It seems that on average, a migrant would invest about Rs. 160,000 to get a job, but there is also slight double counting in the above estimate. For example, fee paid to recruitment agencies also cover the ticket cost and cost for hotel, promotion expenses, international mission cost, and communication cost are born by recruitment agencies. Deducting these costs, a migrant labourer would invest Rs. 114,000 to get a job through recruitment agencies. This seems plausible as a migrant labourer would pay much more than the Rs 80,000 (for Malaysia) or Rs 70,000 (for Gulf States) that is considered as a general fee to be paid to recruitment agencies. The labour migration industry (including recruitment agencies, money transferring agencies, and their agents and sub-agents, and most of other services providing agencies) has created about 0.34 million jobs on a full or part time basis.20

4.3 Conclusion

The study reveals that foreign labour migration is a growing sector in terms of volume of labour migrants going overseas and its contribution to the national economy. Even though there is a slight decrease in the number of people going overseas in 2008-09, it has been growing consistently since 1993/94. The trend in the first six months of 2009-2010 shows that it is recovering fast. In 2008-09, about 640 individuals went overseas daily to foreign countries for work taking the government permission. It is not known how many go without taking the government permission. The Recruitment Agencies claim that it could be anything about 40-50 percent of the formal migrant workers. Considering both formal and informal migration for

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foreign employment, the rough calculation would show that there would be about 0.35 million Nepali workers migrating to foreign countries in 2010. This is also exactly the same number of young people that come to labour market every year in the country. In the absence of employment opportunities locally mainly due to political instability, insecurity and transitional nature of socio-political systems in the country, foreign labour migration has helped in absorbing youths that come to labour market every year. If this foreign labour migration was not there, there would have been economic and political problems created by the unemployed youths. It also reveals that foreign labour migration has become a second important sector in terms of its contribution through remittances on GDP – next to agriculture. The contribution of remittances to GDP is growing year after year. It is declining in case of agriculture. In 2008-09, remittances contributed 23 percent to GDP and agriculture contributed to 32 percent.

There are other ways that the foreign labour migration has been contributing to the national economy, which do not come to light or discussion. This sector contributes to government tax and non-tax income. The contribution to government income through passports, airport tax, registration and renewal fee of recruitment agencies and other service providers (like orientation training, technical training, health checkup, insurance and the like). In 2008-09, passport and airport tax alone contributed Rs 1.13 billion to government revenue, which is about 0.8 percent of the total government revenue and 5.3 percent of the total non-tax revenue. In addition, the registration of recruitment agencies and orientation agencies which are directly related to labour migration has contributed Rs. 17.4 million (which is at once) and their renewing contributes Rs. 7.4 million annually (as of 2008-09). Apart from these there are many other service providers which also pay revenue to the government.

The contribution of foreign labour migration industry has not been of much concern, but it seems that it has also contributed greatly in terms of employment opportunities for others and in generating economic activities within the country. The contribution of Recruitment Agencies (RA) and Money Transfer Agencies (MTA) in terms of employment to people within the country is huge. They have offices in Kathmandu and in other centers, and also have agents and subagents. The contribution in terms of hotel accommodation, transport, and other services used by labour migrants is also significant. In sum, it is roughly estimated that about 0.34 million jobs are created all over the country by these service providers, which
is almost equal to the number of migrant workers. In the process of taking these services, potential and actual migrant workers spent a lot in the local market. It is estimated that about Rs. 102 million is spent by the potential labour migrants every day, and of this Rs. 70 million goes to foreign countries. In sum about US$ 360 goes to foreign countries in providing services in the process of sending migrant workers to foreign countries. No doubt, foreign labour migration has many negative impacts on the socio-cultural, political and economic sectors of the nation; its positive role in the present context of Nepal can not be ignored. Yearly hundreds of thousand unemployed youths are compelled to leave the country for their livelihoods.
Migration of human population is as old as human civilization. This is the process of human living by constructing, reconstructing and deconstructing cultural, social, and economic life. When human population grew and they found difficulty in exploring resources by their limited knowledge and skills, people began to think about sketching the boundaries of certain territory to occupy resources, which has become the process of nation-state building. Such migrations occurred before the emergence of political boundaries and human migration was motivated/controlled by natural resources/obstacles. In Nepal also, migration is an old age phenomenon. It began with the beginning of the human settlement in the territory, even before sketching the present boundary of Nepal. History of many Nepalis residing in West Bengal (Dooars and Darjeeling), Sikkim, and Uttarakhand states in India is older than demarcation of current boundary between Nepal and India. They have become Nepali Diaspora in India. Even then, migration to these areas and expansion to other states of India have continued.

5.1 Historical Background

Documented knowledge tells that history of labour migration to India began since early 19th century. It begins when young hill men began to go to Lahore city of Northern Punjab to be recruited in the army of Ranjit Singh. At the time those who were recruited were called Lahure. Right after the war between British East-India Company and Gorkha concluded in 1814, East-India Company also began to recruit Nepalis in its army. At the same time, civilian migration also expanded to other Indian sub-continent such as Darjeeling, Sikkim, Assam, and Meghalaya in search of work in newly emerging tea estates. The British took some Gurkha regiments along with them and left some in India after independence. Since then Nepalis have been continuously recruited in the Indian Army and they are popularly known as Lahures. Till date, an academic guess concludes that there are around 1500,000 Nepalis currently working in India both temporarily and permanently.1

At the time of expansion of Nepali settlement in North-East India, some Nepalis also migrated to Bhutan and Burma and they settled there in due course of time.

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They might be the first Nepali Diaspora in third country. There is a unique history of Nepali Diaspora in Bhutan. Seventeen years ago, more than 105,000 ethnic Nepali origins, fled to Nepal following Bhutan's decision to revoke their citizenship and to expel them.\(^2\) International Organization for Migration (IOM) has been working for resettlement of Bhutanese refugees and able to resettle about half of the refugees in United States, Canada, Australia, New Zealand and a number of European Countries. They were Nepalis Diaspora in Bhutan before and now in various developed countries.

Migration to third countries (except India) began formally after the independence of India. The then British East-India company took some Gurkha regiments along with them. Along with British-Gurkha regiments, Nepalis began to migrate to Malaysia, Singapore, Hong Kong, Brunei, Fiji and recently United Kingdom. They went there for tenured military work. However, few of them and their families also settled in these countries.

Migration to third countries has tremendously increased in recent times, even though the India as a destination is still dominant. Among the third countries, Arabian countries and some newly industrialised Asian countries such as Malaysia, Hong Kong, and South Korea, which have been the major foreign labour absorbers from South and South-East Asia. USA and UK have also emerged as new destinations for Nepalis. USA has immigration policy for Nepali citizens through its Diversity Visa (DV) lottery and UK government decided in 2004 to allow Ex-British-Gurkhas to settle and work in UK.

These migration flows have created Nepali Diaspora in different countries throughout the world. \textit{Wikipedia} cites at least three waves of Nepali Diaspora. First wave is expansion of settlement into eastern Nepal and then to Sikkim and Bhutan in dates back to hundreds of years. British created second wave through the recruitment of Nepalese in her mercenary soldiers beginning around 1815 and resettlement after retirement in the British Isles and Southeast Asia. The third wave began in the 1970s as job related emigration in India and Middle East, Europe and North America.\(^3\)

\textbf{5.2 Association of Nepali Diaspora: Non-Resident Nepali Association (NRNA)}

NRNA is an association of Nepali Diaspora living in various countries outside Nepal established formally on 11 October 2003 in Kathmandu. The main aim of the NRNA


is to create a global network of Nepali and streamline their energy and resources to contribute to economic and social transformation of Nepal. The objectives of this association are:

- To protect the interest of NRNs in foreign countries;
- To establish global networking and coordinate among NRNs worldwide;
- To develop partnership with home government, business community and civil society for investing human and capital resources for overall development of Nepal;
- To promote Nepali tourism, language, culture and literature in foreign countries; and
- To be catalyst for attracting NRN and foreign investment in Nepal.

A Non-Resident Nepali (NRN) has been defined as a Nepali citizen or a person of Nepali origin who has been staying outside Nepal for at least 183 days in a year for employment, business or self employed and indicating an intention for an uncertain duration of stay abroad. Non-resident foreign citizens of Nepali origin are also covered under this definition which excludes Nepalis living in SAARC countries. As the reference time is in days, the definition is silent about whether they are living temporarily or permanently in foreign countries. However, there is complication in conceptual clarity in the term NRN. For instance, the government does not recognise a student as NRN, but the NRNA recognises them as NRN. It is because most Nepalis living in developed countries migrated on student visa. Exceptions are those who have migrated to US through DV lottery, UK and Hong Kong through permanent residence visa.

Nepal Non-Resident Nepali Regulations Act 2009 (2066 B.S.) provides that NRNs shall receive an ID card and enjoy the facilities extended to an NRN. The validity of NRN ID cards is 10 years. The card holding foreign nationals of Nepali origin entitles the holder to buy, own and sell properties in Nepal. NRNs can purchase two ropanis (1 ropani is equivalent to 0.05087 hectare) of land in the Kathmandu Valley or eight kattha (20 kattha = 0.6773 hectare) within a municipality in Tarai (Tarai is the southern plain area of Nepal) districts, up to four ropanis in other municipalities and one bigha (1 bigha = 0.6773 hectare) in any Village Development Committees. In addition, Third Global conference NRNA lobbied for dual citizenship for NRNs, and the Nepal government is seriously considering the proposal.

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Nepal is divided into 75 administrative divisions, called districts.
The number of Nepalis living outside Nepal at present is estimated at 7,000,000 in 60 countries. About 5,000,000 of them are living in South Asia and about 2,000,000 in countries other than South Asia. In terms of number, the highest proportion is in Middle-East (44.3 percent), followed by Asian countries (42.4 percent), North America (7.7 percent), Europe (3.9 percent), Oceania (1.7 percent) and less than 1 percent in South America and Africa. The NRN members are spread all across 56 countries, as shown in table 5.1 below.

Table 5.1: Nepali Diaspora by Country

<table>
<thead>
<tr>
<th>SN</th>
<th>Country</th>
<th>SN</th>
<th>Country</th>
<th>SN</th>
<th>Country</th>
<th>SN</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Australia</td>
<td>15</td>
<td>Hong Kong</td>
<td>29</td>
<td>Malaysia</td>
<td>43</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>2</td>
<td>Austria</td>
<td>16</td>
<td>Hungary</td>
<td>30</td>
<td>Mozambique</td>
<td>44</td>
<td>Singapore</td>
</tr>
<tr>
<td>3</td>
<td>Bahrain</td>
<td>17</td>
<td>Indonesia</td>
<td>31</td>
<td>Myanmar</td>
<td>45</td>
<td>Slovenia</td>
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<tr>
<td>4</td>
<td>Belarus</td>
<td>18</td>
<td>Ireland</td>
<td>32</td>
<td>Netherlands</td>
<td>46</td>
<td>South Africa</td>
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<td>5</td>
<td>Belgium</td>
<td>19</td>
<td>Israel</td>
<td>33</td>
<td>New Zealand</td>
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<td>Spain</td>
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<tr>
<td>6</td>
<td>Cambodia</td>
<td>20</td>
<td>Italy</td>
<td>34</td>
<td>Nigeria</td>
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<td>7</td>
<td>Canada</td>
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<td>Japan</td>
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<td>Norway</td>
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<td>China</td>
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<td>Cyprus</td>
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<td>10</td>
<td>Denmark</td>
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<td>Lebanon</td>
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<td>Poland</td>
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<td>11</td>
<td>Finland</td>
<td>25</td>
<td>Lesotho</td>
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<td>USA</td>
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<td>France</td>
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<td>Qatar</td>
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<td>Ukraine</td>
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<td>13</td>
<td>Germany</td>
<td>27</td>
<td>Luxembourg</td>
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<td>Romania</td>
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<td>UAE</td>
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<tr>
<td>14</td>
<td>Greece</td>
<td>28</td>
<td>Macau</td>
<td>42</td>
<td>Russia</td>
<td>56</td>
<td>Yemen</td>
</tr>
</tbody>
</table>


NRNA has been strong and active for promoting and strengthening network of Nepali Diaspora globally and linking them to the concern of the development of Nepal. It has more than 747 members in 56 countries. In most of these countries, country level NRN association has been formed. In countries such as US, Canada, UK, Hong Kong, Australia and Belgium, there are more than a dozen of associations in existence. Pathak lists more than two dozen organizations in Australia related to professional, ethnicity and regions of Nepal.

NRN associations are organised in two different types of membership. First, it has National Coordination Council (NCC), which is country level NRN association. As of 15 May 2010, all 56 countries have formed NCC. And secondly, International Coordination Committee (ICC), which is global association formed from NCC. It

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is the apex body of NRNA. In addition to NCC, it also has a number of bodies such as Advisory Body, Women Forum, Youth Forum, Permanent Committees, and Task Forces. The secretariat is based in Kathmandu.

5.3 Diaspora and Development

Adhikari notes that some Americans describe the Nepali Diaspora in North America as “Part-time Americans.” They have a tight bond with Nepal and its development and are said to be worried about Nepal’s current political instability and the country’s future development. He adds that the Nepali Diaspora can never be divorced from their emotional bond with Nepal as it has been the “roots of the proud of Nepali Diaspora” in the outer world. Adhikari further says, “A nation can only be developed by its people who live within its borders. However, a significant push can be provided by the outsiders, and the Diaspora is often best suited to provide such support.”

Since NRNA was established, NRNs have been actively involved in raising their concern with Nepal's development and lobbying the Nepal government to facilitate appropriate legal environment for NRNs as well as foreign investment. Till date, they organised four global and five regional level conferences:

**Global Conferences of NRN**

- First Global NRN Conference – October 2003, Kathmandu
- Second Global NRN Conference – October 2005, Kathmandu
- Third Global NRN Conference – October 2007, Kathmandu
- Fourth Global NRN Conference – October 2009, Kathmandu
- Fifth Global NRN Conference – October 2011, Kathmandu

**Regional Conference of NRN**

- First Regional NRN Conference – January 2005, Doha, Qatar
- Second Regional NRN Conference – June 2006, Bonn, Germany
- Third Regional NRN Conference – May 2008, Bangkok, Thailand
- Fourth Regional NRN Conference – May 2010, Texas, USA
- Fifth Regional NRN Conference – January 2011, Dubai, UAE

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Going through the theme of the conferences, the Nepali Diaspora aims at establishing three elements. First, Nepalis around the world have tried to establish their “Nepali Identity” in host countries. Secondly, they have tried to re-establish and strengthen their bond of identity with Nepal. Finally, they are trying to support their homeland by getting involved in economic development of the country. The Nepali Diaspora has been struggling for the last decade in establishing and achieving their objectives. They have been able to achieve the first two aims while striving for progress in establishing global and country level associations. It has been organizing various global and regional conferences even though the process continues to reach its ultimate goal. Efforts are underway in regards to supporting and participating in Nepal’s development. Following are some of the pertinent activities carried out by Nepali Diaspora.

**NRNA Projects completed so far include:**
- Construction of Kriyaputri Bhawan at Pashupati
- NRN Devghat Bridhhasharam Project
- Establishment of five Trade Schools
- 100 Airport Trolleys.

**Ongoing NRNA Projects**
- Nepal Public Library
- One Village One Product
- Open University Initiative Nepal

**NRNA Projects on Pipeline**
- Nepal Investment Fund
- 75 Home District Project

In addition, Nepal has directly benefitted by remittance from Nepali Diaspora. In 2008 share of remittance in Nepal’s gross domestic product (GDP) was 21 percent, which slightly declined to 19 percent in 2009 (Figure 5.1). In addition, the Diaspora has been contributing to finance many personal, family, and community projects in their respective hometown. It helps realise different projects and programs through their business connections, their partnership with international funding agencies and foundations, and sometimes their own companies.
Dual citizenship provision, if it happens, would be a milestone for Nepali Diaspora in terms of economic development and investment. Many developed countries provide for dual nationality without any restrictions. India is a good example. Remittance in India was Rs. 14 billion in 2001, which increased to Rs 20 billion in 2005. After providing dual citizenship in 2005, India remittance amount jumped to IRs 52 billion in 2008 and surged to IRs.100 billion. Dual citizenship not only tends to increase inflow of remittance but also increases the investment for development. It has been argued that countries providing for dual-citizenship perform better in terms of more investment-otivat remittances.9

5.4 Conclusion

About seven million Nepalis are living across the world. Nepali Diaspora has been in struggle for establishing “Nepali Identity” in the globe - outside home and re-establishing relationship with the home country. They have been successful in their

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endeavor. Nepal would have both direct and indirect advantages from Nepali Diaspora if treated positively. It has been receiving large amount of remittance and has been one of the key sources of poverty alleviation. Providing dual citizenship facility to Nepali Diaspora would increase remittance considerably and foster investment climate in Nepal. Fostering closer relationship with Diaspora would enhance the prospects of “Brain-Gain” by transferring knowledge, skill and technology into the country for prosperous economy.

☆ ☆ ☆
CHAPTER VI
STUDENT MIGRATION

6.1 Background

Student migration is mostly taken as the movement of students who study outside their country of birth or citizenship for a period of 12 months or more. However, there is no strict and universal definition of who are student migrant and how distinctly they could be categorised from labour migrants or other form of migrants. The political definition of student migration is very diverse – mostly depending on the country and notably the host countries that attract international students: the US, the UK, Germany, Australia, Canada, New Zealand and also countries where there is no distinction between international and domestic students such as in France, Greece, Japan and so on.

The movement of people in pursuit of higher academic and professional achievement is not new. However, it is observably different along different period of world history. During the colonial times, students moved from the colonies to the colonizer countries mostly through the aid of the imperial nations. During the Cold War, student migration was affected by the political dimension of the era, with cold war rivals competing to provide opportunities to study in their respective regions so that students identified and assimilated to their respective ideology and culture.

The programs started in the post cold war period are still today among the most important programs that have heightened the scope of international student mobility. The Fulbright Programs and Colombo Plan were and continue to be important programs that have assisted scholars and professionals to pursue academic and professional trainings in developed countries. The Fulbright1 program has alone assisted 300,000 persons from 50 countries as of 2010 while the Colombo Plan has assisted 40,000 Asian students.2

In more recent years, migration for education has diversified in the context of the neo-liberal economy and globalization, where the interest and stepping up of the role of international organizations like the World Bank, the United Nations Educational,

Scientific and Cultural Organization (UNESCO) and Organization for Economic Co-operation and Development (OECD) have led to increasing globalization of educational policy and hence migration for education.

Today, there is no longer the complete dominance of the world capitals in attracting or providing pathways for students from the colonies. Though countries like the US and the UK still dominate the scene, new countries which used to send students abroad, are becoming important destination countries. In fact, the concept of unidirectional movement of student is being regularly challenged as countries like China, Japan and India are attracting students in high numbers while they also continue to be leading countries that send students for higher education. Figure 6.1 shows the global destination countries and status for student migration between 2001 and 2009.

**Figure 6.1: Global Destination Countries**

![Pie charts showing the global destination countries in 2001 and 2009.](http://atlas.iienetwork.org/?p=48027)

Table 6.1 shows the number of international students in the top 10 destination countries in 2009.

<table>
<thead>
<tr>
<th>Countries</th>
<th>No. of International Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>671,616</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>415,585</td>
</tr>
<tr>
<td>France</td>
<td>266,448</td>
</tr>
<tr>
<td>Germany</td>
<td>239,143</td>
</tr>
<tr>
<td>China</td>
<td>238,184</td>
</tr>
<tr>
<td>Australia</td>
<td>223,508</td>
</tr>
<tr>
<td>Canada</td>
<td>123,901</td>
</tr>
<tr>
<td>Japan</td>
<td>123,829</td>
</tr>
</tbody>
</table>

*Source: [http://atlas.iienetwork.org/?p=48027](http://atlas.iienetwork.org/?p=48027)*
As indicated in table 6.1, the US still remains the top choice with the number of students increasing from 624,000 in 2008 to 671,616 in 2009. The number increased by 3 percent, a record high in the beginning of 2010. China became the top sender of students who account for the 18 percent of the total student population marking an increase of 30 percent over the previous year. China has thus won India which was the top sending country in 2008/2009. Indian students represent 15 percent of the total foreign student population in US. However, the number of students studying in the US, which has 1.6 percent foreign student population, fell by 3 percent between 2008/2009 and 2009/2010. Similarly, the UK remains the second top destination followed by France, Germany, China and Australia. However, the dramatic increase in student migrants was in New Zealand, South Korea, the Netherlands, Greece, Spain, Italy and Japan.

The number of migrant students is ever increasing. While there were 2.5 million students studying abroad in 2005, already a nine fold increase in number since 1963, it is estimated that there will be 7.2 million students studying abroad by 2025 (Hawthorne 2008).

Business and administration remains the top choice with 23 percent international students enrolling for the subject, followed by science with 15 percent of the total enrolment and engineering, manufacturing and construction and arts with 14 percent of total enrolment. In terms of gender, although the number of female student migrants has increased significantly, women are still underrepresented in fields like science and engineering.

### 6.2 Student Migration in Nepal

The phenomenon of student migration is not new in Nepal. If we look at the political history of Nepal, we can find that important turnings of the political era are often marked by the presence of Nepali students outside Nepal. For example, the Nepali students who studied in India had a major role in overthrowing the Rana regime. Political associations like “JayatuSanskritam” and “Nepal PrajaParishad” were conceived among the Nepali students studying in India. Similarly, leading political
parties such as the Nepali Congress and Communist Party of Nepal were founded and nurtured by the Nepali students who were then studying in India. Later, Nepali students studying in Banaras, Delhi, Bangalore and Rajasthan were very active in the overthrow of the “Pachayat system” as well as in establishment of the Peoples’ Movement I and II. However, the trend of student migration has undergone great changes throughout the years in terms of volume, dimension and status. According to the Ministry of Education, a total of 62,391 students took the “No Objection Letter (NOL)” (approval letter) to migrate as students between December/January 2010 and December/January 2011. Among them, the highest number of students (1,898) left in the month of December/January 2009/10, while the lowest number of students (568) left in the month of April/May 2010.

Table 6.2: Number of No Objection Letter Issued Month-wise

<table>
<thead>
<tr>
<th>No</th>
<th>Month</th>
<th>Number of students</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Dec/Jan 2009/2010</td>
<td>1898</td>
</tr>
<tr>
<td>2</td>
<td>Jan/Feb 2010</td>
<td>723</td>
</tr>
<tr>
<td>3</td>
<td>Feb/Mar</td>
<td>594</td>
</tr>
<tr>
<td>4</td>
<td>Mar/Apr</td>
<td>701</td>
</tr>
<tr>
<td>5</td>
<td>Apr/May</td>
<td>568</td>
</tr>
<tr>
<td>6</td>
<td>May/Jun</td>
<td>961</td>
</tr>
<tr>
<td>7</td>
<td>Jun/Jul</td>
<td>890</td>
</tr>
<tr>
<td>8</td>
<td>Jul/Aug</td>
<td>1171</td>
</tr>
<tr>
<td>9</td>
<td>Aug/Sep</td>
<td>1340</td>
</tr>
<tr>
<td>10</td>
<td>Sep/Oct</td>
<td>876</td>
</tr>
<tr>
<td>11</td>
<td>Oct/Nov</td>
<td>790</td>
</tr>
<tr>
<td>12</td>
<td>Nov/Dec</td>
<td>*</td>
</tr>
<tr>
<td>13</td>
<td>Dec/Jan 2011</td>
<td>*</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>10,512</td>
</tr>
</tbody>
</table>

Source: Ministry of Education 2011

The diversity of choice of destination is very evident (Table 6.3). According to the Ministry of Education, Nepali students went to the following 70 countries till 2011.

8 Source Ministry of Education, 2011
### Table 6.3: List of Countries by Number of Students till 2011

<table>
<thead>
<tr>
<th>SN</th>
<th>Country</th>
<th>No. of Students</th>
<th>SN</th>
<th>Country</th>
<th>No. of Students</th>
<th>SN</th>
<th>Country</th>
<th>No. of Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>America</td>
<td>5,099</td>
<td>32</td>
<td>Japan</td>
<td>2,534</td>
<td>63</td>
<td>Taiwan</td>
<td>8</td>
</tr>
<tr>
<td>2</td>
<td>Armenia</td>
<td>18</td>
<td>33</td>
<td>Georgia</td>
<td>1</td>
<td>64</td>
<td>Taiwan (R.O.C.)</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>Australia</td>
<td>13,537</td>
<td>34</td>
<td>Korea</td>
<td>63</td>
<td>65</td>
<td>Thailand</td>
<td>325</td>
</tr>
<tr>
<td>4</td>
<td>Austria</td>
<td>45</td>
<td>35</td>
<td>Kyrgyz Republic</td>
<td>3</td>
<td>66</td>
<td>Turkey</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>Bangladesh</td>
<td>1,285</td>
<td>36</td>
<td>Kyrgyzstan</td>
<td>20</td>
<td>67</td>
<td>UAE</td>
<td>39</td>
</tr>
<tr>
<td>6</td>
<td>Belarus</td>
<td>2</td>
<td>37</td>
<td>Latvia</td>
<td>16</td>
<td>68</td>
<td>UK</td>
<td>28,667</td>
</tr>
<tr>
<td>7</td>
<td>Belgium</td>
<td>43</td>
<td>38</td>
<td>Libya</td>
<td>2</td>
<td>69</td>
<td>Ukraine</td>
<td>101</td>
</tr>
<tr>
<td>8</td>
<td>Brazil</td>
<td>1</td>
<td>39</td>
<td>Lithuania</td>
<td>26</td>
<td>70</td>
<td>Venezuela</td>
<td>1</td>
</tr>
<tr>
<td>9</td>
<td>Bulgaria</td>
<td>1</td>
<td>40</td>
<td>Malaysia</td>
<td>161</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Canada</td>
<td>973</td>
<td>41</td>
<td>Malta</td>
<td>98</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>China</td>
<td>847</td>
<td>42</td>
<td>Netherlands</td>
<td>121</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Costa Rica</td>
<td>2</td>
<td>43</td>
<td>New Zealand</td>
<td>539</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Cyprus</td>
<td>1,349</td>
<td>44</td>
<td>Norway</td>
<td>381</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Czech Republic</td>
<td>210</td>
<td>45</td>
<td>Pakistan</td>
<td>140</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Denmark</td>
<td>348</td>
<td>46</td>
<td>Philippines</td>
<td>502</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Dubai</td>
<td>87</td>
<td>47</td>
<td>Poland</td>
<td>283</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Egypt</td>
<td>2</td>
<td>48</td>
<td>Portugal</td>
<td>35</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Estonia</td>
<td>1</td>
<td>49</td>
<td>Qatar</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Fiji</td>
<td>24</td>
<td>50</td>
<td>Republic Czec</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Finland</td>
<td>586</td>
<td>51</td>
<td>Republic Of Georgia</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>France</td>
<td>84</td>
<td>52</td>
<td>Romania</td>
<td>53</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Georgia</td>
<td>273</td>
<td>53</td>
<td>Russia</td>
<td>56</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>Germany</td>
<td>559</td>
<td>54</td>
<td>Saudi Arab</td>
<td>184</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>Greece</td>
<td>1</td>
<td>55</td>
<td>Scotland</td>
<td>279</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>Holand</td>
<td>12</td>
<td>56</td>
<td>Singapore</td>
<td>73</td>
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<td>26</td>
<td>Hongkong</td>
<td>5</td>
<td>57</td>
<td>Slovakiya</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>Hungary</td>
<td>97</td>
<td>58</td>
<td>South Africa</td>
<td>77</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>India</td>
<td>947</td>
<td>59</td>
<td>South Korea</td>
<td>145</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>Ireland</td>
<td>394</td>
<td>60</td>
<td>Spain</td>
<td>123</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>Israel</td>
<td>1</td>
<td>61</td>
<td>Sweden</td>
<td>321</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>Italy</td>
<td>45</td>
<td>62</td>
<td>Switzerland</td>
<td>303</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Globally, the US remains the top choice of students but the UK has lured more Nepali students than the US by 2011. At least 28,667 students took the NOL for UK while 5,099 students took the same for US placing it in the third rank after Australia.
where 13,537 students migrated (Table 6.3). Japan was another top choice for 2,534 students, followed by 947 to India (Table 6.3). There are 1,349 Nepali students in Cyprus (Table 6.3). Poland, Slovakia, Taiwan, Turkey, Spain and Costa Rica are also emerging as new destinations although the number of students going there is not significant. Important destinations include India, Japan and Korea. Other countries like Qatar and Saudi Arabia, top destination countries for migrant labour, are also emerging as destinations for Nepali students. Saudi Arabia hosts 184 Nepali students and Qatar 2 Nepali students.

6.3 Issues of Nepali Student Migrants

Major pull and push factors for migration of students includes changing aspiration, policies for migration of students and restriction on semi skilled migration.

The technological advancement in communication, modes of knowledge and information exchange, the expansion of “social imaginaries” and “consumer desire” fuelled by this advancement have become intertwined and reinforce each other to make complex pull factors to entice students to study abroad. As Brooks and Waters (2011: 28)\(^9\) puts it, the “full submission of education to pursuits of global economy” leading to the commodification and marketing of education is another strong factors that crosscuts these issues.

On the macro global level, there has been a huge change in education policy. Until recently, policies were more geared towards attracting foreign students. There are two important factors for this- firstly the interest of organizations like the World Bank and UNESCO and secondly the interest of the nation states and the educational institutions themselves. There was a significant reduction in state funding in education in many developed countries of the world in the last two decades of the 20th century. In this situation, the individual institutions turned to student migrants to fill the gap. As such international students provided a significant income to these institutions. For example, in Australia which is one main education destination for Nepali students, when funding by state decreased by 30 percent between 1995 and 2003, revenue from international students helped recover 14 percent of the loss. Today Australia reaps US$12 billion a year from foreign students. Similarly, the UK gets economic benefits of US$3.48 billion to US$40 billion annually.\(^{10}\)

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\(^{10}\) COMPASS. 2010. What could be the Impact of a Cap on Overseas Higher Education Students? Oxford: Center on Migration Policy and Society (COMPASS) Breakfast Briefing.
Migration is a natural human phenomenon only triggered by pull and push factors to an extent. In Nepal’s specific case, there is no study to indicate main push factors. However, a generalization can be proposed. On the macro level, Nepal’s economic and political system vis-a-vis the global system is perhaps one of the main factors. Unstable political situation, weak prospects for quality education in Nepal and the need of a quality education to get better rewards in the competitive labour market has led the students to migrate. The decade-long Maoist war and subsequent failure of the state system had its impact in the educational sector as well.

Discourses around relationship between employability and overseas study shows that overseas qualification is much highly valued in the labour market. Employers are of the opinion that overseas qualification helps broaden ones horizons towards “otherness” and a broader global outlook (Brooks and Waters, 2011). This they feel benefits both the individuals and the organizations that employ them. Thus the emphasis of education in employability is not only academic excellence and formal degrees but together with it other implicit skills, attributes and abilities which come from exposure and experience. This is another important factor that works for student migration. The possibility of gaining all these in Nepal is dim. In addition, an overseas degree provides better opportunities for employment overseas.

There are also social factors. At the family level, it is observed that studying abroad is a family decision and participation, though may be initiated by an individual student. Abjuring the previously held belief that student migration is an “elite migration” more student now come from middle class families. As Vincent and Ball (2006) observe, in today’s parenting style of the middle class, the child is a “project” and the vision of parents is to provide social and educational resources to the child. Sending the child abroad to study is thus a strategic move towards accumulating what the family sees as the most important capitals for rewarding employment. Sending ones children abroad for study is also increasingly related to accumulating cultural capital and ensuring social mobility towards higher status of the whole family. For the individual migrants, it is again related to higher and rewarding employment status and a global experience. It is also an opportunity to study subjects of interest not available in Nepal.

6.4 Changing Policies and Restriction for Semi Skilled Migration

The recent changes in policy towards migrants among the top destination countries, which are mostly geared towards curtailing unskilled migration, will also have an

impact on Nepali student migration. The UK, one of the most popular destination among Nepali students, has already started initiatives to cut net in migration. The Coalition government has announced plans to reduce the number of student visa to be issued by 70,000-80,000 and its impact is already huge in Nepal.12 After the introduction of Point Base System in 2008, Nepali student application increased from 581 in 2008 to 10,104 in 2009. But after the system was closed, the number declined to 2,333 in 201013.

Australia is also tightening its immigration policy. The Australian government aims to reduce the net overseas migration by 20 percent, cutting down 20,000 visa applications.14 Among South Asian countries, Nepal has the second largest expatriate community in Australia after India. The prospects of permanent residency and job placement were the major attraction for Nepali students. However, with the recent tightening of the policy, the 23,000 Nepali students already there and those aspiring to go will be affected. The Australian government demanded manpower under 400 types of occupation. Now there is a drastic cut from 400 to only 181 categories in the listed occupations demanded by the Australian government. As per the new change, applications for permanent residency of new students whose indented occupations are not mentioned in the new list and who do not meet the requirement for skilled migration visa at the time of applying would not be considered eligible. Many Nepali students are returning home after the new immigration policy came into being under which they fail to meet the new requirements for skilled migration.15 However, the expansion in the choice of destination countries will provide an alternative to the student flow. Thus the number of student migrants in total is unlikely to decrease significantly.

6.5 Student Migrants as Possible Remitters of Knowledge

The impact of economic remittances transferred by labour migrants is now highly appreciated in Nepal. However there is not much alertness on the transfer of knowledge and skill for positive changes in Nepal. The new optimistic discourse on migration highlights migrants as possible development agents. With the emergence of knowledge based economies, knowledge has a great significance for personal wellbeing as well as for the development of any nation. Nepal at this stage of transformation is in a great need of such human resources. Nepali student migrants today make a significant proportion of Nepali population. Due to their experiences

12 The Kathmandu Post, June 4, 2010.
14 The Kathmandu Post, June 4, 2010.
15 The Kathmandu Post, February 8, 2011.
of different places and socio-economic environments they can become brokers of knowledge, connecting different communities. As such with proper management of migration they can help bring positive changes in Nepal.

There are few initiatives to tap the knowledge and skills of students for Nepal but they are done chiefly by the networks of the students themselves. There is still a need of vision and policy to tap these resources. In one way, this can be done by including the issues of all migrants including students in the broader socio-economic and political development agendas. The coming policies on harnessing resources towards development will have to see into it.
CHAPTER VII
MIGRATION OF NURSES FROM NEPAL

7.1 Introduction

The most important resource for any country is its people. In the health sector the significance of human resources is doubled; skilled health personnel directly improve the quality of life for others who are then able to contribute more to the wider society.1 Nurses are also such skilled and very needful human resources for an underdeveloped country like Nepal. Nurses, whose life ambition is to care for others, are forced to migrate abroad in order to earn enough to provide for their own families in dignity. Income is an important motivation for migration, but not the only one. Other reasons include – greater job satisfaction, career opportunities, the quality of management of health institutions and governance and moving away from political instability, war and the threat of violence in the workplace. No doubt, it does not reflect a very good situation where nurses, directly involved in public health and human services, are compelled to migrate in the foreign countries though they earn much more in the foreign land and send home a good quantity of remittances. But some of the migrated nurses have a very bitter experiences in the foreign land where they have migrated expecting a greener pastures. Nurse migration to affluent western countries is a recent phenomenon for Nepal, but this is not just a drama and decision of individual person and families. Global economic inequalities, privatization, structural adjustment policies, the chronic under – funding of health services in both North and South, the under – valuing of women’s work in the caring professions and the aggressive policies of private recruitment agencies/consultancies that have all contributed to the massive increase in migration over the last decade.2

7.2 History of Professional Nursing in Nepal

In 1890 Bir hospital, the first hospital of Nepal, was established. During the period of 1890-1928, there were no nurses in the hospital. The hospital authorities realized the need for nurses and midwives to provide care to patients and four Nepalese

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1 Connel, J. 2001. The Migration of Skilled Health Personnel in the Pacific Region, WHO, Western Pacific Regional Office

2 Public Services International (PSI), 2004. Women and International Migration in the Health Sector, Final Report, Ferney –Voltaire Cedex, France
girls, namely Ms. Vidyabati Kansakar, Ms. Radha Devi Malakar, Ms. Dharma Devi Kansakar and Ms. Bishnu Devi Mali were sent to Allahabad, India for an 18 month-midwifery course along with their guardian in 1928. After returning from the training they were posted to Bir Hospital. Therefore the history of nursing and womens’ participation in health care was started from midwifery service and these four ladies were the first to join this service which was very challenging work in the conservative Nepali society. In 1941, the Civil Medical School was established for the training of compounders and dressers at Bir Hospital. This was the first health care training in Nepal. Professional nursing training in Nepal started in the mid-1950s and has always targeted women. The first nursing school of Nepal was opened at Surendra Bhawan, Sanepa, Lalitpur in 1956. It was moved to Mahaboudha and lastly to Maharajgunj in 1986. The total numbers of graduates of this nursing school from 1956 to 1972 were only 244. At that time people generally looked down to this profession and took it as a profession with less dignity. Also at that time, the female literacy rate was extremely low, only 0.7 percent, so finding women educated enough to take up nursing was a challenge to the training authorities. By the 1970s, the number of young women passing the School Leaving Certificate (SLC) had increased and more women, encouraged by their families, showed an interest in nursing. In 1972, nursing training acquired the status of a university degree course run by Tribhuvan University (TU), which came under the auspices of the Ministry of Education. Until then, nursing training had been run by the Ministry of Health and was given only a status of vocational training.

Bachelor of Nursing (B. N.) degree program began in 1976 at TU, IOM. In the early 1980s, there were only two STAFF Nurse and five Auxiliary Nurse Midwife (ANM) training programs, all publicly run under the TU. With the introduction of hospital and primary health care across the country as part of Nepal’s development programs, the health services in Nepal continued to expand with a growing need for qualified nurses. By the late 1980s, four of the ANM extension campuses were upgraded and started running staff nursing programs to meet this growing need. In the 1990s, professional nursing continued to attract more candidates.

In the late 1980s, there was another shift in nursing education with the liberalization of health workers’ training and increasing the private sector’s involvement. As the

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4 Ibid
6 Maxwell, M. and R. Sinha, 2004. Nurses were needed at the top of the world: The first fifty years of professional Nursing in Nepal 1951-2001, TU, Institute of Medicine, Lalitpur Nursing Campus, Nepal
demand of trained nursing human resources increased many ANM colleges were set up in the private sector with the establishment of Council for Technical Education and Vocational Training (CTEVT) in 1989 to act as an umbrella body and to prompt the private sector to provide technical education. Besides the Tribhuvan University, three new universities opened in the 1990s: Kathmandu University in 1991, Purwanchal University in 1995 and Pokhara University in 1997. Master of Nursing program started from 1995 at Maharajgunj Nursing Campus, TU. Since 1996 four year program on B. Sc. Nursing was established in BP Koirala Institute of Health Sciences, Dharan. By the fiscal year 2067-68, 115 nursing campuses are running in the country and they are providing different programs on nursing. Presently there are 163 nursing colleges in Nepal. With the demand of increasing number of nursing human resources for the government and non government hospitals, nursing homes and other clinics within the country as well as abroad, the number of people seeking nursing education is ever growing. Nursing campuses begin to receive increasing numbers of applicants with higher secondary school education. The number of girl students with secondary school education and with better SLC results in English, Mathematics and Science were increasing. In order to select higher achieving students from among the masses seeking nursing training, TU introduced an entrance examination in 1993 and this is now a requirement in all nursing training programs. As the entry requirements became tougher, students started to prepare more seriously for the entrance examinations for various levels of nursing courses. Within a few years of the introduction of the entrance requirements there were dozens of institutes offering courses for preparation classes catering for the entrance candidates. Many smaller local entrance examination preparation centres/educational consultancies, located around nursing colleges have also sprung up across the country.

### 7.3 Available Nursing Human Resources in the Country

As the demand of nursing man power has increased in the recent years, its production is also growing in Nepal. According to the Nepal Nursing Council 16467 nurses and 17759 assistant nurse midwife (ANM) have registered in this council by 22nd September 2011. Thus more than 34,000 nursing human power are currently available in the country. However, the number of nurses working in Nepal in both government and non government health sector do not exceed 12,000 at present. The Nepal government, ministry of health authorities confesses that though there are 11,637 nursing posts in government health institutions, less than 6,000 nurses treat patients.

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are currently working in the government services. And it is estimated that similar number of nurses are engaged in private and non government sector. Now there are 48 campuses running ANM program, 101 campuses are running PCL program on nursing, 24 campuses run B. Sc. program, 4 campuses run MN program, 3 campuses run BNS, 21 campuses run BN program and only one college – BPKIHS, Dharan runs M. Sc. Program in nursing. Those nursing colleges produce approximately 4,000 nursing human resources annually at present. According to WHO standard at least four health workers should be available for 1000 people. In the context of Nepal, 1 to 2 nursing man power is required for one thousand populations. This shows that the production of middle to high level human resources in nursing is satisfactory in the country; these human resources have not been fully utilized in a managed way. Due to the prevailing mismanagement of human resources most of the health workers prefer to work in the urban areas rather than the rural where their services are most sought for. Most private nursing homes and clinics are concentrated in the urban areas where they can work for more extra income. So health workers in the government sector are not satisfied with their work and the working conditions.

In the present era of globalization, nurses are found to grab global employment opportunities and their demand is high in developed countries mainly due to the so called demographic asymmetry, especially the declining fertility rate and high life expectancy resulting into growing number of elderly people, who need more health care and nursing services. In the meantime the International Education Consultancies that offer entrance examination preparation courses, are also working as brokers for nurse migration in the international market. Consequently, nursing seems to be a profession of high demand with a good future career in the developed countries. With this opportunities growing number of qualified young girls are attracted to nursing education and the number of nursing colleges also soared up. Many privately running nursing colleges charged as much as 600,000 NRs. for completing basic nursing course. The concerned authorities including CTEVT are unable to monitor the financial and academic conditions of those colleges. Meanwhile, questions regarding the quality of these nursing colleges have been raised though the quantity of nurses being produced in Nepal is highly appreciable. People have begun to take nursing education as a green card for foreign labour migration.

7.4 Migration of Nurses from Nepal

Also before 2000 a number of nurses managed to migrate abroad for employment with their personal contacts or informal networking. From 2000 onwards, the

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9 Annapurna Post (in Nepali), dated 2nd Oct., 2011, Kathmandu
IECs have played a major role in facilitating as well as motivating the migration of nurses to the developed countries mainly UK, USA and Australia. When nurses complete their training, some of these consultancies become involved in nurses’ career orientation, since they offer services for migrating to the international market. Basically the IECs use the media and newspapers for marketing their business. They also organize fairs and their advertisements can also be found on the Educational Consultancy Association of Nepal (ECAN) and Nepal Educational Counseling Association (NECA) website. Some IECs offer services both for pre-training entrance preparation and post-training migration, and some only offer post-training nurse migration services. Since finding a nursing job abroad generally requires a further nursing education or training abroad, nurses who have already completed their initial training in Nepal, have to follow some other nursing or health-related training courses in the country to which they migrate. Some IECs have been involved in sending qualified Nepalese nurses for Dental Nursing or National Vocational Qualification (NVQ) training in the UK. They charge between £3,000 – £7,000 per nurse for helping to prepare all the necessary documents required for visa application, to liaise with their agents in the UK, and to help nurses find a job or training course. But these institutes are rather opportunistic and are not working responsibly. There are many stories of Nepalese nurses being exploited by these IECs. Medias have exposed some discrepancies in the nurse brokering business in Nepal. In particular, the Australian and the US embassy have reacted to rising public concern and have released statements to this effect. The Australian embassy has advised the Nepalese students not to trust brokers.

Adhikari (2010) has mentioned a number of bitter experiences felt by Nepalese nurses migrated to UK. The majority of nurses seem to have used one or more agents, and have had rather negative experiences. Upon their arrival in London, many were treated as any migrants are, as “disposable persons.” Upon reflection, the promises agents had made in Nepal seemed empty. There are many instances in which many migrant nurses remain unemployed or pick up some sundry jobs lest they become destitute in the foreign land (mainly due to the fraudulence of recruiting agencies). Many have been very disappointed in their jobs, and their social and professional situations. Highly experienced and qualified nurses, who had worked in specialist units in hospitals of Nepal, have been forced to take any kind of nursing or care job. Many have experienced racial harassment and discrimination at work. Despite all these challenges and unpleasant experiences, there is no sign

of these nurses returning home. They feel that they cannot simply return to Nepal because of shame after spending so much money, time and effort\(^\text{11}\). Those are some of the bitter experiences gained by migrated nurses. Even then nurses try to leave Nepal to work by any means available, legal or otherwise. Their desire is often so strong that they are vulnerable to exploitation.

Despite these problems, growing number of nurses are migrating abroad for employment. Both push factors in the place of origin and the pull factors in the destination places (mainly developed countries) are operating simultaneously to motivate the nurses for migrating abroad. Weak management of health sector from the government side resulting into inadequate mobilization of available human resources, lack of career opportunities, political instability and the threat of violence in the work place are the major push factors that motivate a qualified nurse to migrate abroad. No doubt, well trained, qualified and experienced nurses, who are more demanding in the western countries, attempt to migrate abroad totally fed up by the present socio-economic and political situation of the country. The exodus of such nurses from a resource poor country like Nepal, is a significant loss of investment in the training of health professionals. Not only people in general are devoid of their quality services but the whole system of a hospital or public health institutions also can not function properly. The impact of nurse migration directly affects the poor who need their services more often and are unable to afford more sophisticated health facilities in the foreign land. In the long run the nation building work lags behind in the lack of healthy man power. Thus, nurse migration in general produces a multiplier effect.

Above all income and attraction of high living standard are the major pull factors motivating them to migrate. The salaries and perks offered by developed countries, besides the working conditions and the educational prospects for children are beyond comparison with what the developing countries like Nepal offer. The cost of training medical workers including the nurses in western countries is significantly higher than their counterparts in the developing countries. This is the main attraction for western countries to hire medical workers from developing countries rather than investing on the training of fresh candidates.\(^\text{12}\) On the other hand, populations of elderly people are growing in the north. Projections from the US Bureau of Labour Statistics published in November 2001 in its Monthly Labour Review show that more than one million new nurses will be needed by the year 2010. Shortages are

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\(^{11}\) Ibid

\(^{12}\) Adkoli, B. V. 2006. Migration of Health Workers: Perspectives from Bangladesh, Sri Lanka, India, Nepal and Pakistan in *Regional Health Forum*, Vol. 10; No. 1
expected to grow to 30 percent by the year 2020. Estimates suggest that nearly half of newly registered nurses in UK in 2001-2002 came from countries outside UK. These shortages have led to increasing recruitment activity in global nursing labour markets. That is why the IEC are encouraged to act as brokers for the nurses willing to migrate abroad.

It is believed that a considerable number of nurses have started to migrate from Nepal to the western developed countries in the 1980s in the background of globalization and free market economy. However, Nepal Nursing Council (NNC), which was constituted in 1996, began to record the data of nurses migrated abroad since 2002. According to NNC record a total of 3461 Nepalese nurses have gone abroad for nursing work from 2002 to October 2011. Majority of them have migrated to UK, USA and Australia. From 2002 to 2005, 75 nurses applied at British embassy for migrating to UK. The highest number migrated from Nepal in a single year was 658 in the year 2004/05. (Table 7.1).

Table 7.1: Year wise Number of Nurses Migrated Abroad as Registered in NNC

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Year</th>
<th>Number of nurses migrated</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2002/03</td>
<td>115</td>
</tr>
<tr>
<td>2</td>
<td>2003/04</td>
<td>381</td>
</tr>
<tr>
<td>3</td>
<td>2004/05</td>
<td>658</td>
</tr>
<tr>
<td>4</td>
<td>2005/06</td>
<td>428</td>
</tr>
<tr>
<td>5</td>
<td>2006/07</td>
<td>228</td>
</tr>
<tr>
<td>6</td>
<td>2007/08</td>
<td>233</td>
</tr>
<tr>
<td>7</td>
<td>2008/09</td>
<td>285</td>
</tr>
<tr>
<td>8</td>
<td>2009/10</td>
<td>289</td>
</tr>
<tr>
<td>9</td>
<td>2010/11</td>
<td>523</td>
</tr>
<tr>
<td>10</td>
<td>2011</td>
<td>321</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>3461</strong></td>
</tr>
</tbody>
</table>

Source: NNC, 2011

Now with the surplus production of nurses in the country, we can easily say that a large number of nurses will go abroad for employment in future. Those Nepalese nurses, who have received nursing education or training abroad and are working there, are not included in the above data. Since they do not need to register at NNC, the above table does not reveal the whole picture.

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13 Public Services International (PSI). 2004. Women and International Migration in the Health Sector, Final Report, Ferney –Voltaire Cedex, France
7.5 Concluding Remarks

International migration of Nepali nurses started mainly after the new millennium, and by 2010, there are between four to five thousand Nepali nurses migrated to western countries, particularly the UK, USA and Australia.\(^{15}\) No doubt, it is a matter of great pride to get an opportunity to work as trained nurses, competing in the world labour market in this 21\textsuperscript{st} century. Migration has high social costs for women health workers, particularly nurses. While the migrant nurses are busy in caring for others in the distant countries, their own children and family grow in negligence and suffer from the lack of affectionate care. The future of their children cannot be guaranteed only with the amount of remittances made by them. So the effects of migration of nurses are difficult to assess in view of several factors operating for and against this phenomenon.

In the present context of Nepal, government authorities should be involved directly to regulate the nurse migration process so that migration of nurses do not hamper their services in the country. Short term migration (upto 4 years) of nurses should not be discouraged. Because short term migration is thought to be helpful to the country by way of transfer of technology, management practices and fair distribution of remittances as well. Strict monitoring of nursing colleges is the most for quality products to be supplied in the national and international markets. At least haphazard opening of nursing colleges, only to achieve financial gain, must be stopped. Recently a committee formed to suggest fees of the vocational colleges under CTEVT, has fixed the upper limit of fees of nursing colleges, as NRs. 400,000\(^{16}\) only.\(^{17}\) But the general public still has to wait and see whether the reports of such committees are implemented or not.

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\(^{15}\) Adhikari, R. 2010. Train to export: Nurse Education in Nepal and Increased Opportunities for International Migration of Nepali Nurses, an unpublished report, School of Health in Social Science, UK: University of Edinburgh.

\(^{16}\) exchange rate US $1 = NRs. 74.90 in July 5, 2010

\(^{17}\) Annapurna Post (in Nepali), dated Oct. 2\textsuperscript{nd}, 2011, Kathmandu.
CHAPTER VIII

SOMALI REFUGEES IN NEPAL

8.1 Background

Nepal is currently home to different refugee population from different parts of the globe. After entering the international community with the onset of democracy in 1950 (2007 B.S.), Nepal has been a transit country as well as host for many Tibetan refugees from the northern neighboring country – China. After that a considerable number of refugees of Nepali origin arrived here from north-eastern states of India seeking asylum in different dates. Similarly more than one hundred thousand Bhutani refugees who arrived in Nepal via India between 1990 and 1993, have been settling in Nepal while some have gone to resettle to a third country mainly USA, Australia, Canada and New Zealand. A few years back about 72 Somali refugees entered Nepal by airplane from Kenya or Somalia, stopping first in either Dubai or Mumbai before reaching the Nepal airport at Kathmandu. The Somali refugees differ from the other refugees (settling in Nepal from earlier times) mainly by their place of origin, which is a far lying country in Africa. Somalia is a civil war torn country, considered to be a failed state, frequently facing droughts and famine since 1980s. Naturally people are fleeing from this country as refugees and some of them came to Nepal hurriedly with the help of a smuggler of Somali descent. The Somalis residing in Nepal, fled the capital of Somalia, Mogadishu aiming to land in an European country where they can seek asylum. But the smuggler managed to ran off with their money, because he knew the trip to Europe was impossible and could not be completed. But Nepal was not their final destination and they are facing many problems here.

8.2 Status of Somali Refugees in Nepal

The Somali community is not recognized by the Nepal government as refugees and is consequently labeled as a community of illegal immigrants residing within the border of Nepal, despite UNHCR recognizing them as refugees.1 According to the Home Ministry, those who have taken shelter under the refugee program of the UNHCR after 1989 are to be treated as “illegal immigrants”, not as refugees or

1 Green J. 2011. Dynamics of Multiple Factors in Understanding Refugees in Nepal, Nepal IFP, Final Paper
asylum seekers, due to the fact that there has been no formal refugee law in Nepal.\(^2\) Nepal has not signed the 1951 Convention or the 1969 Protocol to the Status of the Refugee. The absence of refugee law in the country has caused a substantial problem for the Somali people numbering 72 in Kathmandu. They comprised of 22 men, 15 women and 35 children. Most of them have been in Nepal since at least five years and some even longer.

The lack of security developed by Nepal’s policies and decisions create even greater insecurities to the Somali community. UNHCR has given assistance to the Somali community; they provide the chance for the Somali children to receive education from 6 years of age – 12 years of age, they provide medical assistance, classes in English and basic computers for the adults and a monthly allowance of an estimated NRs. 4,750 or approximately $67.00.\(^3\) The principal of the school with Somali children, reports that the Somali students are capable of speaking Nepali and English, making them valuable assets for their parents and other community members as they act as mediators and interpreters. Unlike with the Bhutanese refugees, UNHCR does not provide either housing or food rations for the Somali community. With the monthly allowance the Somalis receive, they are to pay rent for housing and feed their families. In addition to this they can neither obtain a job nor receive paperwork to continue their journey to a place that will grant them asylum. Many of the Somali’s live together in groups of 5 or 6 and largely reside in the areas near Maharajgunj, Lajimpat and Golfutar, an attempt to pool resources and for security. Consequently, since the Somali’s are living amongst the community and not in a refugee camp, they are subject to outside threats from the community. Many of the refugees talked about the verbal and physical threats they experience on a daily basis as a result of discrimination from the Nepali community.

Due to their illegal status and in possession of expired and/or of fake visas they accrue a $6.00 fine everyday they reside in Nepal. For a person living in Nepal since 2006 and accruing a $6.00 fine per day, their total at this time is approximately $10,000.00. This amount is virtually impossible for a Somali refugee to pay. In addition to this steep, rising fine, one cannot leave the country without an exit visa, yet they cannot obtain an exit visa until they pay the fine. So the Somali refugees are essentially trapped within the borders of Nepal. This has resulted in increased tension among the Somali community in Nepal. In 2008 the Somali community began to raise voices protesting outside the UNHCR office in Maharajgunj, Kathmandu, putting forward a three point demand for the right to;

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\(^2\) Joshi S. 2009. Start at home

\(^3\) Green J. 2011. *Dynamics of Multiple Factors in Understanding Refugees in Nepal*, Nepal IFP, Final Paper
• return back to their home country;
• be settled in another country; or
• be allowed to integrate into Nepali society.

On 21 April 2009, they protested in front of the Home Ministry (Singha Durbar) demanding from the Nepali government that they either be granted refugee status or permission to return to their home country. Such protests may be to demonstrate their dissatisfaction over Nepal government’s present decision not to grant them refugee status and the negative attitude of local people towards them. Because most of them confess that they feel safer in Nepal than Somalia.

8.3 Concluding Remarks

Nepal’s lack of refugee policy, as a result of not signing the United Nations refugee mandates, has allowed Nepal to make decisions regarding the refugee communities on an individual basis. The international community needs to take into account the way the refugee populations describe what it means to “live a secured life” in the country of origin. Otherwise they (the international communities) have to bear a great financial burden for the livelihoods of the refugees. In the case of Somalis in Nepal, they are facing many problems. Most of them spoke of the verbal threats they receive on a regular basis. They were nervous that one day the constant verbal threats would turn into physical threats. Unlike the Bhutanese refugees their socio-cultural background differs much from the Nepalese context. Hence they are facing many problems as well as various discriminations. On these grounds, they wait for the day that UNHCR can relocate them to a place that will recognize them for what they are; refugees seeking asylum and citizenship that will in the end give them both a life and a future. Finally, it is also a very important issue regarding the investigation of how Somali refugees entered Nepal so that such unwanted refugees could be checked in the future.

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NIDS (Nepal Institute of Development Studies), a Non Governmental Research Organization established in 1998, has been focusing on prioritized issues which are associated to development of the country. NIDS contributes to the development process by conducting research, implementing effective programs to create environment through initiation facilitation and co-ordination of activities and networking/lobbying and advocating on equitable development strategies. The mission of the organization is to develop an integrated and sustainable development model suitable for Nepal.