



# **IMPACT OF INTERNAL AND INTERNATIONAL LABOUR MIGRATION: COUNTRY STUDY NEPAL**

**By**

**Jagannath Adhikari, PhD**

Nepal Institute of Development Studies (NIDS)

Kathmandu, Nepal



**RMMRU** Refugee and Migratory Movements Research Unit (RMMRU)

**Table of Contents:**

1. Internal migration	3
2. Short term contract international migration	7
3. Cross border population movements	12
4. Diasporas	18
Reference	22

## Section I: Internal Migration

### 1.1: Introduction:

Study on internal migration from Nepal has been put under shadow of international labour migration since the early 1990s. Therefore, recent studies on internal migration are few and far between. The study on internal migration and data/information on this aspect of migration seem ambiguous because of varying nature of internal migration. A main body of information on internal migration has been obtained from census surveys, which obviously do not capture various types of migration – particularly the short duration, seasonal migration for work.

Internal migration within Nepal is also not a new phenomenon. The internal migration had taken place in search for land, employment and trade. Trade-related internal migration were common in the past, and this can still be seen today to a small extent. Mobility associated with trade was/is a part of lifestyle of the people who lived in high mountains and some of the indigenous peoples leading a mobile life style. The traditional trading communities like Thakalis, Manangba and Loba of central mountain region, Sherpas and Walongchung Bhotiyas of eastern mountain region, and Byansi and other Bhotia in western mountain region had undertaken trade associated with mobility until late 1950s. But this trade declined after China's annexation of Tibet in 1959 (Thieme, 2006: 12; Furer-Haimendorf, 1975; Tulachan, 2001).

After the eradication of malaria in Tarai plain area in the 1950s, migration from hills to plain area increased drastically, which was basically for the land and permanent settlement. This type of migration has also been reduced to a great degree because of shortage of land. In 2001 census, 2,929,062 people moved from one district to another within the country (CBS, 2002). The major streams of internal migration are rural to rural (68.2 %), rural to urban (25.5 %), urban to urban (2.8 %) and urban to rural (3.5 %).

Nepal Migration Survey - a study by NIDS and World Bank - has shown that in 2009, about 2.6 million Nepalis were working away from home, i.e., migrants labour. Of these, 0.57 million (22.14 %) were working within Nepal (internal migrant labour). Of the total internal migrants, about 85 % were male and 15 % were female. Women's participation in internal migration is considerably high than migration in general (91.6 % male and 8.4 % female). Of the total internal migrants within the country, 10 % were from the Mountain, 41 % from the Hills and 39 % from the Tarai<sup>1</sup>. In terms of wealth class, proportionately more poorer people participate in internal migration. The duration of internal migration on average is found to be 61.1 months as compared to 34.4 months of foreign labour migrants (NIDS and World Bank, 2009).

Still, a majority of internal migrants move from rural to rural areas. Rural to urban migration is another important dimension in terms of migration for work. In the past, rural to rural migration was mainly for permanent migration from hills to Terai for acquiring land and for marriage purpose. At present, rural to rural migration is mainly for marriage purpose followed by work in areas where government has initiated infrastructural development like road building, hydropower development and the like. In terms of labour migration, i.e., migration for work, rural to urban migration is becoming important. The informal sector in urban areas in Nepal, particularly in major cities like Kathmandu, employs a large proportion of rural-to-urban migrants. As a matter of fact, about 60 percent employment opportunities in Kathmandu have been created in informal sector and it has become a major source for the absorption of rural migrants (Adhikari, 2007). These migrants came mainly for the employment opportunities. In the early 2000s, a large number of rural to urban migrants were conflict-victims. Internal migration among the wealthy is also a common factor. Because of lack of capitalist development in agricultural sector and lack of agrarian surplus, wealth in the recent decades has been created in rural areas due to remittances from migrant family members, usually migrating for work in foreign countries. Therefore, international labour migration is also responsible nowadays for internal migration. Because of necessities to send children to schools and access to health opportunities, families of the persons going abroad for work also move to market centres or urban areas. Remittances would support these families.

Availability of work in urban areas especially in carpet factories and ready-made garments were a major cause of internal migration for the middle level workers and poorer families. Informal sector has also attracted these people. In the mid 1990s, about 0.2 million people were employed in carpet factories and 0.1 million in readymade clothes

---

<sup>1</sup> In total migration volume, 7 % come from Mountain, 45 % from the Hill and 48 % from the Tarai (NIDS and World Bank, 2009).

factories. But this has been reduced because of decline in these industries, but still these industries employ a large number of workers, usually rural migrants, in Kathmandu and other main urban centres like Pokhara.

### **1.2: Impact on migrant:**

Impact of migration (internal) on migrant himself or herself are seen generally positive in case of Nepal. These impacts are seen mainly in increase in income, access to education, skill improvements and access to government services like health. The average monthly income of internal migrants has increased significantly after migration. For example, Nepal Migration Survey conducted in 2009 has revealed that a migrant's income has increased by 7.6 times after migration. The annual income of migrants within Nepal was estimated at Rs 7638, but before migration it was Rs 987.4. Among the migrants currently employed in Nepal, the main sector that employed them was 'service' (49 %), followed by transportation (8%), factory and construction (7 %) and hospitality (7 %). The service sector here included public service (24 %), teaching (8 %), medical/health (4 %), finance/banking (3 %), communication (1 %), and working in NGOs and the like (8 %). Before the migration, most of them were engaged in agriculture (49 %) and local teaching (33 %). Therefore, internal migration has helped in skill diversification and learning of new skills (NIDS and World Bank, 2009).

As compared to the original place, internal migrants have better access to health and educational facilities. In fact, migrants coming to urban areas like Kathmandu and Pokhara are able to send their children to schools and to hospitals if needed. At least they can purchase medicine, whereas in their origin, it is even difficult to get medicine let alone the medical professional. But it is also true that most internal migrants coming to urban areas are living either in risky areas or in highly polluted areas.

The experience of elderly, young and men and women in terms of impact of migration is different. Generally, young men are successful in terms of earning more income or coping with hazards. For example, young migrants working as porters in Kathmandu earn high income as they can carry more weight. As most internal migrants from poorer background come to urban areas and other areas for menial work, their physical strength is much more important (Adhikari, 2007; Timilsina, 2007). Elderly people were found to lose when they migrate to new place. Similarly women migrants suffer most. Women's income is low as compared to that of men. The poorer migrant women are engaged in carpet factories, as domestic maid, or in informal sector to sell goods and commodities in the street or preparing food, usually for migrant labourers, in open. There are also risks in their trafficking. Women working in construction are paid less (by almost half) as compared to men. Most of the trafficked women in Nepal are those who have left their homes in search for work in urban areas.

#### **Lessons learnt:**

Internal migration is also significant in earning livelihood and improving the livelihood capitals like education and health. A major form of internal migration is still rural-to-rural migration, but rural-to-urban area for work is also growing resulting in the rapid urbanization. Income and ability to cope depends upon age, education and gender. Generally young and educated people are successful in internal migration.

### **1.3: Impact on immediate family:**

Generally, internal migration has lesser adverse impact on family and society because of frequent contact and visits to the home and the family. It also depends on type of internal migration. The internal migration for employment is largely the short-term or seasonal migration. There are long-term migrations which are related to long-term employment. Seasonal migrants or short-term migrants generally move alone. They go for work in Tarai in farming or to urban areas when there is lean season in farming at home. Therefore, absence of member of the household does not significantly adversely affect the production activities at home. Generally wage rates in Tarai are higher than rural areas in the hills. Similarly, wage rates in urban areas are higher than in rural areas. Therefore, there is more income for the migrants. For example, a person from portering could earn as much as Rs 500 a day depending upon the situation, and can save up to 5000 Rs in two month's of seasonal work in Kathmandu as portering. In the past, single adult male used to come to work in Kathmandu, but after the conflict more and more migrants came with family. But they developed assets and sent their children to schools, including private schools. There are about 30,000 vendors, who have generally been able to send their children to school in Kathmandu or in the village (Timilsina, 2007).

A study conducted in the early 1990s revealed that internal migration contributed 11.3 % of the household income, but the contribution varied across the household and ethnic groups (Adhikari, 1996). For the educated persons,

internal migration was slightly remunerative than the farm work, and thus internal migration helped them to increase savings, which was basically used for the education and health cover of the family members and in investing the assets. For those migrating in slack farm season for wage employment for seasonal or short term, the income was to earn cash income to buy foodgrains and pay the fees of the children. It is also true that a large number of internal migrants could not make savings at all. For example, 32 % current migrants working in Nepal could not make any savings (NIDS and World Bank 2010).

Internal migration and income/savings generated thereof reaches to other people – particularly close relatives and extended family members in case of migrants in temporary employment. A large majority of internal migrants are not able to save much except for meeting the immediate basic needs. However, even a small surplus income is helpful in emergencies of the extended family members. Migrants in the place of destination also form associations or communities and through these, emergencies expenses are shared. There are a few cases of migrants who have invested, as charity, in the schools, health posts, libraries and infrastructures like electricity lines. But this has usually come from a few only. But largely, the help in community development is low from the internal migrants.

***Lessons learnt:***

There is evidence that families have benefitted from internal migration and it has less adverse impact as compared to foreign labour migration.

**1.4: Impact on extended family**

The impact of internal migrants on extended family members also depends on migration type. The internal migration which has taken place for the white collar job and for businesses has been useful for the extended family members. People undertaking such migration help extended family members in finding job and in undertaking some philanthropic activities in the place of their origin (NIDS and World Bank, 2009). These activities include support for the local schools, establishment of scholarships in the name of their parents if any, paying the tuition fees of the distressed extended family members and the like. But again how far this has been done, it is difficult to quantify given the lack of studies in this area. The other type of internal migration like short terms or seasonal work, which is most common, may not have wider impact except in the family. However, they could help the members of the extended families to find work, or they become support for the new comer from the extended families in the place of work. Usually internal migrants –except for the long term job, do not bring family in the place of work.

***Lessons learnt:***

There is still gap in knowledge as to the impact of internal migration on extended family circle. Generally long term internal migration, especially for the job and business, has high impact for the members of the extended families.

**Section 1.5: Impact on community development:**

The direct impact of internal migration on community development in the place of origin is less common, except in a community from where a person works in high government offices and in businesses. They contribute from their own for community development activities or arrange public funds for these purposes. Their income is generally higher than what they could earn in the villages or local environment. The other migrants who move out for wage employment seasonally or for short time, do not usually have much contribution in community development. However, these seasonal short-term migrants become vehicle for the transmission of knowledge and inputs. For example, they have helped in introducing new seeds from the new place where they go for work.

***Lessons learnt:***

There is lack of knowledge on the impact of internal migration on community development. The impact of short-term migrants or seasonal migrants on community development is not that significant as compared to other forms of migration like foreign labour migration and diasporas.

**Section 1.6: Impact on local economy:**

The local economy gets benefits from internal migration in various ways – the households can increase income and thus is able to buy food and other things produced outside like clothes, sugar, tea, cooking oil and the like. It is precisely because of this necessity that poorer people migrate. The expenses made on educating children also helps in running the schools. Some of the internal migrants send their children to schools. Another use of remittances at home is the use of medical services. As a result, remittances earned by internal migrants create

business opportunities in the village. Moreover, most of the internal migrants, including those who commute, also use transportation facilities (Adhikari, 2001). Transportation facilities have not reached all the villages, but in their journeys, they need to use this service. Accordingly, internal population movement has some positive impact in the local economy. The remittances sent by migrants are also used in buying seeds and fertilizers. It is a general feature in hills Nepal, especially in areas close to urban areas, the seasonal migrants grow vegetables and keep animals to produce milk. These are sold in the local market. As seasonal migrants or internal migrants return usually in 2-3 months and their other family members are engaged in looking after the farm activities, there is no distinct adverse impact of the absence of an adult family member. The exposure of the internal migrants to the market and in the work place helps positively. They are ones to introduce new seeds. They spend a small part of remittance or the earning in buying the seeds. This is usually done by small farmers who have land but not sufficient land to produce all food requirements. In general, remittances do not have positive impact on agriculture as this sector has been affected by the cheap food imports also. But among the small farmers of the peri-urban areas, there is a tendency to grow more vegetables and produce more milk. The income from remittances is also used for this purpose. On the other hand, there is no distinct observation of mechanization of farming as an effect of remittances and labour migration. In Tarai area, this is seen to some extent. The shortages of labourers, partly due to international migration and less so due to internal migration and the ability to pay due to remittances has led to increased use of tractors for ploughing purpose.

**Lessons learnt:**

Local economy has benefitted from internal migration and it also has less adverse impact in agriculture. The impact on local economy that could come from investment of remittances is low because of cheap export of food and other commodities from outside, especially foreign countries. There is lack of knowledge on the impact, in both wider local economy and society.

**Section 1.7: Impact on national economy:**

The relative contribution of remittances from internal migration to total remittances in Nepal is declining – from 44.7 % in 1995/96 to 23.5 % in 2003/04 and 16.8 % in 2008<sup>2</sup>. But absolutely, it has been increasing from Rs 322 per capita per year in 1995/96, to Rs 483 in 2003/04 and to Rs 680 in 2008<sup>2</sup>. In 2009, it was estimated that 12 % of the remittances came from internal migration. Considering the fact that 23.6 % of the GDP came from remittances in 2009 (GoN and IoM, 2010), internal migration could have contributed to 2.8 % to the GDP. In the same line, internal remittance was slightly higher than the total foreign aid that came to Nepal.

**Lessons learnt:**

The role of internal migration is generally underestimated, but it has significant role in national development. Many of the ways people transfer remittances by the internal migrants including the hand carry system mean that it's contribution is not accounted as estimates are made based on bank transfers.

**Section 1.8: Research gaps:**

There are several research gaps in internal migration:

- There is no information as to types of migration within the country for different periods. Data on internal migration are generally derived from census reports which show life time migration only, which indicate mainly the marriage migration. These data are not that useful in understanding the labour migration and its impact on their livelihoods.
- Information are also lacking as to the welfare outcome, including vulnerability and asset development, of the migrants and their family members. Detailed ethnographic studies for different types of internal migration combined with representative surveys in different socio-cultural groups and geographical regions are required. The detailed ethnographic studies are to be conducted in the destination as well as the origin in order to understand the welfare outcome of the migration for the migrant as well as for the family and the community.

**Section II: Short Term Contract International Migration**

**Section 2.1: Introduction:**

---

<sup>2</sup> Based on Nepal Living Standard Survey I and II and Labour Force Survey 2008 (CBS, 2005 and CBS 2009).

Short-term contract international migration has increased from Nepal since the 1990, with the change in political system facilitating the movement of people to foreign countries. With the exception of 2008, the trend of migration is growing. In 2009/2010, about 293,000 Nepalis went to foreign countries except India, by taking the permission of the government (DoFE, 2010). It is estimated that about 40 % of this official migrant labourers go abroad through informal channels. Therefore, about 412,000 Nepalis went out to work in foreign countries except India. The case of India is difficult to examine as the border is open and there is no record of people across border. It is estimated that about 1.5 to 2.5 million Nepalis work in India. The main destination countries (except India) for the Nepali migrant workers are Malaysia, Qatar, Saudi Arabia and United Arab Emirates. NIDS and World Bank (2009) study reveals that in 2009 there were 2.02 million foreign labor migrants from Nepal, of which 0.88 million (43.74 %) were working in India and the rest (1.13 million or 56.26 %) in other countries.

In terms of gender composition of foreign labour migrants, data obtained from government record do not give a complete picture and it underestimates the migrant women's population as about 80 percent of women migrants go out through informal channels, particularly from India. A study (NIDS and UNIFEM, 2006) has estimated that 10 % of the migrants are women. The study of NIDS and World Bank (2009) has revealed that only about 8.36 % of the labour migrants are female and 91.64 % are male. There is also shift in the regional origin of foreign migrant workers in Nepal. In the past, a larger number of these migrants used to come from the hills, but in recent times, Tarai (Plain area) sends more migrants. The recent survey of NIDS and World Bank (2009) has revealed that about 48 % of migrants originated from Terai, 45 % from the Hills and 7 % from the Mountain. This is more or less the distribution of population of the country also. Considering the development regions, migration for work is more common in Eastern development Region, followed by Central and Western regions.

About 75 % labour migrants are unskilled and 23 % are semi-skilled and 2 % are skilled. A large majority (80 %) of them are from 20-30 years age bracket, and 75 % are high school drop-out. Nepali migrants are involved mainly in entry level or menial types of work.

Participation of different wealth class (quintile groups based on income), shows an interesting pattern. The migration to India increases as we move from richer to poorer groups. The exact opposite is the trend for other countries. This was also revealed in the past study (Seddon et al 2001), which showed that poorer groups go to India, lower middle class to middle east and wealthier people to developed countries. There is distinct pattern of migration from different ethnic and caste groups. There is still the domination of Hill Janajatis in the total volume of labor migrants. They account about 30 % of the migrant population. Migration rate is also high among other hill ethnic groups like Brahmins, Chettris and Dalits (NIDS and World Bank, 2009).

## **Section 2.2: Impact on migrant:**

A recent study has shown that there is a drastic change in monthly income of migrants before and after their migration (NIDS and World Bank, 2009). The monthly income of currently employed Nepali in foreign countries was about 7.4 times higher than their income in Nepal<sup>3</sup>. In case of migrants to India, it increased by 5.3 times. Migrants also faced change in their occupation. Before migration, 57 % of them were absorbed in agriculture. But after migration, most of them were employed in different non-farm sectors - for example, those currently employed in destination countries are employed mainly in industries and factories (28 %), followed by construction (16 %) and hospitality industry (15.6 %).

The health protection of migrants has been a major issue. A study has shown that about one-fourth of migrants received injuries while working and 45 % fell ill caused by the work (NIDS and World Bank, 2009). Similarly, one-fourth claimed that they would probably be fired if they had fallen ill. The cases of death due to illness and inadequate work and living conditions are high<sup>4</sup>. For example, every day, there are three deaths caused by heart problems and sudden death. These are arisen because of fatigue, unfavourable climate and proper cooling and heating system in the accommodation (for example, 28 % migrants reported that they had to live in over-crowded

<sup>3</sup> Monthly income in Nepal was Rs 1711 but now in foreign country it was Rs 14,322. In case of India, before migration it was Rs 933, but it was 5,944 after migration.

<sup>4</sup> Web source: The Himalayan Times, Nepali women facing hard times, Last updated on 2009-11-24 11:17:02, Accessed on 18 April 2010 ([www.thehimalayantimes.com](http://www.thehimalayantimes.com))

<sup>4</sup> Web source: Republica, 24 Nepalis die in a month in Qatar, Published on 2009-06-25 11:59:36, Accessed on 18 April 2010 ([www.myrepublica.com](http://www.myrepublica.com))

accommodation). Therefore, health issue has been the main one. This is also so in case of women – who mainly work as domestic help. Sexual exploitation and other harassment have raised concerns on women's migration. Of all the migrants, 22 % received violence or abuse in the work place, and this raises to 80 % in case of women.

Experiences of a few skilled and educated migrant workers are different than the majority of workers who are unskilled. The salary, working conditions, health coverage and other security are far better for the skilled and educated persons. For example, the average salary of illiterate migrants in Qatar was 103 Euros. But the salary scale of those having 12 classes to 15 class (i.e. BA) study was 326 Euros. Similarly, the salary scale increased with the increase in educational level (Brusle, 2009/10: 167). As the language problem has been considered as the main reason for various problems, workers with education and with slight ability to understand English can cope in better way.

**Lessons learnt:**

It can be inferred that proper enforcement of working condition as per the contract is important and mechanisms need to be sought to address or monitor this. Increase ability on the language of the destination society and general skill level helps in better coping and better earning.

**Section 2.3: Impact on immediate family:**

There are positive as well as negative impacts on immediate family members. While the income sent by the workers has been useful to increase consumption and development of social and financial assets like education and health of family members, the absence of adult also has consequences on family harmony and proper guidance of children. 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. This shows that remittance is invested primarily in livelihood improvement. Similarly, another study has revealed that the first aim of getting remittance is to use it for daily consumption (food and clothing) purpose as a large majority (54 %) reported this. This is followed by payment of loan as a major use of remittance. Education featured as a main 2<sup>nd</sup> purpose in the use of remittance, which is followed by payment for loan and food and clothes needed at home. The main third purpose of using remittance is payment of loan, payment of interest, education and food and clothes. This shows that remittances have been used primarily to build the human capital – through improving food security and education. Purpose of developing asset (like investing on land and house or business) is relatively less important in the use of remittances (NIDS and World Bank, 2009). The qualitative information collected in the study also reveals the similar pattern. Some of the major findings are:

- Most of the remittance is used for food, cloth, child education (in private boarding school), household expenditure, purchase durable goods, electronic goods, land/plot, and gold and silver jewelleryes.
- Very few of have used their remittance to run own business and industry.
- Most of the households which have members now working in foreign countries are also migrating to Kathmandu or urban centres for their children's education.
- The remittances are mostly found to be used for paying loans if they have otherwise in making houses, buying land and daily consuming expenses.
- Most have purchase household electronic goods such as TV, DVD, and mobile etc.
- There is largely no misuse of remittance as it has used been used for consumption and social (education and health) and physical (land plots and houses in few cases) asset development. Consumption is in fact is useful, except in a few cases of children being spoiled due to lack of guidance.
- There is no direct link in remittances and business or other ventures except in few cases where returned migrants have used their skill and experiences in running businesses like restaurants and hotels. This could also be due to the fact that there is no business environment in Nepal because of political instability.
- There are potentials to develop business and enterprises from returned migrants through proper incentive structures.

**Lessons learnt:**

Remittances have been used productively in most instances. The consumption expense, which is generally considered unproductive, is also productive. Incentives structures are required to motivate returnees or migrant family members to use remittances in employment generation activities like farming, enterprises or industries.

**Section 2.4: Impact on extended family:**



The impact on extended family is generally positive except in few cases where family harmony has been disturbed. It is also because of the extended family that the adverse impact of absence father and mother has been largely avoided. But the problem of the elderly has become severe as they have no other mechanisms to support themselves except the dependence on children. A large number of newspapers have reported this from time to time based on their visits to rural areas. This is a case in a society which is in transition but without any alternative mechanisms to support the elderly. In the urban areas, the concept of elderly house is developing precisely because of this, but this is more limited to wealthier persons. In rural areas this has not yet developed. The work load on women has generally increased. They have to meet their children's modern aspirations and also look after the house. Family breakdown are now reported, though the cases are few. Still the extended family system is helping to save the marriages and to care for the children left behind. Otherwise, there would have been various problems.

The extended family system and the social obligation to look after the extended family members have helped to a small extent in distribution of income, especially during the crisis. In a study, it was revealed that a significant number of non-migrant households were getting remittances, especially kind remittances, and this was sent by the member of the extended family system (NIDS and World Bank, 2009). However, this may be of just a symbolic nature, but the migrants' help during crisis is crucial. It is reported in a study that sometimes a returnee migrants are overwhelmed with the social obligation to support others. As a result, they try to relocate themselves at least for some period. But the successful migrants have relocated themselves in most of the cases, especially to urban areas. A few unsuccessful cases of migration have also been a big issue as this has ruined the family. The issue of STDs and HIV/AIDS resulting from migration, especially to India, has become serious and is affecting the whole family adversely. This is high particularly in mid west and far west regions. A study conducted in Doti (which is similar to other areas of mid and far west in terms of migration to India) in 2001 revealed that 11 of 137 men (8%) were positive for HIV infection and 30 men (22%) had syphilis. The respondents, especially the migrant-returnees from Mumbai, were engaging in risky behaviors such as pre- or extramarital sex, and sex with multiple partners, including sex workers. This study revealed high HIV and syphilis prevalence among the male migrant-returnees and non-migrants in far western Nepal where migration to Mumbai is common (Poudel et al, 2003).

**Lessons learnt:**

Extended family system is still useful to avoid adverse impact, and thus, there are also benefits from migrants for the extended families. The problem of elderly people is becoming serious.

**Section 2.5: Impact on community development:**

There are strong evidences to support the case that migration and remittances have helped in community development through support in education, religious institutions or in infrastructural development. A study (NIDS and World Bank, 2009) revealed that 32 % communities experienced much improvement in their condition because of migration and remittances; 56 % communities experienced somewhat improvement in their condition; 9 % communities did not experience change in their economic condition, and only 4 % experienced decline in economic condition. The qualitative survey also revealed that the following the ways in which community development has been supported by migration and remittances.

- A very few have also contributed in the development of infrastructures of their communities such as road, communication, electricity etc. They have donated money for this purpose. In their return trip they do so. For example, in Annapurna region, a cultural program is organized at the house where a returned migrant has come and he is asked to donate for the development of community. The fund is used in various purposes – in schools, health post, water supply and the like. In Dharan, migrants built the Tower with clock. There are plenty of cases where migrants have invested in religious institutions and in charity.
- Returned migrants show interest to educate their daughters also. They are more gender sensitive as they have seen women working in good places. They are also concerned about the environment, health and sanitation of their locality.
- They are also able to take leadership role in the villages. Their exposure to outside world
- Technical skills learnt migrants are also useful in society. For example, in Baglung, it was reported that it is because of the retired Indian army personnel that they are able to run vehicles in rural roads.
- Financial co-operatives have increased exponentially in Nepal – both in urban and rural areas. Remittances have been useful for this.

**Lessons learnt:**

There are many small ways that migrants have been contributing to community development and this is especially so where communities have developed mechanisms to recognize the migrants' contribution. The social prestige and recognition have motivated them to contribute.

**Section 2.6: Impact on local economy:**

The local economy has been boosted by migrants through two ways – firstly, employment opportunities and businesses for various service providers and, secondly, through the investment or expenses of remittances and purchase of services like education and health. The network of recruitment agencies and other service providers has reached right to the village level. It has created job opportunities. There are agents and subagents, remittance transfer agencies and others even at the local level and they have got jobs and income. Communication centres have also opened in every nook and corners in order to provide service to migrant families.

Expenses of migrants at the local level have led to increase in businesses. The main development is the growing establishment of private boarding schools in villages and local market centres. Generally migrant families send their children there. The other development is the construction of houses by the migrants and employment created there of. In urban areas and market centres, the persons building new houses are mainly the migrants because farmers are not able to do that as there is little agrarian surplus. The booming urban centres in Nepal are supported by remittances and are creating employment.

Even though there is no direct link between remittances and farming – rather farming has declined due to various reasons – in Nepal, there are cases of returned migrants or the migrants investing in businesses in urban centres. These businesses are mainly the restaurants, hotels, resorts, and grocery stores. For example, migrants from Japan have opened good restaurants in Pokhara. Retired Indian army personnel in Nepal have invested in driving institutes and transportation services, mechanic repair centres and the like.

With migration, access of women to local and regional markets has increased. They have to make decisions to invest remittances and increase mobility to have access to education and health facilities. As a result, women have also stayed alone in market centres for this purpose leaving the rural house. The women's ability to deal in the local and regional market has increased in recent times.

**Lessons learnt:**

Local economy has been supported by the expenditure or investment of remittances and activities of the migrant workers. This is mainly so as the surplus is not generated from the farming. As the remittances are mainly invested in urban areas, rural areas lack economic boost, except for the aim to maintain subsistence.

**Section 2.7: Impact on national economy:**

Remittances and migration have contributed in overall economic growth and poverty reduction. The available data shows that dependence of Nepalese economy on GDP has been growing at a fast rate. Remittances contributed to 15.6 % to GDP in 2005/06 and to 23.6 % in 2009/2010 (GoN and IoM, 2010). This remittance includes both workers' remittances as well as pension remittances (pension of workers who previously worked in foreign countries). However, the contribution of pension remittances is low – around 1.8 % only. A large part of this remittance is from short-term contract workers in foreign countries. Only about 12 % of the remittances is from internal migration, and so the remittances from short-term contract workers would be about 20.8 % of the GDP in 2009/2010. Remittances have also become a main source of foreign exchange. For example, it contributes to foreign exchange eight times more than the tourism. It is three times more than the export income and five times more than the official foreign aid. In recent times, it has also helped in maintaining the positive balance in the 'balance of payment' of the country. At the macro-level, the whole foreign employment sector contributes significantly in government revenue and in generating employment to about 0.34 million people daily in the country. Therefore, in terms of employment generation in the country, it has also been playing a significant role (GoN and IoM, 2009).

The main impact of remittances in poverty reduction has come from its contribution to household economy. In 1995/96, about 23.4 percent households received remittances, which increased to 31.9 percent in 2003/04. The remittance per remittance-receiving household has increased consistently in these periods. From 1995/96 to 2008,

the remittance per household (of remittance receiving households) has 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 (GoN and IoM, 2010).

Remittance at the household level has also played important role in the reduction of poverty. For example, it has helped in reducing poverty rate from 41.76 percent in 1995/96 to 30.85 percent in 2003/04. If there was no increase in remittances, poverty would have dropped by 4.8 percent point instead of 10.9 percent point (CBS et al 2006). National Planning Commission has estimated in 2009 that poverty rate has dropped to 25.4 % - mainly due to remittances. Remittances contributed to 20 % of the poverty reduction in the period from 1995/96 to 2003/04 (Lokshin et al, 2010: 331). If there were no increase in remittances in that period, poverty would have come down to 33.6 % only, instead of 31.9 %. But still poorest 20 percent have not got this opportunity to get remittances (CBS et al 2006). 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 (Thieme and Wyss, 2005). 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.

#### ***Lessons learnt:***

Short-term contract work in foreign countries has been able to employ the young people that come into labour market every year, and it is growing every year. Remittances are still low and there are scopes to increase remittances by reducing the cost of migration and sending money and by improving the skills. Labour migration could be one of the effective ways to reduce poverty. There is lack of effective mechanisms (incentives) to link remittances with internal economic growth of the country, and this is necessary for the sustainable development or economic growth.

#### **Section 2.8: Impact on host country:**

There is no study or proper understanding on how migrant workers from Nepal have contributed in the economy of the host countries. As a matter of fact, all the concerns are on impact on sending countries. Because of this, received countries some time consider that by accepting workers from sending countries they are only helping the sending countries.

A large number of Nepali workers are now working in Gulf countries and Malaysia, and mainly in construction sector. In Malaysia, they are also working in factories and as security guards. Nepali women in these countries are working as domestic help. They are certainly helping to develop their economy and making the households capable to leverage their members, particularly women, free to work or participate in the outside economy. This has certainly been beneficial to the people and the economy in host countries.

Most migrant workers have worked in a condition where human rights are abused and working conditions are not in accordance to the principle of 'decent works'. Many have worked at below market wage rate, i.e., they get less than what the local person would get for the same work and the same working condition. To take an example, it is often reported that Nepali workers just get 25 % of the wage rates of a Japanese person involved in the same work with same working condition. This would obviously mean greater contribution from the migrant workers. The goods and commodities so produced or the services so provided become cheap, and this would also help the local residents in securing their livelihoods.

Another area of Nepali workers, especially female, is the care service for the aged and sick and disabled. By working hard and with low wages, migrant women are contributing to the national economy. In the absence of these workers, families and the state would need to invest more. This has also made the children or family members of these elderly and sick people to work fully in the market.

The host countries are getting the services of these young, often educated and skilled, persons without incurring any cost for raising them and educating or training them. This is a big advantage for the host countries, but these cannot be quantified a studies have not been done in this area in Nepal.

**Lessons learnt:**

A study or an understanding is needed on how and to what extent migrants workers are contributing to host country. If possible this needs to be quantified so that it could become an advocacy tolls for the greater benefits of the migrant workers.

**Section 2.9: Research gaps:**

Some gaps in the knowledge on this type of migration are:

- At present, government and policy makers are only concerned with brining more remittances, and there is not much understanding as to how migration and remittances is contributing to the local economy, especially the household (for all members including extended family members) and community economy. Detailed ethnographic studies are required in different socio-economic and geographical locations.
- The knowledge of how migrant labourers are contributing in the economy and society of host countries is lacking. Such studies could be effectively conducted by a South Asian organization to cover migrants from all countries of South Asia and conduct studies in host countries. A detailed survey and ethnographic methods are required for this. FGDs with workers in host countries also need to be done for this for quick understanding of the situation.
- The role played by rural to urban migration by remittances is not fully understood – particularly from the perspective of transferring of remittances from rural areas.
- The knowledge on the skills of the returning migrants and possibility to utilize these skills is still lacking. This needs to cover the incentives structures required to motivate them to use those learnt skills.

**Section III: Cross border population movements<sup>5</sup> both regular and irregular****3.1: Introduction:**

Cross border movement of people in the context of Nepal include mainly the movement of people between Nepal and India. As his movement is open, there is also no record available of this movement<sup>6</sup>. Apart from this, Nepali migrants have also been leaving the country for short term work in other countries through a contract between employers and workers. This has already been covered under section II. Nepalis have also been moving to other countries as immigrants, for studies, visits and pilgrimage, and as refugees. In the same line, Nepal has also been receiving refugees, particularly Bhutenese refuges and Tibetan refugees and a few from African countries. But by far the cross border movement of population include mainly the movement of people between Nepal and India. A small number of Nepalis still work in Indian armies (about 50,000) and British armies (about 5,000) (Adhikari, 2006). The main source of data for cross border movement is the census data. This includes people leaving the country and entering the country. The limitation of the census is that it covers people living in overseas countries for more than six months. This means that movements for less than six months are not covered in census reports. In fact this type of seasonal movement – dominates the migration between Nepal and India. The census report of 2001 shows that 762,181 people of Nepal were living in foreign countries, of which 589,050 (or 77.3 %) were living in India. This population constituted 3.4 % of the resident population of Nepal. This proportion was 2.7 % in 1981 and 3.6 % in 1991. In 2001, women comprised 10.9 % of the absentee population (living in foreign countries). This proportion was 18.5 % in 1981, 16.8 % in 1991 (Kansakar, 2006). The volume of absentee population is, in fact, growing. A recent and comprehensive study conducted by NIDS and World Bank (2009) reveals that there are about 2.02 million Nepalis working in other countries. Of these 0.88 million (43.74 percent) were working in India and the rest (1.13 million or 56.26 percent) in other countries. Except India, the other countries which are important in terms of volume of migration are Qatar, Malaysia, Saudi Arabia, UAE and Kuwait. The study of NIDS and World Bank (2009) has revealed that only about 8.36 percent of the labor migrants are female and 91.64 percent are male. Another study had estimated that 10 percent of the migrants are women (NIDS and UNIFEM, 2006). Generally Nepali migrants work in menial jobs in India or in other countries.

<sup>5</sup> Here the cross-border movement of population includes people crossing the national border of sovereign states and the process involved in crossing this border. This could include migration for employment, seasonal mobility, non-legal migration, religious pilgrimage, permanent settlements, refugeeism as forced migration, state-sponsored movements, brain drain and 'reversals' of drain, forms of returneeism and environmental migration.

<sup>6</sup> There is no restriction and no document of entry is required except for those using the air-plane; there is no restriction in employment and citizen-like treatment is to be given to people of each other country.

The census data gives a much smaller volume of Nepali migrants to foreign countries. For example, according to the data from the Department of Foreign Employment (DoFE, 2010), 1.72 million Nepalis went to foreign countries from 1993/94 to 2009/2010 (i.e., Mid-July 2010). In the year 2009-2010, 294,094 (284,038 male and 10,056 female) went for work in foreign countries other than India. These were the people taking permission from the government for the work. People going for work through irregular channels are not covered by official data. Therefore, their number is difficult to estimate. According to informed sources, about 40 percent of the total labor outflow takes place through irregular channels. This means about 412,000 Nepalis went to foreign countries for the work.

The important destination countries of Nepali migrants are India, Malaysia, Qatar, Saudi Arabia, United Arab Emirates, Kuwait, Bahrain, Oman, Lebanon and Israel. India is certainly most important destination for Nepali workers, but there is no official estimation of this migrant workers population. The estimate range from 0.8 million to 3 million (Adhikari, 2006). Government data shows that 0.56 million Nepali went to Malaysia in the period from 1993-2010 followed by Qatar (0.48 million), Saudi Arabia (0.34 million), UAE (0.21 million), Kuwait (0.024 million). There are 108 countries in which Nepalis have gone to work. Considering the women migrant workers only, the most important destination countries are: Lebanon, Kuwait, UAE, Israel, Bahrain, Oman, Qatar, Malaysia, Macau, and Saudi Arabia. Again this is based on official record, but, as discussed above, many more women migrate for work than as revealed from this data.

There is not much concern on the immigrant workers in Nepal. There is no record of Indian workers in Nepal as they come freely and without any documents. The estimates of Indian workers in Nepal range from 0.58 million to 2.0 million. Apart from Indians, the government record showed that there are about 5,000 foreigners (in addition to Indians) working in Nepal with work-permission. Most of them have come for donor-supported projects. There are about 89,500 Bhutanese refugees, 21,500 Tibetan refugees and 3,000 other refugees from Africa (NIDS, 2010). The census report of 2001 reveals that there were 608,092 foreign born people living in Nepal then. Of them 70.7 % were born in India (Kansakar, 2006).

A majority of international migrants in Nepal are engaged in skilled and semi-skilled work in trade and service. Many of them also work as vendors, plumbers, electricians, carpenters, tailors and barbers.

The movement across the borders was also affected by political conflict (1996-2006) in Nepal. It is difficult to estimate people going to other countries because of the conflict, but the estimate ranges from 37,000 to 400,000, and a large majority of them had gone to India<sup>7</sup>. But after the conclusion of the armed conflict, many of them also returned to Nepal (Adhikari, 2006).

Seasonal migration across the border between Nepal and India is another feature of the cross border movement of people. It has taken place due to both pull and push factors. It is again difficult to estimate the volume of this migration. Nepalese from mid west and far west go to India for seasonal work and come back to involve in farming. It is estimated that up to 70 % households in mid west and far west Nepal have at least a member that goes to India for work. People from Tarai Nepal, particularly eastern Tarai, go to India to work in farming during the peak farming season. On the other hand, a large number of Indian people from Bihar and UP also come to Tarai, Nepal, to work on farming on a seasonal basis. This seasonal migration is basically done to earn some income during the slack farm period. The wage differential is the cause of seasonal migration. Wage rates are generally higher in India and non-farm sector than in agricultural sector. Seasonal migration is the main livelihood source of the poor households in villages (Gill, 2003).

Nepali women also migrate to India for work. They go to India through their husbands or family members and work as domestic help. There is an increasing trend of taking young girl to look after the children of nuclear families in urban centres like New Delhi so that women employer can take part in formal job. Another category of women working in India are the trafficked women. It is estimated that 5,000 to 7,000 girls are trafficked from Nepal to India and other neighboring countries every year and about 200,000 Nepalis girls and women are currently working in the sex industry in India (TIP, 2008).

Education has also become a new cause for cross-border migration. Nepalese students are dispersed all over the world - from nearby countries like India, Pakistan, China, and Bangladesh, to countries in the east like Japan,

---

<sup>7</sup> Global IDP Report, Sept. 2004, p. 48.

Korea, and Singapore, to those further away in Europe, such as Germany, Belgium, Denmark, France, Finland and Switzerland, and North America- in the pursuit of education. In total, an aggregate of around 24,000 Nepalese are spread out in well over 55 countries worldwide, according to the Ministry of Education of Nepal, and this excludes India as Nepali students do not require permission from the Ministry for study in India. The number of Nepali students in India could be very large.

### Section 3.2 Impact on migrant:

Most people who moved from Nepal to India as short-term or seasonal or temporary workers do not earn much. But it is done due to compulsion or poverty at home, conflict or the tradition of migrating. For example, a Nepali earns, on average, about INRs 2,000 a month in India, but this is also high considering that there is lack of employment within the villages. However, the income level varied a lot with education and nature of job. A large number of migrants, almost 40 %, earned from INRs 1,000 to 2,000 in a month. The cooks, *chaukidar* (watchman), factory workers, experience gardener and the like were found to get this much of salary. These people when they work in formal institutions like companies, big restaurants and hotels and get experience, they will start to get INRs 2,000 to 3,000 a month. Permanent job holders in formal institutions like banks, army, universities, factories and companies were said to get more than INRs 3,000 a month. Only one in four migrants was found to get this level of salary (Adhikari, 2006).

The type of work in destination countries is also different. Most labourers work in both formal and informal sectors, but mostly as menial workers. Most of these jobs required no skills and education. The most common jobs undertaken by migrants in India were *chaukidar* (security guard), portering, domestic help and general unskilled labour work. *Chaukidar* was the most sought after work by Nepali migrants, but this seems to have been difficult in recent years. The more and more formalization of 'security jobs' by security companies like 'group four' is reducing the opportunities for Nepalese. Analysis of the work also reveals that there is a direct correlation between educational status and the nature of work. Poor and illiterate people were found to work in informal sector like domestic help, watchman, portering, farm labor and hotel/restaurant workers. Prior to migration, most of them worked in farming. The income level also varied with the age and strength. The Nepali migrants in India who are young prefer to work as porter and get more money.

The case of Indian migrants is slightly different. While, a relatively more Indians who come to Nepal are skilled and educated and are involved in professional work or trade, a large number of them also work as Nepali migrants in India. But, it is widely reported that their income is higher than that of Nepalis in India.

The treaty that guides the population movement between Nepal and India has a provision for citizen-like treatment for the citizen of each other country. But, there are concerns raised from time to time about the security of migrants because of their nationality. Nepali migrants are generally robbed while travelling to return home. Increasingly, Nepalis are also illogically implicated in crimes and such cases are unnecessarily given more attention in the media. In Nepal also, poor Indian workers face the wrath of 'nationalistic sentiments' spread by the leaders and are abused. Therefore, securitization of workers is a big problem.

The problem of STDs and HIV/AIDS are becoming serious especially with people coming from India. Women who worked in commercial sex in Mumbai registered the highest HIV prevalence (50 percent), followed by those who worked in other areas of India (7.4 percent). Women sex workers who never worked in India had far lower prevalence (1.2 percent) than those who had worked in India (Ausaid, 2002). Male migrants, particularly those who go to Indian cities (mainly Mumbai) for work, are also vulnerable to HIV/AIDS. A study conducted in 2001 in Doti district in the far western region found that 10% of male migrants returning from Mumbai had been infected with HIV. The situation found in Doti district is common to among other districts of that region (Paudyal et al, 2001).

The cross border migration has also helped to change the skill and occupational experience, especially of Nepali migrants. The non-farm skills are gained by Nepali migrants after migration to India as such opportunities are less in Nepal itself.

**Lessons learnt:** There are several lessons from the present impact of cross-border migration. The main being that migrant have moved across the border for various reasons, the main being the work in India, followed by education in India and then to other countries, and as refugees and internally displaced persons. The main form of cross-border migration is undertaken mainly for livelihood security and to augment the income at home. The increased risk from this form of migration is HIV/AIDS and STDs.

### **Section 3.3: Impact on immediate family:**

Two main impacts that are evident from cross border movement of population, especially the movement between Nepal and India, are slight economic improvement of a few migrants and improvement in skill level and occupational mobility. But the experience in this regard is different between Nepali and Indian migrants and of different types of migrants and their occupation.

Nepalis who worked in India in army jobs are better placed and this movement has greater impacts on family members as they would also get medical and other supports from Indian government. However, this could also be termed as special type of cross-border movement not common in other countries. Similarly, Indian government helps through various welfare programmes in the communities from where army personnel originate. There are also greater financial benefits in this type of movement including the pension benefits extending up to second generation.

In other types of cross border movement between Nepal and India, there are not much financial and other benefits for the individual as well as the family members. A study has shown that Nepali migrants in India have slightly improved their economic position. The main impact being that they have been able to stop the degradation of their economic position. This was seen to some extent in about 60 percent households where member working in India sent some remittances. About 25% migrants did not send any remittances as this was just enough for survival. This study has also shown that about 2 % migrants could improve their position from 'medium to rich', and they were mainly the retired army officers. There is also a shift in the economic position of a small section of migrant families - from 'very poor' to 'poor', and from 'poor to middle class'. About 6-7 % respondents seem to make such improvement in their class position. In case of Indian people coming to India, they could also improve their economic position, but there is great variation in improvement across occupational groups (Adhikari, 2006).

The easy movement to India has to some extent helped Nepalis, especially the middle class, to access the medical facilities and educational facilities. People suffering from severe problems in Kathmandu tend to go to India for treatment. Moreover, many people go to India for education. Nepali migrants working in India with long term jobs have also been able to send their children in the schools and universities there. Similarly, a large number of Indians come to Nepal to get special treatment related eye problem. In fact, the open border has helped the people of both countries to move across and receive best services available.

The cross-border movement which helps to establish network and social capital is useful for other people in the family. This has helped the family members to go to India for medical treatment and education also.

### **3.4: Impact on extended family:**

The main advantage or impact of the cross border movement is that the person who has gone to India, or other countries for that purpose, becomes a social capital for the extended family members. Therefore, other extended young men can have a link and short-term support for further migration. In case of India, this also becomes a way for the elderly to go for medical support.

The positive impact of cross border migration and its ripple impacts to other extended family circle also depend on the nature of job and income level in India. It has to be borne in mind that an overwhelmingly majority of Nepali migrants in India is from poor economic background and they are also doing menial and low income work in India. They are also not making a large savings to invest in Nepal. However, people working in Indian army and a few professionals working in IT and medical sector in India do make some savings. There are evidences that that support their extended family members during emergencies or provide loan with no interest. Some of them also support education fees for the extended family kids.

### **3.5: Impact on community development:**

The impact of cross border movement of people, especially to India, for community development is not that significant. This is so because this is a kind of marginal migration for an overwhelmingly majority of people who move to India. Therefore, their benefits usually rest within the migrants or move to the households, and rarely to extended family. The community development impact is less. However, it also depends on income level of migrants and their occupational pattern. For example, retired army personnel are involved in community

development work and also invest some money for community development to further their social prestige. The discipline and other behaviour of such army personnel have also created good impacts in the communities.

The cross border movement between Nepal and India is also done for the religious purpose. Indian people come to Nepal for religious purpose. A few cases of their investment for religious purpose are also seen. Religious schools are also supported. But this kind of impacts has come from more political purpose. Nevertheless there are people who benefit from these endeavours for their livelihoods.

### **Section 3.6: Contribution to local economy:**

The advantage of the cross border movement in local economy is less from economic intervention but more from skill exchange and knowledge. As stated earlier, there is not much economic gain from migration to India except for deriving some income to purchase food and clothes and other necessities at the household level. Only a few migrants in India have become well off and generate savings for investment in Nepal. The exception could be of few high level personnel in Indian army who have invested in businesses and house construction. This has certainly helped in boosting local economy to certain extent. But, in general, businesses get some income because people derive some income in India.

The skill learnt in India seems more useful for local economy. For example, a study has shown that those returning from India establish some small shops in the village. They have also taken the wage employment in large numbers, which was due to combination of skill improvement and greater disposal to work on wage basis. In many urban centres in Nepal, particularly Kathmandu, the return migrants from India have established many restaurants, especially those that serve Tandoori and other foods. They provide cheap food also. Many taxi drivers are return migrants. In rural areas and difficult roads, ex-army personnel are considered good drivers. The mechanical and industrial skills are easily learnt in India and these skills have been useful (Adhikari, 2006).

### **3.7: Impacts on national economy:**

There is no separate analysis of remittances entering from Nepal from cross-border movement. Considering the case of Nepal and India also, it is difficult to estimate remittances entering from India to Nepal. The estimate of remittances from India ranges from Rs 6 billion to Rs 40 billion (Seddon, Adhikari and Gurung, 2001). At present, it is estimated that 12 % of the total remittances in Nepal comes from India, which represents about 2.8 % of the GDP of the country. This means about 33 billion Rs. Another source was that of *Himal Khabarpatrika* (2003, 15-29 March: 22-45) which reveals that Rs 31 billion enters into Nepal from India. Here it was assumed that 2.4 million Nepali works in India and of them 1.4 million send remittances at the rate of Rs 1400 in a month. This would mean Rs 23 billion in a year. Similarly 48,000 were assumed to work in Indian army and 105,000 were considered as pension receiver for their past service in the army. This army service would bring Rs 8 billion in a year. The proportion of remittances coming from India has been declining also – from 32.9 % in 1995/96 to 23.2 % in 2003/04 and 14.0 % in 2008-09 (Adhikari, 2006).

Nepal has also benefitted at the initial stage of modernization started since 1950. At that time Nepal did not have skilled human resources. Even there was shortage of teachers in the schools and colleges. These shortages were largely filled by Indian teachers and technicians. Now these teachers and technical persons are educated in Nepal itself. Nepal still fulfils the shortage of especially skilled human resources from India.

The movement of people across the border has been helpful for Nepal to get Indian currencies. There is a huge gap (about Rs 77 billion trade deficit in 2008-09) in trade between Nepal and India as Nepal brings almost all consumables, except a large proportion of food, from India. The currencies required for this large import is balanced through remittances brought by Nepalese workers.

The cross-border movement to India from Nepal has been significant mainly for livelihood security of many poor and lower middle class of households that participate in this migration. This must certainly have been helpful in preventing from deepening of poverty for many. But, cross border migration has not been significant in bringing economic prosperity or economic mobility. For many going to India does not cost much, and thus in this sense it is also less risky adventure.

### **Section 3.8: Impact on host country:**



Nepali migrants must have contributed a lot in the development and economic security of other people in the host country, particularly India. They work with low wage and work hard. As a result, the cost of production or the cost of services would go down. Nepalis are also useful in particular niche of work in which Indians do not have competency or strength. For example, they have been useful for the security of houses, businesses and the like. This is very important for creating good business environment. Another area of work that Nepalis are employed is the infrastructure construction in high hill areas, farming in the hilly areas and other general activities there like portering. It is said in India that the farming in hilly areas of Uttarchanchal Pradesh would collapse if Nepali workers do not come there. Similarly, Nepalese are helping in the construction and maintenance of road and other infrastructure in high altitude areas.

The urban areas of India have changed in the sense that more and more women now participate in formal employment. Taking the case of Delhi, a large number of young girls are brought from Nepal to look after the young children. Similarly, many women are also helping in domestic work undertaking dirty works like cleaning and washing of the house, clothes and dishes. The service of the army personnel is well regarded as they work risking their lives. In recent times, there is a tendency of young Nepali people to undertake restaurants with new food items from Nepal.

The above are the general benefits that host country like India are getting from migrants from Nepal. But it is difficult to estimate quantitatively the contribution made. Such studies have also not been undertaken.

### **3.9: Identification of research gaps.**

Cross-border movement of population is very large, especially between Nepal and India, but there is not much knowledge as to different types of movements, their purpose and their significance for the migrants, society and national economy. At present, the movement for work is partially captured. Even though the volume of this migration is huge as compared to that of short-term international contract migration, the emphasis for study and policy making is on the later. Particularly, the followings are the research gaps:

1. Understanding of different types of movements – eg. for work, for medical, for religious purpose and educational purpose – and their significance in Nepal society. The study required for this needs traffic-surveys in the airports and border points along with case studies in hospitals, colleges/universities, factories in the destination countries.
2. Knowledge about the impact of Nepali migrants in other countries, especially India is lacking. This requires detailed studies among Nepali migrants in India.
3. There is not much understanding of the coping mechanisms or the living and working conditions of migrants including their access to health and educational services in destination countries like India. This also requires ethnographic studies in the locations where Nepali workers are living.
4. The gender dimension of the migration – in the destination countries and sending societies of the male and female migrants needs to be studied. The demand of workers in the destination countries has changed a lot and this has implications for development.
5. The policies of the countries regarding cross-border migration need to be analyzed.

## **Section IV: Diaspora and Immigrants Settlers:**

### **Section 4.1: Introduction:**

Nepalis have been moving to other countries since a long time ago, but their migration to distant countries in North America, Europe, Australia and other countries in Asia is a recent phenomenon. Some of them are working as temporary workers and some are citizen or permanent resident of that country.

The estimation of the volume of diaspora is dependent on its definition. There has been controversy regarding its definition and on who to include and not include. The Nepali diasporas in its true sense include those who have migrated away from Nepal and want to maintain connection to derive 'identity' in foreign country from their roots in Nepal and think of helping and being helped by Nepal. Considering this definition all foreign migrants, including labour migrants, come under this definition. In Nepal's context, there are two concepts related to diaspora - 'PNO' and 'NRN'. PNOs are Persons of Nepali Origin who can trace their roots to Nepal but who have taken out citizenship in another country. NRNs are Non-Resident Nepalis who maintain their Nepali citizenship but live abroad (except for South Asian countries or countries under SAARC) for more than 182 days. NRNs include

business and professional personnel settled in Asia, Europe, the Mid-east or America. Similarly, students, embassy personnel and Nepali soldiers on assignment with UN peace missions are also comprised as NRNs. However, in its true sense of meaning of diaspora, Nepali diaspora should not exclude Nepali people living in countries under SAARC. NRN Association considers that about 2 million is the Nepali diaspora population. The table below exhibits the number of Nepali diaspora communities in different countries around the world.

Nepali diaspora in different countries

Country	Diaspora population	Country	Diaspora population
India	600,000	Hong Kong	73,000
Myanmar	400,000	Qatar	70,000
Saudi Arabia	215,000	United Arab Emirates	70,000
Malaysia	125,000	Thailand	20,000
South Korea	80,000	Japan	12,000
Kuwait	12,000	USA/Canada/Mexico	10,000
Australia	8,000	Singapore	5,000
Oman	5,000	Germany	4,000
UK	7,000	France	2,000
Bahrain	3,000	South Africa	2,000
Belgium	2,000	Bangladesh	1,000
China	2,000	Bhutan	1,000
Russia	1,000	Netherlands	1,000
Pakistan	1,000	Philippines	1,000
Portugal	1,000	Maldives	400
Spain	500	Sri Lanka	200

Source: Nepal Migration Year Book, 2009. Kathmandu: NIDS.

Nepali diaspora living in North America, Europe, Australia, and India also consists of professional and highly educated persons. They have their families established there. On the top of this type of diaspora, there are unskilled workers to a large extent. The diaspora in Malaysia and Gulf States are labour migrants who generally return after completion of their work. They also do not take their families generally. The gender disaggregation of the diaspora is difficult to make. Given that an overwhelmingly large proportion of diaspora, particularly male, have gone to foreign countries in recent decades for short-term work, it can be safely assumed that about 80 % of them are male and 20 % female.

#### Section 4.2: Impact on immediate and extended family:

Studies have not been done on diaspora in Nepal. The usually way to understand diaspora is 'NRN' – Non-Resident Nepali and 'PNO', but PNO are included under NRN in general practice. The activities done by NRN in the community and at the national level are regularly publicized in the newspapers. NRN associations also carry out various activities in Nepal. But the contributions at the family levels are not reported or studied.

The established diasporas certainly have taken their families in the country in which they work or stay. This has generally been useful for the family members in terms of education and health. To take an example, Nepalis established in Australia have taken their immediate and, in some cases extended, family members with them. This has facilitated in the education and health care of the family members. In some cases, they also contribute to education and health care of other family members staying in Nepal. For example, a family in Canberra, Australia, has been helping in the education of a daughter of their maternal uncle. The family has contributed from time to time in medical treatment when the problem arose. A person in Chitawan, Nepal, has two children, and his distant relatives living in US help by paying the tuition fees of his children. There are many cases of this type, but there is no documentation of this practice. A person in Canberra told me that he regularly sends money to Nepal to pay the tuition fees of the children of his brothers. Tuition fee in Nepal is cheap if compared from developed countries perspective. As a result, this does not create a load on the diasporas who are undertaking these activities. On the other hand, this gives a sense of feeling and a 'name' for them. Therefore, it is usually seen that diasporas, especially those established in developed countries, do some philanthropy work in Nepal. A few cases of enterprise development for the immediate and extended family members by diasporas are seen. But again how far this is generally prevalent and what is its magnitude is not known at all. Diasporas invest in small businesses and enterprises like hotel, school, hospitals and let their family members run it and benefit from it. This type of practice is seen in urban areas and market centres.

**Lessons learnt:** At the family and extended family levels, diasporas have contributed for the livelihood security, mainly the education of children and emergency help.

#### **Section 4.3: Impact on community development:**

Nepali diasporas have been helping in community development in two ways. First through organized efforts – there are several organizations of diasporas and a grand organization called NRNA (NRN Association). Most of the community development works are done by the small organizations and the individuals. Again their record is not there. The grand organization has undertaken some large projects for the national development.

The large organizations of diasporas (NRN) has established public libraries, built and expanded schools in the remote villages, provided scholarships, distributed computers, helped run special literacy campaign for adults and disables, and provided trolleys (100 previously and 216 are in pipeline) for the Tribhuvan International Airport, Kathmandu. Not only that they have conducted health camps and distributed medicines for free, constructed roads, provided drinking water, distributed relief materials during the natural calamities, helped build and maintain old-homes and reconstructions of temples. They have helped the Koshi-flood victims in the east and flood-hit and diarrhea-hit districts in the Far Western districts of Jajarkot, Dailekh and Rukum. The NRNs have also helped hundreds of Nepali migrant workers – especially women in Gulf countries when they are left penniless by the agents – and, helped bring back the dead bodies of the diseased<sup>8</sup>. The NRNs are also involved in the education and brought-up of the orphans and poor children. NRNs are helping Tribhuvan University-Central Department of Nepali to run special Nepali class. Teaching Hospital in Maharajgunj and Patan Hospital are running special classes with the help of the Nepali doctors in the US. They are also collecting savings for the NRN Fund to help Nepalese back home and abroad. Till now, NRNA (non-resident Nepali association) are implementing or implemented projects in 34 districts worth Rs. 780 million. They have a plan to have at least one project in each of the 75 districts of Nepal. On the top of that it has provided financial support to schools, health posts, NGOs and so on. It has also provided Rs 1.5 million for the trade school which is a joint project of Government and the FNCCI (Sharma, 2009).

Given that there is no proper study done on diasporas in Nepal, information to this effect are anecdotal, especially as to the activities or impact at community levels. In my own community in Pokhara, Nepal, a school was first upgraded with the help of fund collected by a diaspora in Germany. He and others organized a 'dinner' programme to collect the fund. One of the diasporas wrote a book on Nepalese culinary in German language and the royalty obtained from this book was also given to that fund. This led to a collection of some funds that helped in constructing four rooms for the school. A little further from my community in Pokhara, a village school in Mardi Khola was supported by people of that area who have been working in Japan. There are many stories where a 'lahure' (a popular term used to refer to people who have been working away from home) have helped in building school in order to make other children not suffer from lack of education unlike the way they had to suffer because of lack of schools.

NRNA has also playing an important role in helping the other Nepali migrant workers facing the problem. For example, it played an important role in saving the life of Dolma Sherpa who was sentenced to death on false charge in Kuwait. In many countries, the country-specific NRN Association formed "NRN Save Life Dolma Relief Fund" and collected fund for fighting the case in court and paying what they call 'blood money'. The Australian Chapter raised A\$ 2,692 for this purpose<sup>9</sup>. Considering the positive role that diaspora can play for the help of other Nepalis who go there for work, government has also maintained a record of Nepali people or their associations that could be of help in this regard. For example, in Saudi Arabia, Qatar, Kuwait, UAE and Lebanon, the association of Nepalese people is also given some responsibility to look after the welfare of Nepali workers in case of emergencies.

One of the main focuses of the NRNA is to help homeless elderly and those facing problem. For example, NRNA is investing in the construction of Bridashram (elderly home) in Devghat in Chitawan, Nepal and Galeswor, Magydi, Nepal. The one in Chitawan is considered as a big elderly house planning to provide shelter to 200 homeless elderly. Similarly, one of the wealthiest NRN members, Dr Mahato, helped in constructing house for those

<sup>8</sup> <http://www.nrn.org.np>

<sup>9</sup> [www.nrn.org.au](http://www.nrn.org.au). Also look at <http://nepalsingapore.com/?p=10035>

observing mourning on the death of their parents in the premise of Pashupati temple in Kathmandu. He provided Rs 11 million only for this ([www.nrn.org.np](http://www.nrn.org.np); Sharma, 2009).

Taking the case of NRN Australia Chapter, the following philanthropic activities have been implemented in Nepal. Aud \$3,212.50 and NRs 200,000 was provided to Flood Relief Fund 2007 (Eastern Tarai Regions Nepal), donations Rs 110,000 to the Devghat Briddhashram (elderly home) Project, NRs 400,000 to Jiri Multipurpose High School, and \$2,692 for Save a life of Dolma Sharpa. A further, \$12,000 was provided to a joint project with HeNN (Help Nepal Network) to library community Project in Sindhuli, \$5,000 to Kathmandu Airport Trolleys Partnership Program, and \$2,700 to Sanjay Hamal Medical Treatment<sup>10</sup>. Considering that NRN Australia Chapter is smaller than the UK, USA and European Chapters, the support of diasporas through organized efforts is not that insignificant. Moreover, the support of the individuals, which is difficult to account for, should also be significant (Pathak, 2010).

**Lessons learnt:** There are several examples of community development undertaken by diasporas. These are undertaken at the individual level as well as at the organizational (of the diasporas) level. But there is still no mechanism that can encourage diasporas in community development.

#### **Section 4.4: Impact on local economy:**

It is difficult to estimate the impact of diasporas on local economy mainly because of different ways of understanding or defining them. The general definition that is adopted now covers all those who are out of the country for education, employment or other purposes. But in general conception of people, diasporas indicate those who are living in other countries and have settled there. It is also clear that people who are settled there do not remit money unlike the case of short term contract workers, who usually have no other objective than to save whatever is possible and remit that money home.

Another feature of diasporas is that some of them have sold their property in Nepal and taken back the funds to the place where they are settled. It is a kind of reverse flow of remittances. Again it is difficult to estimate this. When UK government permitted Nepali people who have worked in its army to settle in UK, a huge amount of remittance went to that country. Similarly, now professionals (who are generally from wealthy background) who have settled in US and Australia have brought money from home in order to pay the mortgage for their house and to make it free from loan. This, however, does not mean that they will not support their extended family members in case of emergencies and for education. It becomes relatively easy or cheap to bear some of the expenses associated with treatment and education in Nepal.

The supports that diasporas provide for the immediate family members like parents and children and other extended family members do help in maintaining the economic activities in the villages. The purchasing power has increased. Even during the armed conflict in Nepal, people expenses for consumption had increased. The supports provided by the diasporas or the people who had gone out for the work and education could be one of the reasons for this.

One of the philanthropic organization called Help Nepal Network was established by diasporas with an aim of contributing a \$ a month by Nepali in overseas countries. Now it has become a big network and invests on development (especially health and education) projects to the amount of Rs 7 million to Rs 8 million a year. The NRNA mobilized and handed over to the government Rs. 15.7 million for support to the Koshi floods victims. NRNA has entered into a MoU with Norvic Hospital in Kathmandu to provide health check facilities for NRN's parents<sup>11</sup>.

**Lessons learnt:** It is still difficult to estimate the impact at the local economy. But anecdotal evidences indicate that there are examples of underpinning of local economy through the help of diasporas. There are also negative impacts, especially the reverse flow of remittances, to which not much attention has been given.

#### **Section 4.5: Impact on national economy:**

---

<sup>10</sup> Bishnu Pathak, Peace and Conflict Study Center – TRANSCEND Media Service <http://www.transcend.org/tms/2010/09/nepali-diaspora-in-australia/>

<sup>11</sup> <http://www.helpnepal.org.np>

How far diasporas help has contributed to national economy, it is not known clearly because such studies have not been done yet. Apart from philanthropic tasks, NRN or the diasporas have not invested much in Nepal. The NRNA – which is a main part of Nepali diasporas – blames for this to political conflict for the last decade and to lack of proper guidelines and legal provisions to make NRN secure in investing in Nepal. NRNs have been raising the voice that government changes the law so that NRN can invest in Nepal and bring back the foreign currency in the place where they are staying. 'Dual citizenship' is one of their demands. But recently, government of Nepal has made some provisions like developing an identity card that enables NRNs to stay in Nepal for ten year and bring back the foreign exchange. Its impact could only been in future.

There are plans to develop collaboration in technology knowledge transfer. But these have not yet been materialized. For example, NRN Australia has a plan to start a bachelor course on bi-technology in Kathmandu University. NRN has proposed to develop an 'open university' in Nepal. The medical doctors working in US and UK help in teaching course in 'teaching hospital' in Kathmandu. They come for four months in a year and teach the courses.

In its fourth global meeting in Kathmandu in 2009, NRNA announced that it will soon establish Nepal Investment Fund (NIF) amounting to \$100 million. About 10 % of this will go for charity activities and the rest in the business and developmental activities. It is aimed to turn Nepal into an international business centre and raising awareness of NRNs in international investments. The Association of the NRNs plans to pool US \$ 5,000 from 20,000 members across the world to launch the Fund within next six months<sup>12</sup>.

Nepali diasporas are also helping in promoting tourism. They have a plan to construct 'Nepal House' in each of the member country and there are 55 such countries. NRN Russia chapter has already started the process. In addition, overseas Nepalis are willing to help 'Send Home a Friend' campaign introduced by the government and mobilize overseas Nepalis to highlight Nepal's cultural heritage.

Despite the benefits like discussed above, there are two concerns regarding diasporas in Nepal. Firstly, there is a debate whether it is logical to provide special facilities to NRNs or diasporas in order to attract their investment. It is argued that this favoured treatment will discourage other foreign direct investors who want to run the business on commercial basis<sup>13</sup>. In its true spirit of development, it is argued, that government should not differentiate between Nepali's capital and foreigners' capital. The other argument is whether the little support that Nepal has got is sufficient enough to off-set the loss of those talented or well-trained people.

#### **Section 4.6: Impact on host country:**

Again, not much is known about the impact in the host country. It seems that many of the well educated and technical experts have moved to the developed countries, their impact could be generally good for the host society. For example, doctors and engineers who have been trained by the families' or the government's expenses, have moved to the developed countries or other countries where their income is high. It also seems that they are doing professional as well as other works which the local population would not usually do. Nepali diasporas have not yet been distinguished in taking part in the political process of the host country. In case of UK, there are a few Nepali taking part in political activities. One of the reasons for this could be that migration history to UK is longer compared to other countries.

A tendency is seen now among the diasporas in investing in businesses to serve the new migrants. For example, in UK, particularly London, educational institutions have been developed to attract Nepali students. These institutions usually get students from Nepal. This is also so in case of Nepali diasporas who have come to Australia a bit earlier. They have opened colleges, hostels, and driving institutes that basically cater new immigrants from Nepal. Another area in which diasporas have contributed is the introduction of new food and food culture through the establishment of restaurants.

#### **Section 4.7: Research gaps:**

In case of diasporas, there is no study at all in the context of Nepal. The following research gaps are seen.

---

<sup>12</sup> <http://nrn.org.np>

<sup>13</sup> Thapa, Prem Jung. **NRNs**. Not Really Needed or Needed, Return Now? Nepali Times. FROM ISSUE #471 (09 OCT 2009 - 15 OCT 2009)

1. Distinction in short-term migrants, cross-border movements and diasporas may be necessary. They do overlap, but the extent of this overlap is also needed to be understood. This requires a conceptual research in making distinction and categorization taking the case of Nepal
2. There is no knowledge of the contributions diasporas make to their families and communities, and to the national economy and society. In the absence of this knowledge, it is hard to argue against the concept of brain-drain. What is the extent of 'brain-gain' – we need to study to gather evidences. The balance analysis of 'brain-drain' and 'brain-gain' is important in order to develop migration policies. Like for example, if there is more brain-drain than brain-grain, then an incentive mechanism to retain the skilled and professional people could be required or a policy to increase the training of such professional would be required.
3. How diasporas are reproducing their cultural identities in the host countries have not been studied yet. This is also linked with what channels or means diasporas use to connect to Nepal. These studies require both the quantitative surveys and participant's observation.

### References:

- Adhikari, Jagannath. 2006. Migration between Nepal and India. Dhaka: RMMRU Monograph.
- Adhikari, 2007. Livelihoods in the Informal Sector of Kathmandu Metropolis. In: Bhaskar Gautam and Jagannath Adhikari (eds). Urbanization: A Diversity in Livelihoods. Kathmandu: Martin Chautari. Pp. 329-352.
- AusAID, HIV/AIDS and STD Prevention and Awareness Project, [www.usaid.com.au](http://www.usaid.com.au)
- Brusle, Tristan. 2010. Who's in a labour camp? A socio-economic analysis of Nepalese migrants in Qatar, *European Bulletin of Himalayan Research*, no. 35-36.
- Bhadra, 2007. Chandra. 2007. "Women's International Labour Migration and Impact of their Remittance on Poverty Reduction: Case of Nepal." Seminar presentation on *Labour Migration, Employment and Poverty Alleviation in South Asia*, Kathmandu, August 9–10.
- CBS, 2005. Nepal Living Standard Survey II Reports (Vol. I and Vol II). Kathmandu: CBS.
- CBS. 2003. Census 2001 Report. Kathmandu: CBS.
- DoFE (Department of Foreign Employment). 2010. Data on Migration Taking Government's Permission. Kathmandu: DoFE (<http://www.dofe.gov.np>)
- Furer-Haimendorf, Christoph von. 1964. The Sherpas of Nepal. London: John Marry.
- Furer-Haimendorf, Christoph von. 1975. Himalayan Traders: Life in Highland Nepal. London: John Marry.
- Gill, Gerald J. 2003. Seasonal Labour Migration in Rural Nepal: A preliminary Overview. London: ODI.
- GoN and IoM. 2010. The Impact of Remittance and Labour Migration in Nepal. Kathmandu: Government of Nepal and International Organization for Migration.
- Khatiwada, Padma, P. 2009. *Conflict Induced Migration in Nepal. A Social Inclusion Perspective*. A PhD Dissertation Submitted to the Faculty of Humanities and Social Sciences, Tribhuvan University, Kirtipur, Kathmandu.
- K.C. Bal Kumar. 2006. Internal Migration. In: CBS ed. Population Monograph. Kathmandu: CBS. ([www.cbs.gov.np](http://www.cbs.gov.np)).
- Kansakar, V.B.S. 2006. International Migration and Citizenship in Nepal. In: CBS ed. Population Monograph. Kathmandu: CBS. ([www.cbs.gov.np](http://www.cbs.gov.np)).
- Lokshin, Michael, Bontch-Osmolovski, Mikhail and Glinskaya, Elena. 2010. Review of Development Economics. 14 (2): 323-332.
- NIDS and World Bank. 2009: Nepal Migration Survey. Kathmandu: NIDS (unpublished).
- NIDS and NCCR. 2009. Nepal Migration yearbook. Kathmandu: NIDS.
- Pantha, Ritu and Sharma, Bharat Raj. 2003. Population Size, Growth and Distribution. In: CBS (ed). *Population Monograph. Vol I*. Kathmandu: CBS. Page 37-86.
- Bishnu Pathak, Peace and Conflict Study Center – TRANSCEND Media Service <http://www.transcend.org/tms/2010/09/nepali-diaspora-in-australia/>
- Poudal, K.C. et al 2001. HIV/STIs Risk Behaviors Among Migrants in Doti District. JICA, Kathmandu.
- Sharma, Hem Raj. 2009. Non-Resident Nepali Movement: Past, Present and Future ([hem\\_raj\\_sharma@hotmail.com](mailto:hem_raj_sharma@hotmail.com)) – A Power Point Slides Presented to a meeting of NRNA.
- Thieme, Susan and Wyss, Simone. 2005. Migration Patterns and Remittance Transfer in Nepal: A Case Study of Sainik Basti in Western Nepal. Published on line by Department of Geography, University of Zurich, Winterthurerstrasse, Switzerland.
- Tulachan, Pushpa, 2001. Seasonal Migration and Trade: A Strategy for Survival by the Lobas of Lo Monthang. In: Aspects of Mobility and Migration in Nepal. Kathmandu: Ratna Pustak Bhandar. Pp. 43-72.

Timalsinha, Krishna, Prasad. 2007. Rural Urban Migration and Livelihood in the Informal Sector. A Study of Street Vendors of Kathmandu Metropolitan City, Nepal Master of Philosophy Thesis in Development Studies Submitted to the Department of Geography Norwegian University of Science and Technology (NTNU) Trondheim, Norway.