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PROVINCE 1 OF NEPAL MIGRATION PROFILE

**Arjun Kharel, Sadikshya Bhattarai, Dogendra Tumsa,
Shalini Gupta and Pawan Sen**



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ACRONYMS AND ABBREVIATIONS

GCC	Gulf Cooperation Council
GDP	Gross domestic product
IPO	Initial Public Offering
KII	Key informant interview
LGOA	Local Government Operation Act, 2017
MoSD	Ministry of Social Development
NLFS	Nepal Labour Force Survey
NOC	No objection certificate
NPR	Nepali Rupees
ODK	Open Data Kit
UAE	United Arab Emirates
USD	United States Dollar

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—The Authors

EXECUTIVE SUMMARY

As elsewhere in Nepal, migration is a common phenomenon in Province 1 as well. As in the rest of the country, migration abroad and within Nepal for work and education constitutes the major forms of migration from the province. Consequently, remittance inflow—income sent back to their family by migrants from within the country or from abroad—forms an integral part of the income of migrant-sending households. In this context, the main objective of this survey was to generate baseline information regarding migration in Province 1 and produce more comprehensive and disaggregated data on labour migration and its contribution to the employment of the working-age population in general.

This report is based on a survey conducted in Province 1 of Nepal in March and April 2021. Data was collected from 1,225 households across 61 wards in 13 districts of the province. The key survey findings are presented below.

International migration

- Just over a quarter of the households (26 per cent) in Province 1 had one or more member outside Nepal for work, education or other reasons. More than a quarter of the households (27 per cent) received remittances from a migrant member of the household.
- A substantial majority of international migrants (87 per cent) were male, underscoring the fact that cross-border migration from Nepal is dominated by men. Almost half of the international migrants belonged to Janajati groups, among both male and female migrants.
- Work was the main reason for migration. Of those going to India, 62 per cent were there for work while that proportion was 81 per cent in the case of other international destinations. The second important reason for migration was study or training.
- Almost all (83 per cent) of the migrants who were abroad (in destinations other than India) for purposes other than work, such as education and training, as dependants, or other reasons, were nonetheless employed in the country of destination. This reflects the general tendency of Nepali international migrants to support themselves financially through work, irrespective of their main reason for migration.
- The GCC countries, particularly, Qatar (17 per cent), Saudi Arabia (19 per cent) and the UAE (17 per cent), along with Malaysia (18 per cent) were the top recipients of male migrants from Province 1. Similarly, 11 per cent of male migrants were in India. For women, Kuwait, Qatar and the UAE were the main destinations.
- Only one-fifth of the migrants had acquired a skill through training before their migration, and this figure was even lower in the case of migrants going to India. Among male migrants who took some form of skills training, nearly a third had received it for driving, followed by 16 per cent in the hospitality sector (hotel work), 13 per cent for masonry, and 11 per cent as electricians. Trainings in automobile repair and the garment sector accounted for 4 per cent each. Female migrants had taken training as beauticians and for hospitality services (hotel work).
- Among those who took skill training before migrating, 61 per cent found jobs matching their skills in the destination countries while

38 per cent felt that there was a mismatch of skills acquired in Nepal and what they did abroad.

Returnee migrants

- For the purpose of this study, returnee migrants were identified as individuals who had returned after employment or education abroad at any point before the survey and who had decided not to re-migrate, at least not immediately. About 15 per cent of the migrants had returned within one year preceding the survey while those returning from the last migration stint five or more years prior made up almost two-fifths of the returnees.
- Almost half of the male returnee migrants had been engaged in labour work either in a factory (30 per cent) or construction (19 per cent) while abroad. Most of the female migrants had been employed in domestic work (55 per cent).
- Multiple reasons had led to the return of migrant workers. Around a third of the total and over half of the women had come back after the end of their contract. Other reasons included insufficient income and dissatisfaction with the employer. Around 4 per cent of the returnee migrants had come home as a result of the Covid-19 pandemic. Among this group, fear of Covid-19 transmission was the most crucial factor for their return, followed by loss of employment.
- Returnee migrants were engaged in different types of occupations following their return. In some cases, they were involved in more than one type of work. Nearly a third were self-employed in agriculture (32 per cent) while self-employment in the non-agricultural sector (18 per cent), and daily wage work in the non-agricultural sector (16 per cent) were also significant. Almost 7 per cent of the returnees were trying to re-migrate.
- The skills/knowledge gained while abroad had helped only 16 per cent of male returnees and 7 per cent of female returnees to find their current jobs.
- Returnee migrant workers reported having acquired different kinds of skills following their migration stint and after their return. One-third of the male returnees had skills in agriculture, 22 per cent as drivers and 19 per cent as masons. In the case of women, more than half of the female returnees had gained skills in domestic work, 21 per cent as caregivers and 14 per cent in the hospitality sector.
- Over a quarter of the returnee migrants had a certificate for their skills. While 92 per cent of them had received the skill certification from the destination country, a mere 6 per cent had got it from a private company in Nepal and 4 per cent from the government's Council for Technical Education and Vocational Training (CTEVT).
- Among returnee migrants, the most preferred choice of employment expressed was self-employment in agriculture, with 42 per cent seeking engagement in goat rearing, followed by 17 per cent in vegetable farming and 11 per cent in raising cows. Among those who wanted self-employment in the non-agricultural sector, 25 per cent wanted to get involved in construction-based enterprises, followed by 18 per cent who wanted to get into hotels, restaurants and catering.
- Returnee migrant workers are among target beneficiaries of the soft loan schemes of the Government of Nepal, including the one on concessional loan introduced in 2018 targeted towards youths, returnee migrant workers, women entrepreneurs and marginalised groups to begin a business of their own or to pursue technical and vocational education. There are also other similar schemes targeted towards returnee migrant workers at national and provincial

levels. However, only 6 per cent of the returnee migrant workers in the survey had taken advantage of these soft loans for agriculture or any other productive sector.

Migration channel and cost of migration

- Labour migration to India took place through informal networks. Almost half of the migrants leaving for India went individually and a quarter of them took the support of family members.
- In contrast, 83 per cent of the migrants to countries other than India migrated via recruitment agencies while 6 per cent were helped by their friends and neighbours, and 4 per cent by contractors.
- The average cost of migration to India was NPR 5,885 while it was about NPR 100,000 to the GCC countries and Malaysia.
- More than 80 per cent of the migrants going to the GCC countries and Malaysia had taken loans to fully or partially fund their migration. The major source of such loans were friends or neighbours and traditional moneylenders.

Fraud and deception

- There were cases of deception reported, with 8 per cent of the households in Province 1 stating that their member/s had faced deception in the migration process. Most of these cases were related to recruitment agencies (four-fifths) followed by friends and relatives (one-fifth).
- Fraud by recruitment agencies included payment made for migration but not sent abroad, false information about job and salary, confiscation of passport, high recruitment fees, and being sent to a country other than the one promised.
- Among the individuals who were defrauded by recruitment agencies, only 23 per cent had filed a complaint against the alleged perpetrators.

- The major reasons for not registering grievances against recruitment agencies included not wanting to be entangled in legal procedures, lack of information on where to file the complaint and lack of trust in the justice system.

Internal migration

- More than a fifth of the households had individual/s who had migrated within Nepal for work, education or other reasons. Internal migration from the province, like international migration, is dominated by males (64 per cent).
- The primary reasons for internal migration were education and work. A small proportion (6.9 per cent) had also migrated as dependants. A higher percentage of female migrants had migrated for education compared to males, whose primary purpose of migration was work. More than half the internal migrants had gone to Bagmati Province followed by migration within the province itself.
- More than one-fifth of male internal migrant workers were working as labourers in construction. The most common occupation of the internal female migrants was teaching in schools or colleges/universities (16 per cent).
- On the other hand, 16 per cent of the households in Province 1 had migrated from elsewhere to the current place of residence over the previous 20 years. Of them, more than a third had migrated from the same municipality/rural municipality and more than two-fifths from another district. The main reasons for migration were better facilities of health, education, and transportation in the destination.

Remittance transfers

- Nearly a quarter of all households in the province had received remittances from

migrant member/s in Nepal or abroad within a year prior to the survey.

- Internal migrant households received on average NPR 67,508 in a year from their migrant member/s based in Nepal.
- Households with migrant member/s in India received on average NPR 64,083 annually while receipts from Malaysia was NPR 197,350 and more than NPR 150,000 from the GCC countries.
- Migrant workers and their families used remittances for multiple purposes but primarily to meet daily household needs, for education and health care, and to repay loans. This breakdown was the same irrespective of destination country.

Recommendations

- The Government of Province 1 should support returnee migrant workers by removing barriers in access to concessional loans and raising awareness about existing government plans and policies for returnee migrant workers.
- A comprehensive database of current and returnee migrants, including details of the skills they have, can be helpful in designing programmes focused on the reintegration of returnee migrant workers in the labour market. Existing information systems such as the Employment Management Information System (EMIS) can be adapted to collect such information.
- The provincial government can help returnee migrant workers by providing vocational and skill development trainings after identifying their interests as well as labour market demands.
- Financial and career counselling for returnee migrant workers can help them connect with labour market demands, provide skills development and vocational training opportunities, and inform them about available support and schemes

targeted at returnees.

- It is essential for the central, provincial and local governments to coordinate and collaborate to reduce the exorbitant costs borne by migrant workers while going abroad for employment.
- It is necessary to ensure that migrant workers have access to complaint registration mechanisms. For this, barriers that hinder migrant workers from registering complaints against alleged perpetrators need to be removed through awareness-raising and by making the complaint registration process simple and easy to access.
- Returnee migrant workers should be provided with investment and advisory services for enterprise development. They should be informed about labour market demands and the potential for micro-, small, and medium-sized enterprise development while also considering the human and social capital they bring back with them. Enhancing returnee migrants' access to subsidised loans could also help in entrepreneurship development.
- The Government of Nepal should better publicise existing savings plans such as Foreign Employment Saving Bonds and investment plans such as Initial Public Offering (IPOs) and Remit Hydro to migrant workers and their families. Although most migrant workers from the province use formal channels to transfer remittance, there are still some who send money through informal channels. Provision of high interest rates on remittances can help promote use of banks and other financial institutions to remit money. Such schemes can succeed only if migrant workers and their families become aware about such initiatives and know how to access them. This can be achieved through awareness campaigns, pre-departure orientation trainings and financial literacy programmes.
- It must be ensured that migrant workers and

their families have access to and knowledge of banking facilities. In particular, it is necessary to ensure the development of

banking infrastructure in rural areas. This can also contribute to increase the use of formal channels in remittance transfers.

1. INTRODUCTION

1.1 Background to the Study

Migration has been an integral part of Nepali society for centuries. The forms of migration prevalent in Nepal, as in many other countries globally, include seasonal and long-term migration, temporary and permanent, internal and international (external), and both in- and out-migration. Although Nepalis migrate for several reasons, employment and education are the two major reasons behind migration within and from Nepal. According to the Nepal Labour Force Survey (NLFS) 2017/18,¹ around two-fifths of the households in Nepal had one or more migrants.² In the period between 2008/2009 and 2021/2022, the Government of Nepal issued more than 4.7 million labour permits³ to migrant workers, travelling mainly to Malaysia and countries of the Gulf Cooperation Council (GCC).⁴

The contribution of migrant workers' remittances has also been significant for the overall economy of the country, particularly in

meeting the shortfall in Nepal's foreign currency needs. Personal remittances of USD 8.2 billion, or an amount equivalent to a quarter of the country's GDP, were estimated to have been transferred to Nepal in 2021.⁵

Likewise, 416,364 Nepali students obtained no-objection certificates (NOC) from the Ministry of Education, Science and Technology to pursue higher education in foreign countries in the 13-year period, from 2008/2009 to 2020/2021.⁶ While some students return after completing their education, others settle in foreign countries, resulting in an enduring impact on the demographic composition of communities of origin as well as in terms of skill sets lost forever.

Many Nepali youth also engage in seasonal labour migration within Nepal and to India. This migration flow is not officially recorded or captured in the census or in the major national surveys. According to the 2011 censuses of both Nepal and India, more than half a million Nepali migrants were living in India.⁷ (The two censuses

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- 1 The Nepal Labour Force Survey (NLFS) is administered by the National Statistics Office (formerly Central Bureau of Statistics) and collects information on the conditions of employment, unemployment, under-employment and other information relevant to labour.
 - 2 Based on calculation of raw data of NLFS 2017/18 by CESLAM.
 - 3 Wherever the number of labour migrants are mentioned, it should be understood that the figure does not include those headed to India since Nepalis going to India for work do not require labour permits, the basis on which the number of labour migrants are calculated.
 - 4 Ministry of Labour, Employment and Social Security (MoLESS), *Nepal Labour Migration Report 2022* (Kathmandu: Government of Nepal, 2022).

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- 5 Dilip Ratha, Eung Ju Kim, Sonia Plaza, Elliott J Riordan and Vandana Chandra, *Migration and Development Brief 36: A War in a Pandemic: Implications of the Russian invasion of Ukraine and the COVID-19 crisis on Global Governance of Migration and Remittance Flows* (Washington, DC: KNOMAD-World Bank, 2022).
 - 6 Ministry of Education, Science and Technology, *Saichik Suchana 2078 [Education Information 2078]* (Kathmandu: Statistics, Policy and Research Section, Ministry of Education, Science and Technology, 2022). This figure does not include the many others who go for education without an NOC.
 - 7 The 2011 census of Nepal considers any member of a household who has been abroad for six or more months prior to the time of enumeration to be an absentee. This definition of absentee or external

differed greatly in terms of the sex breakdown of the migrants though.⁸) These migrants to India remit over USD 1 billion to Nepal every year.⁹

Internal migration is also an important social phenomenon in Nepal. Nepal is undergoing significant demographic and geographical transformations due to a high rate of internal migration. Urban centres and the plains of the Tarai have long seen an influx of internal migrants while many villages in the hills and mountains have seen a net decline in population.¹⁰

There are many problems and challenges faced by labour migrants and their families, such as the high rate of migrant workers' mortality and morbidity in countries of destination, high recruitment cost, indebtedness and lack of access to justice and services both in Nepal and destination countries.¹¹ Recent studies

have demonstrated that the stress on 'left-behind' women increases substantially as they face suspicion and criticism while also being subject to backbiting from the larger family and community for going out and interacting in public.¹² Girls' education in particular is disrupted since they are absent from class or drop out of school to help out their mothers.¹³ And children, particularly boys, can also fall into substance abuse.

Stakeholders directly or indirectly associated with foreign labour migration such as organisations working for the welfare of migrant workers, social activists and researchers on migration have consistently argued that the various anomalies evident in the process of labour migration can be better addressed if some of the authority related to its governance were to be delegated or devolved to lower levels of government.¹⁴ Thus, Nepal's transition to federalism has provided a unique opportunity to develop mechanisms to govern labour migration at provincial and local levels.

In 2017/18, approximately half a million Nepalis from Province 1 migrated within Nepal while another half million migrated to international destinations.¹⁵ The scale of labour

migrants hence excludes seasonal migrants, especially seasonal migrants from Nepal to India.

8 The Nepali census reported 589,050 Nepalis to be in India whereas the Indian census put the number at 596,696. While the Nepali census recorded 12 per cent of this population to be women, the Indian census recorded 55 per cent women and 45 per cent men. Sanjay Sharma and Deepak Thapa, *Taken for Granted: Nepali Migration to India* (Kathmandu: Centre for the Study of Labour and Mobility, 2013).

9 World Bank, 'Bilateral Remittance Matrix 2017,' Migration and Remittance Data, accessed on 23 August 2019, <https://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data>.

10 See 'Annex 1. Districts Gaining and Losing Population, 2001-2011 (ranked by decadal change),' Pitamber Sharma, *Some Aspects of Nepal's Social Demography: Census 2011 Update* (Kathmandu: Social Science Baha, 2014).

11 Pravasi Nepali Coordination Committee, *An Analytical Report on Death Cases of Nepalese Migrant Workers in Destination Countries* (Kathmandu: Pravasi Nepali Coordination Committee, 2017). Also see, Sarah Paoletti, Eleanor Taylor-Nicholson, Bandita Sijapati, and Bassina Farbenblum, *Migrant Workers' Access to Justice at Home: Nepal* (New York: Open Society Foundations, 2014); Vital Signs, *The Deaths of Migrants in the Gulf* (no place: Vital Signs, 2022); Sadiqshya Bhattarai, Jeevan Baniya and Dogendra Tumsa, *Impact of COVID-19*

on Nepali Migrant Workers: A Case Study of Migrants in Saudi Arabia, the UAE, Qatar and Malaysia (Kathmandu: CESLAM and PNCC, 2022); Equidem, *If We Complain, We are Fired: Discrimination and Exploitation of Migrant Construction Workers on FIFA World Cup Qatar 2022 Stadium Sites* (London: Equidem, 2022).

12 Bandita Sijapati, Ang Sanu Lama, Jeevan Baniya, Jacob Rinck, Kalpana Jha & Amrita Gurung, *Labour Migration and the Remittance Economy: The Socio-Political Impact* (Kathmandu: Centre for the Study of Labour and Mobility, 2017).

13 Anita Ghimire, Samjhana Bhujel and Riju Tiwari, *A Study on the Social Implications of Men's Migration on Women and Children in Sarlahi, Saptari and Dhanusha Districts* (Kathmandu: Nepal Institute for Social and Environmental Research, 2019).

14 MoLESS, *Nepal Labour Migration Report 2022*.

15 Based on the analysis of raw data of the Nepal Labour Force Survey 2017/18.

migration from Province 1 is also very high and the province currently accounts for a quarter of the total labour migrants from Nepal.¹⁶ Given the contribution of migration, especially labour migration, to the socio-economic growth of Province 1, a ‘migration profile’ was deemed highly essential for the government of Province 1 in formulating policies, plans and programmes to effectively address the issues of migrant workers and their families as well as harness the benefits of migration.

This migration profile will contribute to the designing of different policies and programmes and support the existing ones in Province 1 by offering insights into: i) migrants’ demographic characteristics, ii) extent of migration, iii) choice of destination, iv) reasons for migration, v) size and methods of remittance transfers, and vi) the number of cases of frauds and deception in the migration process, among other insights.

As mandated by the Constitution of Nepal and the Local Government Operation Act, 2017 (LGOA 2017), provincial governments have been accorded a role in employment promotion¹⁷ while local governments are required to keep a record of the employed and unemployed populations in their areas of jurisdiction.¹⁸ Since governments in both tiers have been involved in devising plans, policies and programmes, a province-level migration profile can function as an essential tool in enhancing policy coherence, evidence-based policymaking, and the mainstreaming of labour migration in development planning, including the channelling of remittances to more productive uses.

16 MoLESS, *Nepal Labour Migration Report 2022*.

17 Ministry of Law, Justice and Parliamentary Affairs, *Constitution of Nepal 2015* (Kathmandu: Ministry of Law, Justice and Parliamentary Affairs, 2015).

18 Ministry of Federal Affairs and General Administration, *Local Government Operation Act 2017* (Kathmandu: Ministry of Federal Affairs and General Administration, 2017).

1.2 Labour Migration-related Plans, Policies and Programmes

In Province 1, the Ministry of Industry, Labour and Employment (MoILE) is the main government body responsible for developing plans, programmes and policies related to labour migration. Prior to the formation of MoILE in February 2022, this responsibility had been entrusted to the Ministry of Social Development.

The first-ever Periodic Plan of Province 1, for fiscal years 2019/20–2023/24, has identified some challenges in the foreign employment sector in the province.¹⁹ These include enhancing the skills of potential migrant workers, training returnee migrant workers in entrepreneurship and providing them with employment opportunities, making foreign employment free of exploitation/abuse, and addressing the end to compulsion-induced foreign employment. The Plan also acknowledges that the skills and expertise of returnee migrant workers and remittances from foreign employment have created opportunities for entrepreneurship development and employment creation in the province.

One of the major strategies specified in the Plan is to make foreign employment safe and dignified while also maximising its benefits. For this, the Plan highlights the need for regular monitoring of recruitment agencies located in the province, expanding financial literacy programmes, working with the private sector, ensuring utilisation of remittances in productive sectors, providing potential migrant workers with skill training in sectors they are interested in, effectively coordinating with local levels, neighbouring provinces and the central government to manage foreign employment, creating and implementing

19 Province Planning Commission Province 1, *First Periodic Plan (Fiscal Year 2076/77–2080/81)* (Biratnagar: Province Planning Commission Province 1, 2019).

Table 1.1: Annual Policy and Programmes and Annual Budget of Province 1 (since 2017/18)

Documents Reviewed	Plans and Programmes Proposed on Foreign Employment
Policy and Programmes for 2021/22 and Annual Budget for 2021/22 (2078/79)*	<ul style="list-style-type: none"> • Implement Chief Minister Entrepreneurship Programme at local levels in coordination with other development stakeholders to create self-employment opportunities for the youth and to make them self-sufficient as well as to effectively utilise the knowledge, skills, expertise and capital of those who have returned from foreign employment, while also preparing a circular fund for the same. In the budget for 2021/22, NPR 100 million has been allocated for this programme. • Policy and Programme for 2021/22 also mentions, formulation of directives for the management and standards of preparation classes for foreign employment. • Implementation of programmes targeted towards returnee migrant workers under the Prime Minister Agriculture Modernisation Programme has also been mentioned in Annual Budget for 2021/22.
Policy and Programmes for 2020/21 and Annual Budget for 2020/21 (2077/78)†	<ul style="list-style-type: none"> • Annual Budget for 2020/21 mentioned formulation of programmes related to entrepreneurship and self-employment through skill-based training to motivate towards self-employment those who have returned from foreign employment and those who have lost their jobs in the country due to Covid-19. • Policy and Programmes for 2020/21 mentioned implementation of the Province Head Innovation Agriculture Programme with the aim of making the province self-sufficient in agriculture and to develop policies to utilise the skills, expertise, experiences and human capital. Under this programme, a working procedure would be formulated and trainings and loans would be provided in coordination with municipality/rural municipality. Other programmes to encourage entrepreneurship for returnee migrants were also proposed. • Policy and Programmes for 2020/21 also proposed creating a database of returnee migrant workers in the province to understand their interest and record their skills/suitability, for which Province Planning Commission would publish and circulate an online form.
Policy and Programmes for 2019/20 and Annual Budget for 2019/20 (2076/77)‡	<ul style="list-style-type: none"> • Annual Budget for 2019/20 allocated NPR 70 million for the formulation and implementation of programmes to utilise the skills and capital of returnee migrant youths in the agriculture sector and unemployed youth in the province. • Implementation of Chief Minister Entrepreneurship Programme to create self-employment opportunities for youth as well as to effectively utilise the knowledge, skills, expertise and capital of youths who had returned from foreign employment. The Annual Budget for 2019/20 set aside NPR 200 million for this programme. • Policy and Programmes for 2019/20 also mentioned that a policy would be created for the formulation of programmes for the production of milk, meat, mushroom, honey, and vegetables to support employment generation for returnee migrants as well as youths in the province.
Budget for 2018/19 (2075/76)§	<ul style="list-style-type: none"> • The budget for this fiscal year did not have any plans and programmes related to the foreign employment sector.
Budget for 2017/18 (2074/75) 	<ul style="list-style-type: none"> • The budget for this fiscal year did not have any plans and programmes related to the foreign employment sector.

* Provincial Government, Province No 1, 'Policies and Programmes for Fiscal Year 2021/22'; Provincial Government, Province No 1, 'Budget Speech for Fiscal Year 2021/22.' <http://moeap.p1.gov.np/budget-speech>

† Provincial Government, Province No 1, 'Policies and Programmes for Fiscal Year 2020/21'; Provincial Government, Province No 1, 'Budget Speech for Fiscal Year 2020/21.'

‡ Provincial Government, Province No 1, 'Policies and Programmes for Fiscal Year 2019/20'; Provincial Government, Province No 1, 'Budget Speech for Fiscal Year 2019/20.'

§ Provincial Government, Province No 1, 'Budget Speech for Fiscal Year 2018/19.'

|| Provincial Government, Province No 1, 'Budget Speech for Fiscal Year 2017/18.'

programmes specifically targeted at female migrant workers, and supporting local governments in formulating and implementing programmes to attract returnee migrants toward entrepreneurship. Specifically, for returnee migrant workers, the specified strategy in the Plan is 'to make it easier for returnee migrant workers to re-enter the local labour market through certification of their skills and

providing them with concessional loans'.

A review of the Annual Policies and Programmes as well as the Annual Budget of Province 1 shows a growing interest of the provincial government in the foreign employment sector, particularly by developing programmes to engage returnee migrant workers. The Annual Policies and Programmes also emphasises the need to utilise the knowledge, expertise and

skills of returnee migrants as well as the capital they bring with them (Table 1.1).

The Annual Policy and Programmes for 2019/20 specifically underscored the need for a survey of human resources available in the province while the 2020/21 one emphasised the creation of a database of returnee migrant workers. Returnee migrant workers are also incorporated in larger schemes on entrepreneurship development, vocational and skill development training as well as provisions on concessional loan and employment generation.

1.3 Objectives of the Study

Given this context of migration in Province 1 and the nascent efforts of the provincial government to engage in the management of labour migration, the Centre for the Study of Labour and Mobility (CESLAM) at Social Science Baha conducted this study with the following objectives:

- Generate baseline information on migration in Province 1 by capturing most forms of migration within, from and into the province.
- Provide data on returnee migrants' skills, employment sectors of their interest and status of labour market reintegration, thereby contributing to the formulation of policies and programmes to make use of returnee migrants' knowledge, skills and capital.
- Contribute to enhancing safe, regular and beneficial migration in Province 1 in particular and Nepal in general.
- Provide policy recommendations on the basis of evidence generated by the study.

1.4 Research Methods

The primary source of data for the study is a survey conducted on a representative sample from the province. The study team also made

use of existing data and publications, held consultations with stakeholders, and interviewed a select number of key informants.

1.4.1 Review of Literature

Documents and datasets related to labour migration relevant to Province 1 published by the Government of Nepal and non-governmental agencies were examined and relevant data from such secondary sources used in this migration profile. A review of national and subnational-level migration profiles developed in other contexts more or less similar to Nepal's was also undertaken in order to help identify tools and indicators to be included in the profile. The available literature on labour migration governance in Nepal was analysed to identify the roles of the provincial and local governments in designing policies and programmes relating to labour migration. In addition, the approach paper as well as plans and programmes of the Province 1 Planning Commission were reviewed. Previous reports from CESLAM and other sources relevant to developing the profile were also consulted.

1.4.2 Quantitative Survey

The major source of data for the study is a representative sample survey administered on 1,225 households from 61 wards of 13 districts in the province in March and April 2021. The households were selected through multi-stage probability sampling with research participants aged 18 years or above. This size of this sample produces results with a ± 2.8 per cent margin of error at a 95 per cent confidence level at the provincial level. (See Annex 1 for details on the sampling method.)

The survey was conducted with tablets using Open Data Kit (ODK) software. This helped collect data in real time and minimise errors in data entry and processing. The collected data was transferred via the internet to the central server at Social Science Baha in Kathmandu,

where the incoming data was monitored. Any inconsistencies observed in the data were immediately informed to the field team and rectified. Upon the completion of the fieldwork, the survey data was cleaned and analysed using statistical software SPSS Statistics.

1.4.3 Key Informant Interviews

Interviews were conducted with key stakeholders from government and non-governmental institutions and independent researchers working on labour and migration in Province 1, mainly to inform them about the preparation of the migration profile for the province and to seek their feedback on the structure of the profile. The interviews were helpful for the inputs provided, particularly regarding the tools and indicators to be incorporated, but also in informing the various interlocutors on the objectives and importance of developing a province-level migration profile.

1.4.4 Consultations

The study was undertaken as a collaborative process involving the government of Province 1 as well. The CESLAM research team and representatives of the Swiss Agency for Development and Cooperation (SDC) had a formal meeting with the Ministry of Social Development (MoSD) in July 2019 to discuss the profile and the proposed method of the study. A follow-up meeting was organised with the Secretary at the Ministry of Social Development, and representatives of the SDC in November 2019 to discuss the progress in the preparation of the migration profile. Consultations with the MoSD continued during the study design, while preparing preliminary findings based on the fieldwork, and also during the preparation of the final draft of the profile.

1.5 Definitions

The terms used in the study have specific meanings. 'Migration' refers to international (i.e.,

external) and internal migration for employment, education, business, trainings and other similar reasons. Travel for purposes such as meeting someone, tourism, pilgrimage or health treatment are not included in that definition. 'Migrant households' are households with at least one member involved in migration at the time of survey.

Similarly, individuals away from the household for employment, education, business, trainings or other similar reasons at the time of survey are identified as 'migrants'.²⁰ Migrants who had gone abroad are defined as 'international migrants' and those within Nepal as 'internal migrants'. 'Returnee migrants' are defined as individuals who had participated in 'international migration' at any point of time in the past but have since returned.²¹

'Immigrant household' refers to a household which has migrated either permanently or temporarily to the current place of residence from another municipality/rural municipality, district or province within Nepal or from other country in the previous 20 years.²²

1.6 Structure of the Report

The report is divided into nine chapters. Chapter 1 provides the background of the study along with the research context, objectives and methods. Chapter

20 Internal and international migrants are identified as 'absentees' in national surveys, particularly, the Nepal Living Standards Survey and the Nepal Labour Force Survey. These surveys define an absentee as 'an individual who is considered by the reporting household as its member at the time of the interview but who is excluded from the survey-definition of household membership because of his/her prolonged absence (that is, he/she was away from the household for more than 6 months out of the last 12 months, or has recently left and is expected to be away for more than 6 months, and will return to the same household in the future)'.

21 The NLFS 2017/18 identifies 'returnee migrants' as household members who have returned after spending more than three months in a foreign country at any point in the last five years.

22 The NLFS 2017/18 identifies 'lifetime migrants' as those household members whose place of current residence in Nepal is different from the place of birth.

2 deals the demographic details and socio-economic background of households in Province 1 based on the survey data. The third chapter presents findings on the state of international migration from the province while the fourth discusses migration channels, cost and sources of funds used for financing foreign employment by migrants followed by a discussion on the

prevalence of frauds in the migration process in the fifth. Chapter 6 presents findings on returnee migrants, their skills and reintegration while Chapters 7 and 8 present information on remittance and internal migration, respectively, in Province 1. Chapter 9 is the concluding chapter, providing recommendations and the way forward based on the findings of this study.

2. BACKGROUND OF PROVINCE 1

This chapter presents the social and demographic background of Province 1. This information is based on the Nepal Human Development Report of 2020 and National Population Census 2011. Additionally, this chapter discusses the education attainment and income of migrant and non-migrant households in the province using data from the survey conducted for this study.

2.1 Demographic and Socio-economic Background

Located in the eastern part of Nepal, Province 1 consists of 14 districts spread across the three ecological zones of the lowland Tarai, the mid-hills and the high mountains. According to the 2011 census, Province 1 has 4.5 million people, which is 17 per cent of the total population of Nepal (Table 2.1). According to the preliminary report of the 2021 census, the total population of Province 1 had increased by nearly half a million over the decade to 4.97 million (with a nearly even sex²³ divide).²⁴

The province includes districts that are heterogeneous in terms of geography as well as

socio-economic conditions. While some districts rank much higher in literacy, per capita income and overall human development, the indicators for other districts are much lower than the national average.

A large proportion of the population, both male and female, in Province 1 are in the age group of 10–14 years. The age–sex structure of the population in Province 1 closely reflects that of the national level (Figure 2.1).

In line with the data at the national level, the majority of the male and female populations in Province 1 have completed their primary education (Table 2.2).

In terms of caste/ethnicity, the Hill Janajati group comprises the largest population group, followed by Hill Caste and Tarai Janajati groups (Table 2.3).²⁵ This population composition is slightly different than that at the national level, where a majority of the people are from the Hill Caste groups followed by Hill Janajatis and Tarai Janajatis.

Province 1 has 3.6 million of Nepal's 20.7 million working-age population (defined as those aged 15 years and above). The Nepal Labour Force Survey 2017/18, the source of the most recent data on this score, reported the unemployment rate in Province 1 to be 10 per cent in 2017/18, a figure that is slightly lower than the national average of 11 per cent.²⁶ Women make 55 per cent of the total working-age population in the province, but their share in the employed population in the province is only 37

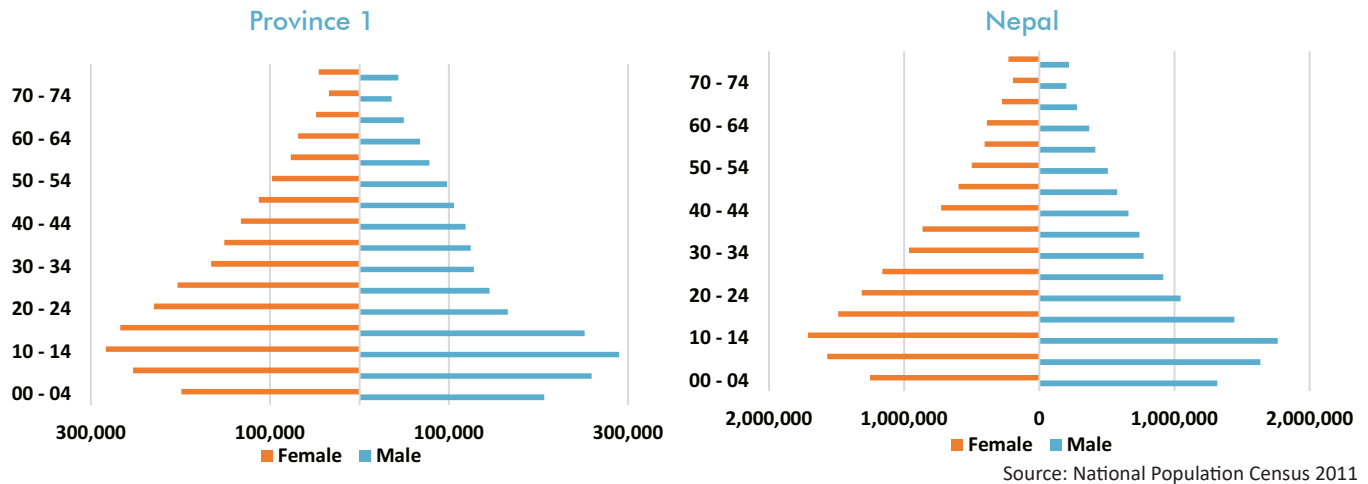
23 As all available data is disaggregated only by sex, not by gender, this paper does not discuss any statistics disaggregated by gender. 'Sex refers to the biological and physical differences between women and men. Gender refers to socially constructed differences in attributes and opportunities associated with being a woman, man, girl or boy and to the social interactions and relations between men and women.' UN Women, *Module 1: What is Gender Data and How to Use it for SDG Monitoring?* (no place: UN Women, n.d.).

24 Central Bureau of Statistics, *Preliminary Report of National Population Census 2021* (Kathmandu: Central Bureau of Statistics, 2021).

25 See Annex 2 for more detailed information on the caste and ethnicity classification used in this study.

26 Central Bureau of Statistics, *Report on the Nepal Labour Force Survey 2017/18* (Kathmandu: Central Bureau of Statistics, 2019).

Figure 2.1: Age Pyramid: Province 1 and Nepal



per cent, indicating a higher unemployment rate for women in comparison to men.

2.2 Household Characteristics

The study survey shows an average household size of five persons in the province. More than half the households had one or more member with an

SLC/SEE, the national-level examination taken after 10 years of schooling, or above educational qualification. Two-fifths of migrant households had one or more member with education equivalent to the intermediate level, i.e., Grade 12, or higher. This proportion was lower for non-migrant households (Table 2.4).

The surveyed households were engaged

Table 2.1: Socio-economic Indicators of Province 1

Indicator		Province 1	National
Geography			
Total area (sq km)		25,905	147,181
Human and social development indicators*			
Life expectancy (years)		72.0	69.7
Mean years of schooling among those aged 25 and above		4.3	5.2
Expected years of schooling		13.1	12.7
Gross national income (GNI) per capita (2011 PPP in USD)		2,393	2,748
Human development index (HDI)		0.58	0.587
Gender development index (GDI)		0.901	0.886
Population**		Year	
Total	2011	4,534,943	26,494,504
	2021	4,972,021	29,192,480
Male	2011	2,166,536	12,849,041
	2021	2,425,266	14,291,311
Female	2011	2,368,407	11,645,463
	2021	2,546,755	14,901,169

Sources: *National Planning Commission and UNDP, *Nepal Human Development Report 2020: Beyond Graduation: Productive Transformation and Prosperity* (Kathmandu: National Planning Commission and UNDP, 2020). ** Central Bureau of Statistics, *National Population Census 2011* (Kathmandu: Central Bureau of Statistics, 2011); Central Bureau of Statistics, *Preliminary Report of National Population Census 2021* (Kathmandu: Central Bureau of Statistics, 2021).

Table 2.2: Education Attainment and Sex (Province 1 and Nepal)

Education Level	Province 1			Nepal		
	Male (%)	Female (%)	Total (N)	Male (%)	Female (%)	Total (N)
Beginner	53.0	47.0	99,806	53.5	46.5	639,031
Primary (Grades 1–5)	52.9	47.1	1,120,561	53.5	46.5	6,285,124
Lower secondary (Grades 6–8)	51.3	48.7	633,306	54.2	45.8	3,266,513
Secondary (Grades 9–10)	51.6	48.4	398,192	55.9	44.1	1,857,368
SLC/SEE & equivalent	52.1	47.9	356,169	57.0	43.0	1,636,159
Intermediate and equivalent	56.5	43.5	150,936	58.4	41.6	1,036,448
Bachelor's level & equivalent	69.8	30.2	58,514	67.0	33.0	457,744
Higher than bachelor's level	79.1	20.9	15,921	75.0	25.0	158,432
Others	57.6	42.4	1,296	55.0	45.0	17,141
Non-formal education	50.5	49.5	143,515	46.2	53.8	668,117
Level not stated	51.9	48.1	10,560	53.3	46.7	76,442

Source: Calculations based on the Census 2011 data.

Table 2.3: Population Distribution (by caste/ethnicity) (%)

Caste/Ethnicity	Province 1	Nepal
Hill Janajati	37.1	25.5
Hill Caste	27.8	31.3
Tarai Janajati	12.1	9.8
Tarai Caste	7.3	14.8
Hill Dalit	6.1	8.1
Others	4.1	4.5
Tarai Dalit	3.2	4.5
Mountain Janajati	1.6	0.6
Tarai Others	0.4	0.4
Dalit Others	0.1	0.6
Janajati Others	0.01	0.0
Undefined Others	0.2	0.06
Foreigner	0.01	0.03

Source: Calculations based on the Census 2011 data.

Table 2.4: Highest Level of Education in Household (%)

	Migrant household (%)	Non-migrant household (%)	All household (%)
Illiterate	3.3	8.8	6.4
Informal education	3.6	4.4	4.1
Beginner	0.2	0.4	0.3
Primary (Grades 1–5)	4.4	8.7	6.9
Lower secondary (Grades 6–8)	9.8	13.4	11.8
Secondary (Grades 9–10)	14.2	14.5	14.4
SLC equivalent	22.3	21.9	22.0
Intermediate/Grade 12 equivalent	28.8	19.7	23.6
Bachelor's level and equivalent	8.1	5.3	6.4
Master's level and equivalent	4.0	2.1	2.9
PhD/Professional degree	0.8	0.1	0.4
Technical education	0.6	0.7	0.7
N	521	704	1,225

in multiple economic activities with self-employed agriculture being the most common in both migrant and non-migrant households. Remittances formed one of the major sources of

income in 46 per cent of the migrant households in the province; a little less than 2 per cent of non-migrant households also reported remittances as a source of income (Table 2.5).

Table 2.5: Sources of Household Income (%)

	Migrant Households	Non-migrant Households	All Households
Self-employed—agriculture	65.5	56.4	60.2
Non-agricultural—daily wage work	14.8	26.4	21.5
Remittance	46.1	1.7	20.6
Self-employed—non-agriculture	11.5	16.8	14.5
Social security allowance	11.7	8.8	10.0
Agricultural—daily wage work	7.1	9.4	8.4
Salaried job (private/NGO)	8.8	7.8	8.2
Salaried government job	10.7	6.1	8.1
Social work/political work	0.8	0.9	0.8
Other	5.4	8.0	6.9
N	521	704	1,225

Note: Multiple responses

3. STATUS OF INTERNATIONAL MIGRATION

This chapter presents the magnitude and pattern of international migration in Province 1. It also provides information on destination country as well as occupation and income of migrant workers. ‘International migration’ in this study refers to the movement of an individual to foreign countries for the purpose of work, education or as a dependant of another migrant. ‘International migrants’ are individuals who were abroad at the time of the survey for these reasons. It excludes those having gone abroad for tourism, medical treatment, family visits, etc.

3.1 Key Features of Migrants and Migrant Households

The survey found that over two-fifths (43 per cent) of the households in Province 1 had one or more member who had migrated for work, self-employment, education, as a dependant, or joined the army within Nepal or abroad. Similarly, 26 per cent of households in the province had at least one member abroad (international migrant) for work, self-employment, education, as a dependant, or in the Indian army.

A very high proportion (87 per cent) of international migrants from the province were male, a fact in line with national data, which shows that most Nepali migrants abroad are men (88 per cent in 2011²⁷ and 90 per cent in 2017/18²⁸ were men). Furthermore, mirroring the trend of international migration in Nepal,

a larger share of international migrants in Province 1, irrespective of sex, were young adults (between 21 and 30 years of age).

More than half the international migrants had School Leaving Certificate (SLC)/Secondary Education Examination (SEE) or higher level of education, while 5 per cent had received no education. The level of education among international migrants from Province 1 is significantly higher than the national average. The National Population Census 2011, the Nepal Living Standard Survey 2010/11 and the Nepal Labour Force Survey (NLFS) 2017/18 all showed that nationally around a quarter of the migrants going abroad have education beyond the SLC/SEE.²⁹ The NLFS 2017/18 had also found a high rate of educational attainment among migrants from Province 1; more than 45 per cent of international migrants had SLC equivalent or above education.³⁰

A majority of the international migrants from the province were married (59.9 per cent) while a small share of migrants was ‘divorced’ or ‘separated’. The rate of migrants with ‘divorced’ or ‘separated’ status was significantly higher among females compared to males (Table 3.1).

More than two-thirds of both male and female international migrants in Province 1 belonged to Hill Janajati and Hill Caste groups (Table 3.2). This figure is consistent with the NLFS 2017/18.³¹ While considering the size of population of the respective caste and ethnic groups in the province, Mountain Janajati and

27 Sanjay Sharma, Shibani Pandey, Dinesh Pathak and Bimbika Sijapati-Basnett, *State of Migration in Nepal* (Kathmandu: Centre for the Study of Labour and Mobility, 2014).

28 Calculation based on the NLFS 2017/18 dataset.

29 Sharma et al, *State of Migration in Nepal*.

30 Calculation based on the NLFS 2017/18 dataset.

31 Calculation based on the NLFS 2017/18 dataset.

Table 3.1: Demographic Characteristics of International Migrants from Province 1 (%)

Indicator	Total	Male	Female
Age			
1–10 years	0.3	0.3	0.0
11–20 years	4.7	4.4	6.1
21–30 years	46.0	45.3	51.0
31–40 years	32.3	32.8	28.6
41–50 years	14.0	13.9	14.3
51–60 years	2.8	3.3	0.0
Education			
Illiterate	4.7	3.6	12.2
Informal education	2.6	2.7	2.0
Beginner	0.5	0.6	0.0
Primary (Grades 1–5)	10.1	9.5	14.3
Lower secondary (Grades 6–8)	17.1	18.3	8.2
Secondary (Grades 9–10)	19.9	20.7	14.3
SLC equivalent	21.7	22.5	16.3
Intermediate equivalent/+2	14.7	14.8	14.3
Bachelor's level and equivalent	3.9	3.3	8.2
Master's level and equivalent	3.6	3.0	8.2
PhD/Professional degree	0.8	0.6	2.0
Technical education	0.5	0.6	0.0
Marital status			
Single male/female (had never married)	34.4	35.2	28.6
Married	59.9	60.1	59.2
Separated (not legally divorced)	3.6	3.6	4.1
Divorced	1.3	0.9	4.1
Single male/female (widow/widower)	0.8	0.3	4.1
N	387	338	49

Table 3.2: Caste/Ethnicity of International Migrants (%)

	Male migrants	Female migrants	Total population in province*
Hill Janajati	37.9	36.7	37.1
Hill Caste	35.2	34.7	27.8
Tarai Janajati	11.5	6.1	12.1
Hill Dalit	6.8	14.3	6.1
Tarai Caste	6.5†	2.0	7.3
Tarai Dalit	1.8	6.1	3.2
Mountain Janajati	0.3	0.0	1.6
N	338	49	

* As per population census of 2011.

† This figure also includes a household that self-identified as 'Muslim'.

Table 3.3: Reason for Migration (%)

	India	Other Countries
Work	61.9	80.9
Study/training	23.8	7.0
Self-employment/business	7.1	9.3
Dependant	0.0	2.0
Other family reasons	2.4	0.6
To join foreign army	4.8	0.0
Others	0.0	0.3
N	42	345

Tarai Caste groups are found to have lower rates of migration.

3.2 Reasons for Migration

The survey data showed that people from Province 1 migrate to India and other countries mainly for work and education (Table 3.3). Compared to other countries, a higher percentage of migrants to India were educational migrants. Nearly 5 per cent of India-bound international migrants had joined the Indian army. None of the households in the sample had members in the army of other foreign destinations.

Both men and women migrated mainly for work and education. However, in terms of migration for education in countries other than India, the rate among women was three times higher than among men, indicating a growing trend of women's participation in migration to international destinations beyond India (Table 3.4).

Table 3.4: Reason for Migration (by sex) (%)

	India		Other Countries	
	Male	Female	Male	Female
Work	60.5	75.0	82.7	68.9
Study/Training	23.7	25.0	5.3	17.8
Self-employment/Business	7.9	0.0	10.0	4.4
To join foreign army	5.3	0.0	0.0	0.0
Other family-related reasons	2.6	0.0	0.3	2.2
Went as dependant	0.0	0.0	1.7	4.4
N	38	4	300	45

Among those who had migrated for reasons like education, training, as dependants, or 'other', 83 per cent of those who went to destination other than India reported they were working in the destination country, thus reflecting a tendency of Nepali international migrants to support themselves financially through work, irrespective of their reasons for migration (Table 3.5).

3.3 Destinations of Migrants

The flow of international migrants from Province 1 was found to be concentrated in Malaysia and the six Gulf Cooperation Council (GCC) countries, i.e., Qatar, Saudi Arabia, the UAE, Oman, Kuwait and Bahrain (Figure 3.1). Although there was some variation in terms of sex, more than three quarters of the men were in those countries as were 55 per cent of the women. However, there were major differences in terms of the sex of migrants going to

Table 3.5: Work Status of International Migrants Who Migrated for Reasons Other than Work (%)

Working status	India	Other Countries
Yes, working in the destination country	28.6	83.3
No, not working	64.3	13.6
Don't know	7.1	3.0
N	14	66

Figure 3.1: Country of Destination of International Migrants (by sex)

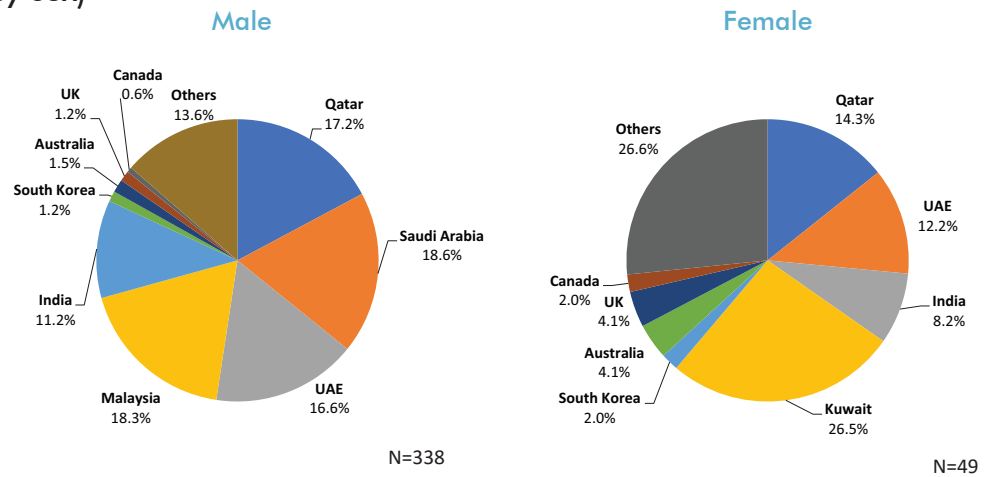
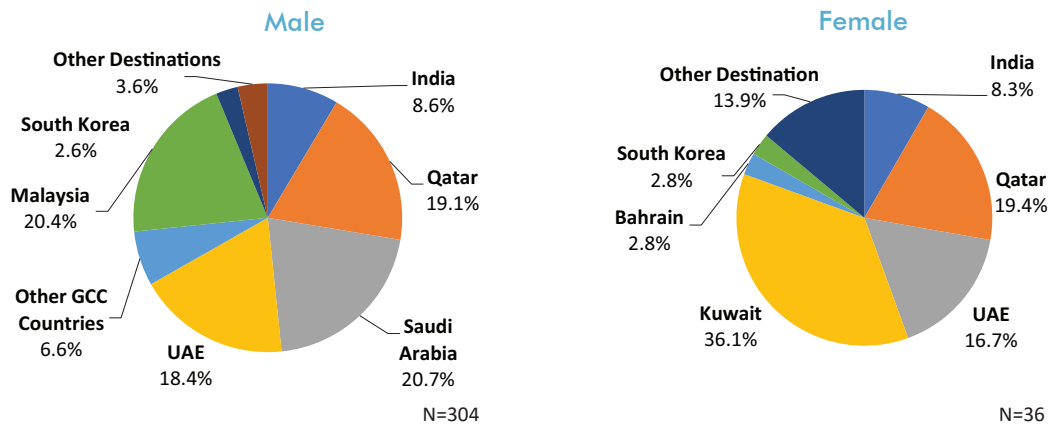


Figure 3.2: Country of Destination of Migrants Who Migrated for Employment (by sex)



Australia, Canada, South Korea and the UK, with somewhat higher proportions of females in comparison to males.

Nationally, the NLFS 2017/18 found India to be the most popular destination for both Nepali men and women.³² However, the rate of migration to India varies among the seven provinces with the proportion of Nepali migrants to India being the highest from Karnali and Sudurpashchim compared to other provinces.³³

32 Calculation based on the NLFS 2017/18 dataset.

33 According to the NLFS 2017/18, the proportion of Nepali migrants to India from Karnali and Sudurpashchim were 63 per cent and 87 per cent,

International migrants from Province 1 appear to be even more concentrated in the GCC countries and Malaysia while considering only those who went abroad for employment (Figure 3.2).

In terms of migrants' education and destination countries, the largest share of migrants of all education categories except those with bachelor's degree level of education or above had migrated to the GCC countries for employment or work-related reasons (Table 3.6).

As there was a preponderance of migrant respectively.

Table 3.6: Country of Destination of International Migrants Who Migrated for Employment (by education attainment) (%)

	India	GCC countries	Malaysia	South Korea	North America	Other Countries	N
Illiterate	27.8	61.1	11.1	0.0	0.0	0.0	18
Informal education	0.0	60.0	40.0	0.0	0.0	0.0	10
Beginner	0.0	100.0	0.0	0.0	0.0	0.0	1
Primary (Grades 1–5)	18.4	65.8	15.8	0.0	0.0	0.0	38
Lower secondary (Grades 6–8)	7.7	63.1	26.2	0.0	0.0	3.1	65
Secondary (Grades 9–10)	5.3	68.4	18.4	2.6	0.0	5.3	76
SLC or equivalent	9.3	70.7	17.3	1.3	0.0	1.3	75
Intermediate equivalent/+2	2.0	69.4	10.2	8.2	0.0	10.2	49
Bachelor's level or equivalent	0.0	25.0	25.0	25.0	0.0	25.0	4
Master's level or equivalent	0.0	0.0	0.0	0.0	50.0	50.0	2
PhD/Professional degree	0.0	0.0	0.0	0.0	0.0	100.0	1
Technical education	0.0	0.0	0.0	100.0	0.0	0.0	1
Total	8.5	65.9	18.2	2.6	0.3	0.0	340

Table 3.7: Country of Destination of International Migrants Who Migrated for Employment (by caste/ethnicity) (%)

Caste/Ethnicity	India	GCC countries	Malaysia	South Korea	North America	Other Countries	N
Mountain Janajati	0.0	0.0	100.0	0.0	0.0	0.0	1
Hill Janajati	9.1	61.4	19.7	5.3	0.0	4.5	132
Hill Caste	8.3	70.4	13.0	1.9	0.9	5.6	108
Hill Dalit	0.0	72.4	20.7	0.0	0.0	6.9	29
Tarai Janajati	7.5	70.0	20.0	0.0	0.0	2.5	40
Tarai Caste	10.5	68.4	21.1	0.0	0.0	0.0	19
Tarai Dalit	22.2	44.4	33.3	0.0	0.0	0.0	9
Muslim	50.0	50.0	0.0	0.0	0.0	0.0	2
Total	8.5	65.9	18.2	2.6	0.3	4.4	340

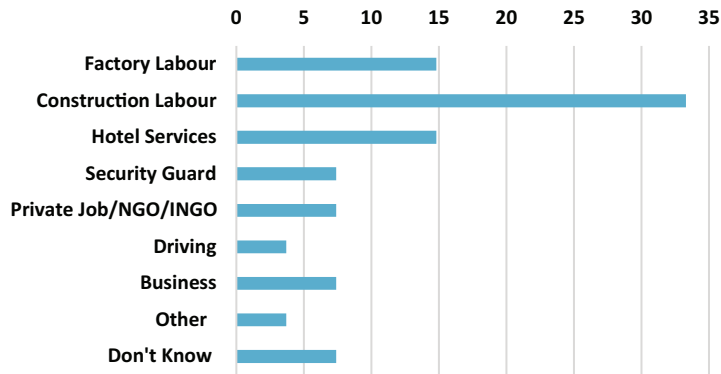
workers of Province 1 going to the GCC countries for work, a higher share of migrant workers (whose reason for migration was employment) from all caste and ethnic groups had migrated to the GCC countries. It is noteworthy that migrants going to South Korea for employment were only from among the Hill Janajati and Hill Caste groups (Table 3.7).³⁴

³⁴ Since these are very small numbers, disaggregated data in terms of caste and ethnicity needs to be interpreted with caution.

3.4 Occupation and Salary in Destination Country

At the time of the survey, nearly half of the migrants to India were working as labourers in construction or factories with a third (33 per cent) working as construction labourers and 13 per cent as factory workers (Figure 3.3). The dominant job sectors also varied between male and female workers in countries other than India. Factory labour, construction labour, security guard, driving, hospitality and salaried works in private and non-government

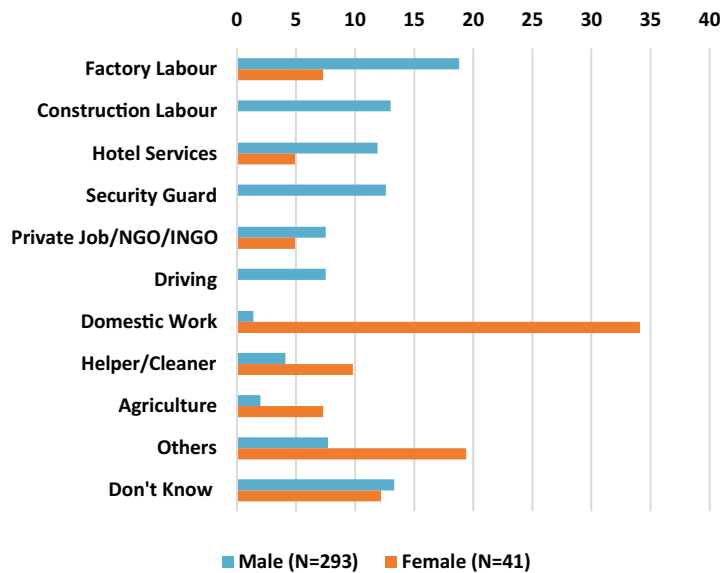
Figure 3.3: Proportion of International Migrants in Different Occupation in India (only male)



N=27

Note: Since there were only three women workers employed in India, disaggregation has been provided only for men.

Figure 3.4: Proportion of International Migrants in Different Occupation in Countries beyond India (by sex)



sectors were the top employment sectors for male workers while domestic work, helper or cleaner, factory work and hospitality were the top job sectors for females (Figure 3.4). It is to be noted that the occupation of 13 per cent of the international migrants was not known to the household members that provided information during the survey.

With work being the primary reason for migration overseas, the result from this study underscores the fact that international

migration is predominated by employment in occupations that requires low skills. National surveys that have collected data on migration in Nepal in the past have shown that most of the international migrants, both male and female, were engaged in elementary occupations requiring very few skills³⁵ followed by service

³⁵ Elementary occupations are jobs that consist of 'simple and routine tasks which mainly require the use of hand-held tools and often some physical effort. Most occupations in this major group require skills at the

Table 3.8: Occupation of Migrants in Destination (by caste/ethnicity) (%)

	GCC Countries and Malaysia				India			
	Janajati (Mtn/Hill)	Hill Caste	Dalit (Hill/Tarai)	Tarai Caste and Tarai Janajati	Janajati (Mtn/Hill)	Hill Caste	Dalit (Hill/Tarai)	Tarai Caste and Tarai Janajati
Factory labour	25.9	9.0	20.6	18.5	15.4	10.0	0.0	20.0
Hotel services	11.1	16.9	2.9	7.4	7.7	10.0	0.0	40.0
Construction labour	9.3	11.2	17.6	14.8	46.2	10.0	50.0	40.0
Security guard	8.3	15.7	8.8	16.7	7.7	0.0	50.0	0.0
Driving	5.6	12.4	2.9	5.6	7.7	0.0	0.0	0.0
Helper/Cleaner	4.6	3.4	11.8	7.4	0.0	0.0	0.0	0.0
Domestic work	1.9	4.5	17.6	5.6	0.0	0.0	0.0	0.0
Others	17.6	12.3	14.6	16.7	15.4	50.0	0.0	0.0
Don't know	15.7	14.6	2.9	7.4	0.0	20.0	0.0	0.0
N	108	89	34	54	13	10	2	5

Table 3.9: Monthly Income of International Migrants in Destination Country (%)

	GCC Countries and Malaysia		India	
	Male	Female	Male	Female
<=10000	0.0	0.0	18.8	100
10,001–20,000	1.5	4.2	31.3	0.0
20,001–30,000	34.8	41.7	31.3	0.0
30,001–40,000	30.8	33.3	6.3	0.0
40,001–50,000	20.4	8.3	12.5	0.0
50,001–100,000	11.4	12.5	0.0	0.0
Above 100,000	1.0	0.0	0.0	0.0
N	201	24	16	1

and sales works.³⁶

first ISCO skill level'; <https://www.ilo.org/public/english/bureau/stat/isco/isco88/major.htm>. The International Standard Classification of Occupations (ISCO) is an ILO classification of jobs into a clearly defined set of groups according to the tasks and duties undertaken in the job.

³⁶ Service workers and shop and market sales workers 'provide personal and protective services related to travel, housekeeping, catering, personal care, or protection against fire and unlawful acts, or they pose as models for artistic creation and display or demonstrate and sell goods in wholesale or retail shops and similar establishments, as well as at stalls and on markets. Most occupations in this major group require skills at the second ISCO skill level. As per

Labour work in factory and construction was the most common type of job taken up by migrant workers across all caste and ethnic groups except

the NLFS 2017/18, 30 per cent of male migrants and 50 per cent of female migrants from Province 1 were engaged in elementary occupations abroad, while 21 per cent of male migrants and 10 per cent of female migrants were engaged in sales and service work abroad. Nationally, 32 per cent of male migrants and 27 per cent of female migrants from Province 1 were engaged in elementary occupations abroad, while 24 per cent of male migrants and 11 per cent of female migrants were engaged in sales and service work abroad, according to calculations done by the study team of the raw data from the NLFS 2017/18.

Table 3.10: Average and Median Income of Migrants in Destination Country

	Male			Female		
	Average Income	Median	N	Average Income	Median	N
India	18,117	22,000	16	10,000	10,000	1
GCC countries and Malaysia	38,111	35,000	201	35,239	35,000	24

Table 3.11: Average and Median Monthly Income of International Migrants (by occupation)

	GCC Countries and Malaysia			India		
	Average	Median	N	Average	Median	N
Factory labour	36,525	35,000	43	16,869	20,000	3
Hotel services	36,269	35,000	29	21,558	18,000	4
Security guard	43,595	50,000	29	36,125	37,000	2
Construction labour	36,692	30,000	25	18,103	24,000	5
Private job/NGO/INGO	40,543	37,500	20	8,000	10,000	3
Driving	43,968	44,000	16			
Domestic work	34,711	35,000	14			
Helper/Cleaner	31,665	30,000	14			
Electrician	39,820	36,000	7			
Other	34,087	30,000	4			
Banking/Accounting	46,058	50,000	4			
Business	36,938	30,000	3			
Agriculture	47,958	61,500	2			

the Hill Caste group. Migrant workers from the latter were more likely to be employed in hotel services, as security guards and drivers in the GCC countries and Malaysia compared to those from other caste/ethnic groups (Table 3.8).

As Table 3.9 shows, the monthly income of most migrant workers in India was between NPR 10,000 and 30,000, while a majority of those in the GCC countries and Malaysia earned in the range of NPR 20,000 to 40,000, and this held true for both male and female workers.³⁷ The monthly average income of male and female migrant workers did not significantly differ in the GCC countries and Malaysia; the median income for both groups was NPR 35,000 per month although the average (mean) was slightly

higher for male workers (Table 3.10).

The survey data showed higher wages for jobs in driving, as security guards, and in banking, accounting and agriculture sector in Malaysia and the GCC. For migrants to India, there were not many job options, but security guards and hotel service paid better wages than labour work in general (Table 3.11).

More than two-fifths of male migrants going to India were able to save less than NPR 10,000 a month (Table 3.12). In contrast, savings of migrants were higher in the GCC countries and Malaysia. As presented in Table 3.9, migrants to India earned less than those who migrated to other destinations, and hence, their savings were also less. Most workers employed in India saved less than NPR 20,000 per month while workers in the GCC countries and Malaysia saved between NPR 10,000 and 30,000 per month.

³⁷ Since there was only one female migrant worker for India in the survey, the study does not provide a comparison between male and female workers in India.

Table 3.12: Monthly Saving of International Migrants in Destination Country (%)

	India		GCC Countries and Malaysia	
	Male	Female	Male	Female
<=10,000	41.7	100.0	6.7	10.0
10,001–20,000	33.3	0.0	25.6	20.0
20,001–30,000	16.7	0.0	34.8	45.0
30,001–40,000	8.3	0.0	21.3	15.0
40,001–50,000	0.0	0.0	7.3	5.0
50,001–100,000	0.0	0.0	3.0	5.0
> 100,001	0.0	0.0	1.2	0.0
N	12	1	164	20

Table 3.13: Whether Skill Learnt Prior to Migrating Abroad (by sex) (%)

Learning of Skills	Male (%)	Female (%)
Yes, have learnt some skills	21.9	13.6
No, did not learn any skills	78.1	86.4
Total	100	100
N	320	44

Table 3.14: Skill Learnt Prior to Migrating Abroad (by caste/ethnicity)* (%)

Caste/Ethnicity	Learnt Skills Prior to Migration	Did Not Learn Any Skills	N
Mountain and Hill Janajati	18.8	81.2	138
Hill Caste	23.8	76.2	126
Dalits (Hill and Tarai)	17.9	82.1	39
Tarai Caste and Tarai Janajati	21.3	78.7	61

* Some of the caste and ethnic group categories used in this study have been merged in this table due to extremely small number of cases in many categories.

3.5 Skills Training

Only one-fifth of all migrants were reported to have learned a skill before migration, and that was even lower in the case of migrants going to India.

The rate of migrants getting skills prior to migration did vary in terms of caste and ethnicity of the migrants: Hill Caste group had the highest and the Dalits the lowest rates of workers migrating with a skill, with a gap of six percentage point between them (Table 3.14).

Differences were also observed in the rates of migrants' skills in relation to the destination countries they went to, with those going to Kuwait faring the worst (Tables 3.15).

Driving was the most common skill training taken by the migrants (Table 3.16). Migrants were also found to have taken training for the hospitality sector (hotel work), masonry, electrician, automobile repair and garment sector. Females mostly took training for beautician, domestic work, agriculture and hotel work.

Table 3.15: Skill Learnt Prior to Migrating Abroad (by destination country) (%)

Destination Country	Learnt Skills Prior to Migration	Did Not Learn Any Skills	N
India	6.7	93.3	30
Qatar	32.3	67.7	65
Saudi Arabia	20.6	79.4	63
UAE	24.2	75.8	62
Bahrain	16.7	83.3	12
Kuwait	0.0	100.0	21
Malaysia	16.4	83.6	61
South Korea	22.2	77.8	9

Table 3.16: Type of Skill Learnt Prior to Migrating Abroad (%)

Skill Learnt	Male (%)	Female (%)
Driver	34.3	0.0
Hotel work	15.7	16.7
Others	15.7	0.0
Mason	12.9	0.0
Electrician	11.4	0.0
Scaffolding	5.7	0.0
Automobile repair	4.3	0.0
Garment worker	4.3	0.0
Beautician	0.0	33.3
Mobile repair	2.9	0.0
Caregiver	0.0	33.3
Carpenter	1.4	0.0
JCB/Backhoe excavator operator	1.4	0.0
Agriculture	0.0	16.7
N	70	6

Note: Multiple responses

A low rate of skill training among migrants could be due to the fact that training is not a prerequisite for migrants either for work or education except in the case of some destination countries like South Korea and Japan. Migrants going to work as domestic workers abroad, on the other hand, are required to take training as mandated by the Government of Nepal. However, the survey did not find every domestic

worker having taken the mandatory training prior to migration.

Among those who underwent training prior to migrating, 61 per cent found that the skills they acquired in the training matched their work in the destination country. A further 38 per cent felt that there was a mismatch of skills learnt and their occupation abroad, while 1.3 per cent were unsure.

4. MIGRATION CHANNELS, COSTS, FINANCING SOURCES AND DEBT BURDEN

Labour migration in Nepal is facilitated by various formal and informal intermediaries. As a result, migrant workers incur a variety of costs while migrating for employment abroad and also make use of diverse sources to pay for their foreign employment expenses. This chapter discusses the intermediaries facilitating labour migration, the costs of migration and sources used for financing foreign employment, and the debt burden. The analysis is based on data on migrants who were abroad for employment at the time of survey and returnee migrants who went for foreign employment but had returned home since.

4.1 Channel of Migration

Among intermediaries that facilitate migration for employment are recruitment agencies formally involved in labour recruitment and individual agents and sub-agents who informally facilitate an aspirant's migration overseas. Friends, family and relatives also sometimes play a role in connecting migrants to these formal and informal intermediaries. Recruitment agencies assist potential migrants by connecting them with job opportunities abroad, arranging for the necessary paperwork, and acquiring labour permits, visa and air tickets.³⁸ There are also individual agents or sub-agents that connect potential migrants to recruitment agencies and/or employment abroad.

38 Alice Kern and Ulrike Müller-Böker, 'The Middle Space of Migration: A Case Study on Brokerage and Recruitment Agencies in Nepal,' *Geoforum* 65 (2015): 158–169.

Table 4.1: Intermediaries Facilitating Migration to Destination Other than India (by workers' sex) (%)

Intermediary	Male	Female
Recruitment agencies	84.2	68.1
Neighbours/friends	5.8	14.9
Family members	3.4	8.5
Individually	3.1	4.3
Contractors/Brokers (informal agents)	5.5	8.5
Employment Permit System (EPS)	1.1	2.1
Others	0.6	2.1
Don't Know	1.9	2.1
N	638	47

Note: Multiple responses

The present study also underscored the important role played by intermediaries in migrating abroad. As shown in Table 4.1, over two-thirds of female and four-fifths of male international migrants from Province 1 used the services of recruitment agencies, locally known as 'manpower companies', to facilitate their migration. Neighbours, friends and family members also facilitated the migration of a substantial proportion of both male and female workers.

The role of agents or sub-agents in migration is usually very minimal in the case of migration to India. This is because of the open border between Nepal and India, allowing free movement of citizens from both countries across the borders. As Table 4.2 shows, in the case of India, no recruitment agencies were used for migration. Almost half of the migrants went individually, and around two-fifths took support from

Table 4.2: Intermediaries Facilitating Migration to India and Other Destinations (%)

Intermediary	India	Other Countries
Recruitment agencies	0.0	83.1
Neighbours/friends	27.5	6.4
Family members	15.0	5.7
Contractors/Brokers	10.0	3.8
Individually	47.5	3.2
Don't know	2.5	1.9
Employment Permit System (EPS)	0.0	1.2
Others	0.0	0.7
N	40	685

Note: Multiple responses

Table 4.3: Travel Route Used for Migration to Countries Other than India (by sex) (%)

Route Used	Male (%)	Female (%)
Via Kathmandu (TIA)	99.7	85.1
Via India	0.3	14.9
N	637	47

Table 4.4: Channel Used in Migration for Work in Countries Other than India (%)

Status	Male (%)	Female (%)
Labour permit taken	84.9	72.0
Labour permit not taken	4.1	6.0
Don't know	8.4	14.0
Not applicable	2.6	8.0
N	663	50

Table 4.5: Total Migration Cost and Recruitment Fees Incurred in Migration Process

	Total Migration Cost		Recruitment Fees	
	Average Cost (NPR)	N	Average Cost (NPR)	N
Malaysia	144,648	157	113,170	124
Qatar	125,532	137	88,743	109
Saudi Arabia	122,427	129	99,414	105
UAE	154,722	101	118,055	86
India	5,885	26	5,000	2
Kuwait	99,119	27	81,256	19
Bahrain	138,231	18	102,210	13
South Korea	180,890	9	60,000	1
Oman	108,931	4	87,590	3

neighbours, friends and family members.

Most of the migration to countries other than India was reported as taking place via the Tribhuvan International Airport in Kathmandu (Table 4.3). However, some males and a larger proportion of females reported having used an Indian airport after crossing over to India by land although migration for work to third countries via India is not authorised by the Government of Nepal and considered illegal. Female workers choose to migrate via India mainly due to travel bans imposed in Nepal for foreign jobs in the domestic work sector, a major source of employment for women workers.³⁹

According to the Foreign Employment Act, 2007, it is mandatory for an individual to get a labour permit from the Department of Foreign Employment (DoFE) prior to migrating for employment in countries other than India in order for their migration to be legal. As shown in Table 4.4, most of the labour migrants to countries other than India for work or self-employment were reported to have migrated legally, i.e., by taking a labour permit from DoFE. In only 8 per cent cases of female migrants and 4 per cent of male migrants, it was reported that the migrant travelled without obtaining a labour permit as required by law.

The three female migrants who did not get labour permit had migrated to Kuwait. Two of them were engaged in domestic work and one worked as a helper/cleaner. All of them belonged to the Dalit caste group.

4.2 Migration Costs and Sources of Financing Migration

Migration involves economic costs, such as expenses incurred for air tickets, visas, medical

³⁹ Arjun Kharel, 'Female Labor Migration and the Restructuring of Migration Discourse: A Study of Female Workers from Chitwan, Nepal' (PhD diss., Kansas State University, 2016).

Table 4.6: Total Migration Cost and Recruitment Fees by Migrants' Sex

	Total Migration Cost (NPR)				Recruitment Fees (NPR)			
	Male		Female		Male		Female	
	Average	N	Average	N	Average	N	Average	N
Malaysia	144,648	157	-	-	113,170	124	-	-
Qatar	125,372	128	127,828	9	90,108	104	64,600	5
Saudi Arabia	128,413	125	41,601	3	101,994	102	41,601	3
UAE	156,016	95	135,615	6	120,976	81	79,462	5
Bahrain	137,303	17	155,000	1	98,994	12	150,000	1
Kuwait	144,723	16	57,155	11	106,218	11	56,219	8
Oman	132,665	2	89,443	2	105,000	1	80,000	2

Table 4.7: Total Migration Cost and Recruitment Fees for GCC Countries and Malaysia (by migrants' sex) (in NPR) (%)

Amount	Total Migration Cost		Recruitment Fees	
	Male	Female	Male	Female
<=10,000	0.2	3.0	0.0	0.0
10,001–20,000	0.2	6.1	0.7	4.2
20,001–50,000	2.6	15.2	6.7	25.0
50,001–75,000	3.0	9.1	9.4	16.7
75,001–100,000	17.4	21.2	35.9	33.3
100,001–150,000	47.6	27.3	34.5	16.7
150,001–200,000	18.5	15.2	6.9	4.2
Above 200,000	10.6	3.0	6.0	0.0
N	540	33	435	24

check-ups, labour permits and recruitment fees. As Table 4.5 shows, 'total migration cost' and 'recruitment fees' varied significantly for international migrants depending on destination country. Total migration cost in this study includes recruitment fees plus other expenses in the migration process, such as costs of domestic travel, document preparation costs, medical check-up costs, etc.

International migrants who migrated to India for work and education paid significantly less money for migration as opposed to those who migrated to other international destinations. The average cost of migration to India was NPR 5,885. On the other hand, that cost to the Gulf Cooperation Council (GCC) countries

and Malaysia was almost or more than NPR 100,000. The low migration cost to India can be attributed to its closer proximity, free movement of Nepali and Indian citizens across the international border and non-requirement of travel documents such as passport, visa or labour permit.

The cost of migration for female workers was relatively lower in comparison to male workers although it was not consistent across all major destinations (Table 4.6). The lower migration costs for female workers are also associated with women's migration for employment being mostly as domestic workers (Table 4.8). This is consistent with other studies which have found that women migrating for domestic work tend to pay lower recruitment fees since employers

Table 4.8: Total Migration Cost and Recruitment Fees for Major Destinations (by job type)

Job Type	Qatar		Saudi Arabia		UAE		Malaysia	
	Average (NPR)	N	Average (NPR)	N	Average (NPR)	N	Average (NPR)	N
Total Migration Cost								
Construction labour	122,790	34	124,817	19	115,894	8	135,802	15
Factory labour	108,212	21	133,903	25	128,702	18	139,770	60
Driving	136,541	12	119,725	9	205,504	7	136,931	2
Helper/Cleaner	154,012	7	63,377	6	138,779	7	134,164	2
Hotel services	162,019	6	142,377	24	125,893	7	167,184	10
Security guard	186,442	5	120,000	1	267,655	19	156,556	29
Domestic work	122,901	4	44,814	3	133,887	3	150,000	1
Recruitment Fees								
Construction labour	81,333	29	118,709	13	92,859	7	123,715	9
Factory labour	92,417	19	106,209	20	96,622	15	111,542	49
Driving	97,916	6	100,692	7	157,282	5	120,000	2
Helper/Cleaner	90,977	6	77,279	5	92,627	7	109,545	2
Hotel services	121,157	5	99,608	23	105,476	6	128,657	8
Security guard	115,190	5	85,000	1	194,368	17	118,364	24
Domestic work	50,000	2	35,569	3	68,399	3	150,000	1

Table 4.9: Total Costs and Recruitment Fees for Migration (by caste/ethnicity) (in NPR)

Caste/Ethnicity	Total Migration Cost				Recruitment Fees			
	GCC and Malaysia		India		GCC and Malaysia		India	
	Average	N	Average	N	Average	N	Average	N
Janajati (Mountain and Hill)	137,790	223	9,123	8	103,038	178	10,000	1
Hill Caste	135,993	185	14,149	5	102,711	146		0
Dalit (Hill and Tarai)	114,482	53	4,076	5	87,444	37	2,500	1
Tarai Caste and Tarai Janajati	130,358	112	2,761	8	108,126	98		0
Total	133,422	573	5,885	26	102,632	459	5,000	2

cover most of the migration cost.⁴⁰

The average cost of migration did not vary significantly across caste/ethnic groups except that Dalits were paying relatively lower recruitment fees on average regardless of their employment sector or destination country (Table 4.9).

Despite the recruitment cost prescribed by the Government of Nepal for different destination countries (through the 'free-visa, free-ticket' policy) as well as bilateral labour

agreements signed between the Government of Nepal and governments of some of the major destination countries that mandates the 'employer pays' model, migrant workers were found to be paying significantly high amount of money for their migration as recruitment and associated costs. As shown in Table 4.5, the average recruitment fees for the GCC countries, the most popular destination of Nepali migrants, was more than NPR 80,000 while it was NPR 113,170 for Malaysia.

Migrants depend on multiple sources to

⁴⁰ Kharel, 'Female Labor Migration and the Restructuring of Migration Discourse.'

Table 4.10: Sources of Funds to Finance Migration (%)

Source	GCC Countries and Malaysia			India		
	Total (%)	Male (%)	Female (%)	Total (%)	Male (%)	Female (%)
Loan	86.6	87.4	75.0	25.0	24.3	33.3
Savings	14.3	13.8	22.5	57.5	59.5	33.3
Sold jewellery	1.2	1.0	2.5	5.0	2.7	33.3
Others	3.3	3.5	0.0	12.5	13.5	0.0
Sold house/land	0.9	0.7	5.0	0.0	0.0	0.0
N	643	603	40	40	37	3

Note: Multiple responses

Table 4.11: Sources of Funds to Finance Migration to GCC Countries and Malaysia (by caste/ethnicity) (%)

Source	Janajati (Mountain and Hill)	Hill Caste	Dalit (Hill and Tarai)	Tarai Caste and Tarai Janajati
Loan	88.0	82.9	91.5	87.9
Savings	14.5	15.6	6.8	15.3
Others	1.6	6.6	3.4	0.8
Sold House/land	0.4	1.4	0.0	1.6
Sold jewellery	0.4	0.9	3.4	1.6
N	249	211	59	124

Note: Multiple responses

finance their migration abroad (Table 4.10).⁴¹ This was true for those covered by the survey as well. The majority who went to India used their own savings to pay for their migration and hence may not have needed to depend on loans or other sources of funds to finance their migration. On the other hand, more than 85 per cent of those migrating to countries other than India for work-related reasons had taken loans to pay the full or partial cost of their migration. A small proportion of migrants had sold land or jewellery to meet the migration expenses. Furthermore, a comparatively higher proportion of migrants from Dalit caste and ethnic groups

had taken loans to pay for their migration to the GCC countries and Malaysia (Table 4.11).

4.3 Role of Loan in Financing Migration and Indebtedness

As shown in Tables 4.10 and 4.11, migrants regularly take loans to finance their migration. Migrant workers who went to India took loans of less than NPR 10,000. In contrast, nearly 70 per cent of the migrants going to other countries had taken loans amounting to more than NPR 100,000. The average loan taken to go to the GCC countries was NPR 154,000 and for Malaysia NPR 160,981. Thus, migration for employment to destinations other than India is usually a costly affair.

Furthermore, as shown in Table 4.14, migrant households that had taken loans to finance the

⁴¹ International Organization for Migration, *Debt and the Migration Experience: Insights from South-East Asia* (Bangkok: International Organization for Migration, 2019); Sijapati et al, 'Labour Migration and the Remittance Economy.'

Table 4.12: Amount of Loan Taken to Finance Migration for Work (in NPR) (%)

Amount	India	GCC countries	Malaysia
<=10,000	87.5	0.5	0.0
10,001–20,000	12.5	0.8	0.0
20,001–50,000	0.0	4.3	2.0
50,001–75,000	0.0	4.3	2.7
75,001–100,000	0.0	27.4	18.0
100,001–200,000	0.0	51.2	66.7
>= 200,001	0.0	11.4	10.7
N	8	369	150

Table 4.13: Average and Median Loan Amount by Destination (in NPR)

Destination Country	Mean	Median	N
GCC countries	154,000	150,000	173
Malaysia	160,918	150,000	49
India	9,714	10,000	7

Table 4.14: Interest Rate by Source of Loan (%)

Source	Average	Maximum	N
Traditional moneylenders	33.0	60.0	191
Banks or cooperatives	18.0	48.0	78
Informal groups	34.0	36.0	5
Friends or neighbours	28.0	60.0	281
Family members or relatives	20.0	60.0	87
Total	27.0	60.0	642

Note: Multiple responses

Table 4.15: Source of Loan (by destination) (%)

Source	India	Other countries
Traditional moneylenders	40.0	32.4
Friends/Neighbours	30.0	49.0
Informal groups	20.0	0.5
Family members/Relatives	20.0	15.0
Banks/Cooperatives	0.0	11.1
N	10	586

Note: Multiple responses

most recent migration stint of their migrant member were paying exorbitant interest rates. There are different sources for migrants to receive loans, including traditional moneylenders, banks and financial institutions, relatives and friends,

among others.⁴² The present study also found that migrants from Province 1 had taken (often multiple) loans from different sources. In the case of migrants who had borrowed money to go to India for employment, 40 per cent took loans from traditional moneylenders while 30 per cent took from friends and neighbours (Table 4.15). In the case of migrants going to other countries, 49 per cent took loans from friends and neighbours while 32 per cent took them from traditional moneylenders.

Migrants on an average paid an interest of 27 per cent per annum for their loan with the maximum interest being 60 per cent. The interest rate is lower when loans were from formal sources, i.e., bank and other financial institutions, compared to informal ones such as traditional moneylenders. There are a number of reasons why migrants prefer to obtain loans from friends and neighbours. A study by the International Labour Organization in 2016 mentioned that the process of getting loans from banks and/or financial institutions involves cumbersome procedures and the need to present collateral. Hence, migrants prefer to use sources such as friends and neighbours, especially as they can also get the loan at a comparatively lower interest rate.⁴³

Disaggregation of data for major destination countries, i.e., the GCC countries and Malaysia, in terms of ecological belts shows some variation in the source of loans to finance their migration. A larger share of migrant workers from the Hills took loans from traditional moneylenders compared to those from the Tarai and the Mountains (Table 4.16).

Most migrants had repaid the loans they had taken for labour migration. The proportion

42 Sijapati et al, *Labour Migration and the Remittance Economy: The Socio-Political Impact*, 19.

43 International Labour Organization, *Promoting Informed Policy Dialogue on Migration, Remittance and Development in Nepal* (Kathmandu: International Labour Organization, 2016).

Table 4.16: Source of Loan for GCC Countries and Malaysia (by ecological belt) (%)

	Mountain	Hill	Tarai
Friends/neighbours	56.0	48.4	49.2
Traditional moneylenders	20.0	45.8	26.0
Family members/relatives	28.0	9.9	14.9
Banks/Cooperatives	10.0	3.1	16.8
Informal groups	2.0	0.0	0.6
N	50	192	315

Note: Multiple responses

Table 4.17: Status of Repayment of Loan (%)

Status of Repayment	India (%)	International Destination (excluding India) (%)	GCC Countries (%)	Malaysia (%)
Yes, I have fully repaid	50.0	81.9	81.8	84.1
I have partially repaid	0.0	11.3	10.3	11.5
No, I haven't paid at all	40.0	5.3	6.5	3.2
Don't Know	10.0	1.5	1.5	1.3
N	10	586	400	157

Table 4.18: Sources of Fund to Pay Back Loan by Destination Country (%)

	GCC countries	Malaysia	India
Used remittance sent by the same member	94.1	90.1	100.0
Sold livestock	1.6	4.0	0.0
Used remittance sent by other family members	2.7	0.7	0.0
Took loan from friends/relatives/neighbours	1.3	2.6	0.0
Sold house/land	0.8	0.7	0.0
Took loan from banks/cooperatives/other financial institutions	0.5	2.0	0.0
Sold jewellery	0.0	0.7	0.0
Others	1.3	2.0	0.0
N	371	151	5

Note: Multiple responses

varied between those who had migrated to India and those to other countries. Only around 50 per cent of migrants to India had fully repaid their loans in contrast to 82 per cent who had migrated to other destination countries despite the loans of the latter being larger.

Remittances sent by migrants was the major

means of repaying loans with more than 90 per cent of international migrants having done that (Table 4.18). A smaller proportion of migrants who migrated for employment to the GCC countries and Malaysia had also sold livestock and used remittances sent by another household member to pay back the loan.

5. FRAUD AND REDRESSAL IN FOREIGN LABOUR MIGRATION

Evidence shows that migrants, including aspirant migrants, face fraud and deception both in the pre- and post-migration phases. This chapter is based on data of households defrauded during the migration process and includes both ‘potential migrants’ (those who attempted to go abroad but were not successful) and ‘current migrants’ (those abroad for employment or study at the time of survey).

5.1 Households Experiencing Fraud or Deception

A total of 99 households in the sample (i.e., 8.1 per cent in the province) reported that their household member/s had faced some form of fraudulence or were duped while attempting to migrate abroad. Since some households had experienced multiple cases of fraud, the total number of cases was a

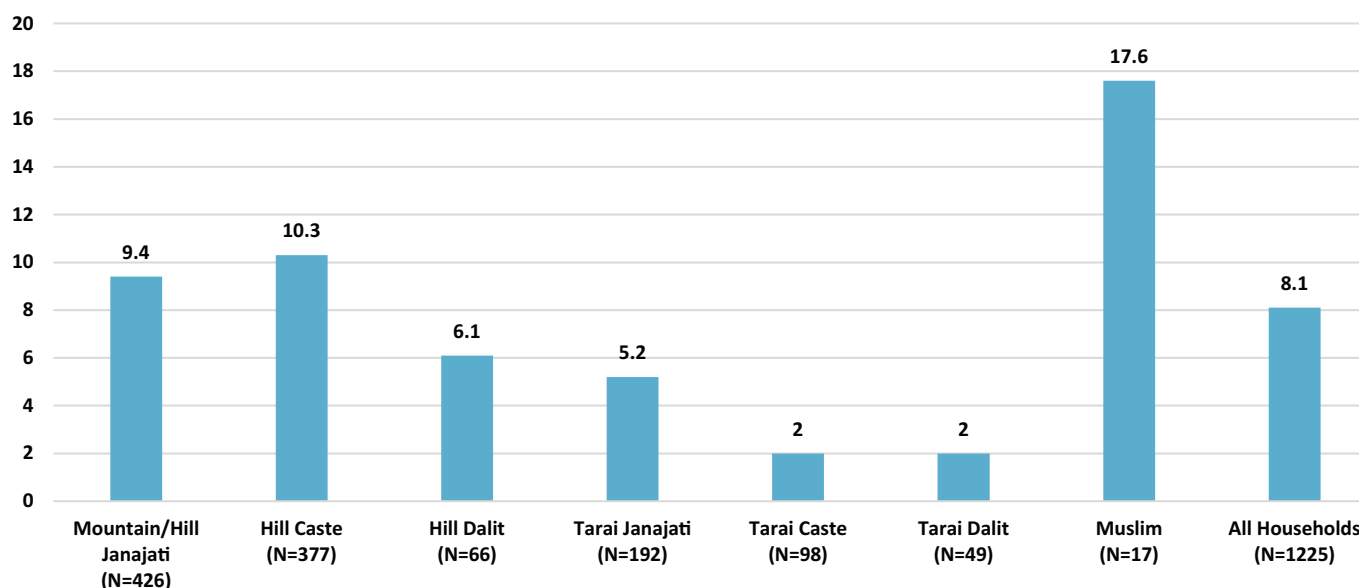
bit higher—103. Recruitment agencies were involved in an overwhelming majority (82 out of 103) of these cases with the rest attributed to friends and relatives.

In terms of caste/ethnicity, a higher proportion of Muslim households reported being victims of fraud/deception at 18 per cent than any other group (Figure 5.1). Similarly, in terms of the ecological region, the prevalence of fraud was the highest in the Mountains (11.2 per cent), followed by Tarai (8 per cent) and Hills (7.3 per cent).

5.2 Fraud and Unethical Practices by Recruitment Agencies

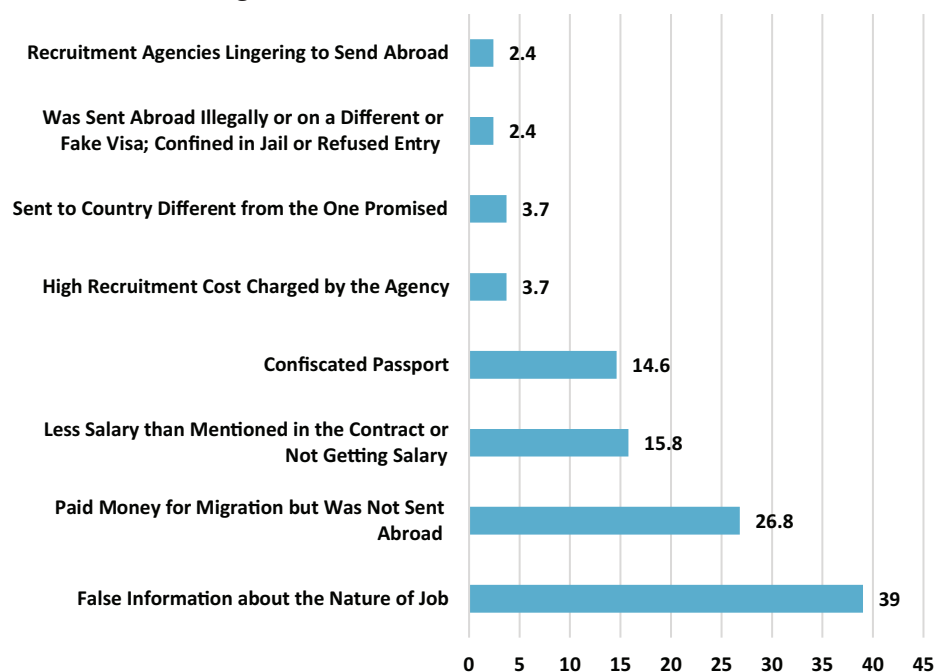
The types of frauds experienced from the recruitment agencies included payment made for migration but not sent abroad, false information about the type of job and salary,

Figure 5.1: Proportion of Households Experiencing Fraud/Deception (by caste/ethnicity)



Note: Multiple responses

Figure 5.2: Major Types of Fraud and Unethical Practices by Recruitment Agencies



N=82; Multiple responses

confiscation of passport, high recruitment fees and being sent to a country other than what was promised (Figure 5.2).

Among the individuals defrauded by recruitment agencies, less than a quarter (23 per cent) had filed a complaint against the alleged perpetrators. All the individuals defrauded by recruitment agencies but who had not registered their grievances were male. The survey also found that among them, 40 per cent were from Mountain and Hill Janajati groups, 39 per cent from the Hill Castes, 7 per cent were Dalits (Hill and Tarai) and 15 per cent from Tarai Caste and Tarai Janajati groups. These fraud cases were related to migration to Malaysia (31 per cent), Qatar (26 per cent), Saudi Arabia (21 per cent), the UAE (11 per cent), Kuwait (3 per cent), and other countries such as Iraq, Jordan and Russia (5 per cent).

False information about the job was the main type of fraud experienced by households of all caste and ethnic groups, but this rate was the highest among those from Tarai caste and

ethnic groups, followed by Dalits (Figure 5.3). A significant proportion of households from all caste and ethnic groups reported that their family member/s had paid money but was never sent abroad.

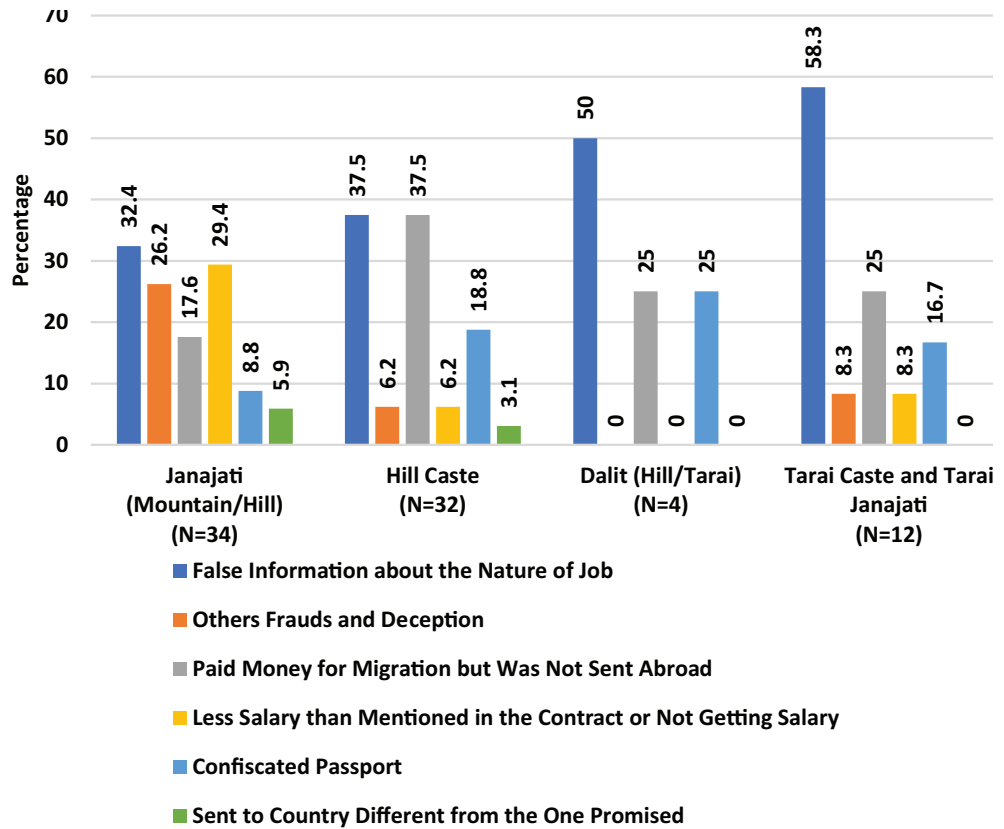
5.3 Reasons for Not Registering Grievances

The major reasons for not registering grievances included not wanting to get involved in unnecessary legal processes, lack of information on where to file complaints, and lack of trust in the justice system (Figure 5.4).

In terms of the caste and ethnicity, Janajati and Dalit households were more likely to state lack of knowledge about where to register complaint as the main reason for not registering grievances (Figure 5.5).

In case of individuals defrauded by informal intermediaries (n=20), only three had registered their grievances. One of the major reasons for not registering complaints was that the alleged

Figure 5.3: Major Types of Frauds and Unethical Practices by Recruitment Agencies (by caste/ethnicity of [potential] migrants)



Note: Multiple responses

Figure 5.4: Reason for Not Registering Grievances against Recruitment Agencies



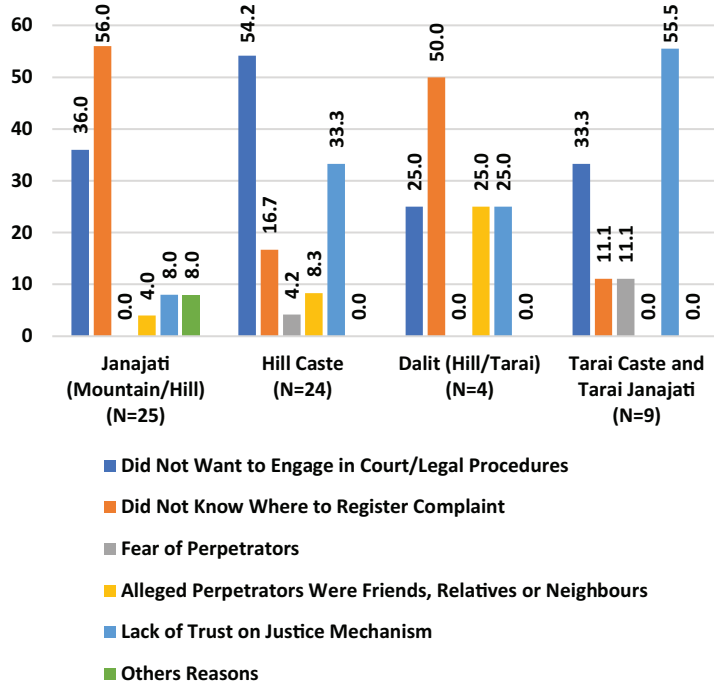
N=62; Multiple responses

perpetrators were people known to them, such as family, relatives or friends (Figure 5.6).

Most victims (93 per cent) did not receive any compensation despite experiencing financial losses due to fraud by recruitment agencies and

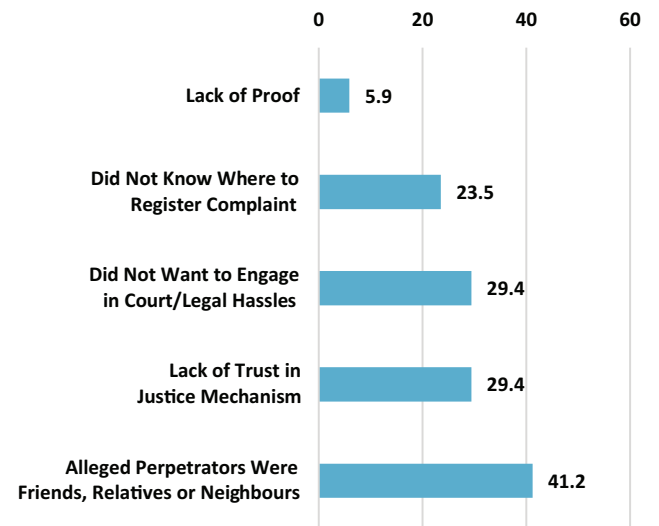
informal intermediaries. Among those who had received compensation, more than half received it in cash while 14 per cent of the victims were later sent abroad (to the promised or a different country) for employment or study.

Figure 5.5: Reason for Not Registering Grievances against Recruitment Agencies (by caste/ethnicity of [potential] migrants)



Note: Multiple responses

Figure 5.6: Reason for Not Registering Grievances against Informal Intermediaries



N=17; Multiple responses

6. RETURNEE MIGRANTS' SKILLS, OCCUPATION AND ACCESS TO GOVERNMENT PROGRAMMES

Reintegration and rehabilitation of returnee migrants, primarily labour migrants, has been receiving increased attention from the government as well as non-governmental organisations in Nepal. In particular, economic reintegration of returnee migrants has been the focus of recent plans and policies of the central, provincial and local governments. While the use of skills, expertise and knowledge of returnee migrants in productive sectors and entrepreneurship has been mentioned in the Foreign Employment Act, 2007 and the Constitution of Nepal, 2015, it is only in the last few years that the annual budget, plans and programmes of the three tiers of governments have been prioritising their economic reintegration. This has been especially important in the present situation where Covid-19 has impacted migrants worldwide and led to the

return of hundreds of thousands of migrants. This chapter examines return migration in Province 1, focussing mainly on the demographic features of returnee migrants, their destinations, reasons for migration and for return, and the reintegration situation. For the purpose of this study, individuals who have returned from employment or education abroad at any point in the past are identified as 'returnee migrants'.

6.1 Last Migration Destination of Returnee Migrants

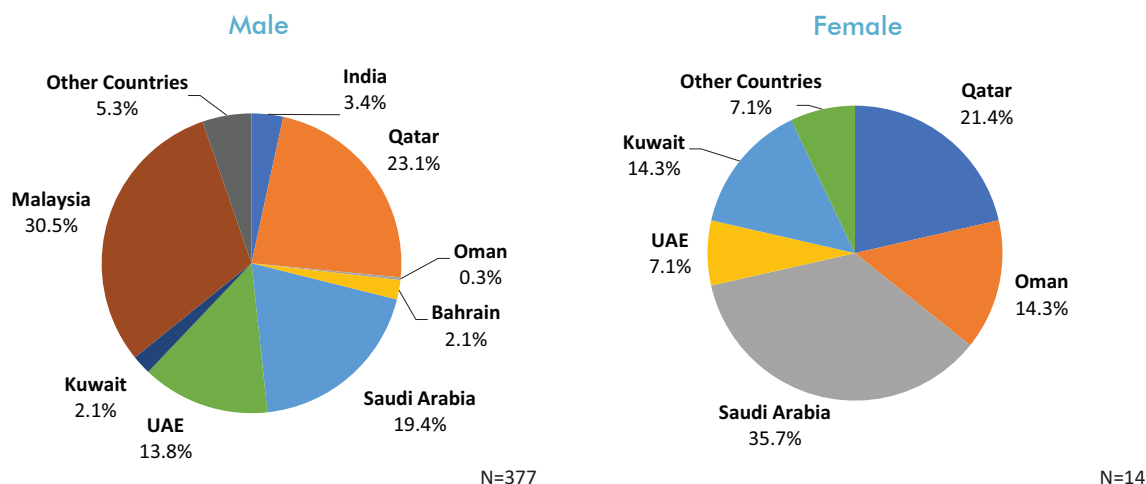
At the time of the survey, 29 per cent of households in Province 1 had at least one member who had returned from migration abroad. Surprisingly, only 0.2 per cent of the households covered by the survey had one or more migrant member who had returned due to

Table 6.1: Country of Destination of Returnee Migrants (by caste/ethnicity)* (%)

	Mountain and Hill Janajati	Hill Caste	Dalit (Hill and Tarai)	Tarai Caste and Tarai Janajati	Total
India	-	1.5	15.6	5.3	2.9
Qatar	21.2	30.3	15.6	18.7	23.4
Oman	1.4	0.8	-	-	0.8
Bahrain	2.1	1.5	-	4.0	2.1
Saudi Arabia	27.4	13.6	15.6	20.0	20.3
UAE	11.6	16.7	6.3	16.0	13.8
Kuwait	2.7	3	6.3	-	2.6
Malaysia	30.1	25.8	34.4	34.7	29.9
Other countries	3.4	6.8	6.3	1.3	4.4
N	146	132	32	74	385

* Some of the caste and ethnic group categories used in this study has been merged here due to the low sample sizes.

Figure 6.1: Country of Employment of Returnee Migrants (by sex)



the Covid-19 pandemic in 2020 and early 2021, and even those individuals were found to have since gone back to the destination country.

Since migration in Province 1 is dominated by migration to the Gulf Cooperation Council (GCC) countries and Malaysia (Section 3.3), the survey showed that the highest number of returnee migrants' last country of destination was Malaysia followed by Qatar and Saudi Arabia, the last of which was the destination of the largest proportion of women returnees as well (Table 6.1). The survey thus corroborated the Nepal Labour Force Survey (NLFS) 2017/18, which showed the majority of returnee migrants in Province 1 to be from Malaysia, Qatar and Saudi Arabia.⁴⁴

Disaggregation in terms of destination of returnee migrants by caste and ethnicity showed some variation. Comparatively, a larger share of migrant workers from Dalit, Tarai Caste and Tarai Janajati groups are returnees from Malaysia, while among Mountain and Hill Janajatis it is Saudi Arabia, and for Hill Caste groups, Qatar.

44 Calculation based on the NLFS 2017/18 dataset. According to the NLFS 2017/18, 33 per cent, 25 per cent and 18 per cent of returnee migrants in Province 1 were from Malaysia, Qatar and Saudi Arabia, respectively.

6.2 Occupation and Salary in Destination

Nearly half of the male returnee migrants had worked as labourers in construction and factories while hotel services and security guards engaged a fifth of the male workers (Table 6.2). Likewise, more than half of the female returnees had been engaged in domestic work, and almost a fifth had worked as helpers/cleaners.

Table 6.2: Occupation of Returnee Migrants in Destination Country (%)

	Male	Female
Factory labour	29.9	9.1
Construction labour	18.8	0.0
Hotel services	10.8	9.1
Security guard	9.9	0.0
Driving	6.4	0.0
Helper/Cleaner	3.8	18.2
Domestic work	0.6	54.5
Electrician	2.2	0.0
Salesperson	2.2	0.0
Agriculture	1.9	0.0
Supermarket	0.6	0.0
Livestock/Fisheries	0.3	0.0
Other	5.1	0.0
Don't know	7.3	9.1
N	314	11

Table 6.3: Occupation in Destination Country of Returnee Migrant (by caste/ethnicity) (%)

	Mountain and Hill Janajati	Hill Caste	Dalit (Hill and Tarai)	Tarai Caste and Tarai Janajati
Agriculture	1.5	1.9	0	2.9
Factory Labour	24.6	27.8	16.7	42.9
Construction Labour	20.8	18.5	11.1	11.4
Hotel services	11.5	13.0	5.6	8.6
Security guard	16.2	5.6	11.1	5.7
Domestic work	3.1	0.9	0.0	0.0
Driving	5.4	4.6	11.1	8.6
Other	10.8	19.4	16.7	17.1
Don't know	6.2	8.3	27.8	2.9
N	130	108	31	54

While most returnee migrants from every caste and ethnic group had been engaged in labour work, Hill Caste and Mountain and Hill Janajati groups had a higher percentage of returnee migrants in the hotel sector in comparison to Dalits, Tarai Caste and Tarai Janajati groups (Table 6.3).

6.3 Reasons for Return

The migrants returned home due to several reasons although end of contract, insufficient

income, dissatisfaction with employer, and desire to retire were the top four reasons among both male and female workers (Table 6.4). In the case of female returnees, end of contract was the reason for the return of half of them. Four per cent of the male migrants and 7 per cent of the female migrants had returned due to the Covid-19 pandemic.

The Covid-19 pandemic had caused unprecedented socio-economic and health impacts worldwide. Migrants, primarily migrant workers, were one of the most vulnerable groups

Table 6.4: Reason for Return (%)

	Total	Male	Female
End of contract	31.5	30.8	50
Insufficient income	16.1	16.2	14.3
Dissatisfaction with the employer	12.0	12.2	7.1
Wanted to retire	11.5	11.1	21.4
Illness, injury or disability	9.7	9.8	7.1
Pregnancy/family responsibilities	9.5	9.8	0.0
Returned for holiday but the company did not renew the contract	7.2	7.4	0.0
Could not work because of bad working conditions	6.9	6.9	7.1
Pressure from family to return	5.1	5	7.1
Covid-19 pandemic	4.1	4.0	7.1
Closure of company	4.1	4.0	7.1
Was deported	0.8	0.8	0.0
Others (such as conflict with spouse, medical reason)	5.4	5.6	0.0
N	391	377	14

Note: Multiple responses

to have been impacted severely due to the pandemic.⁴⁵ Nepali migrant workers suffered from loss of job, wage theft, forceful expulsion from employment, deportation and other ill-treatments as a result of the pandemic. As reported in this study, some returnee migrant workers lost their jobs due to the Covid-19 crisis and had to return (Table 6.5). Returnee migrant workers also reported reduction and non-payment of wages and an unsafe working environment due to the pandemic.

Studies have shown that migrant workers aspire to return abroad for employment owing to lack of employment opportunities in the home communities and everyday financial pressures.⁴⁶ In the present study, 11 per cent of the returnee migrants aspired to remigrate abroad for work while 25 per cent were not sure whether they would migrate abroad again or not (Table 6.6). A higher proportion of female returnees did not plan to go abroad again to work compared to male returnee migrants.

6.4 Skill Composition of Returnee Migrants

Returnee migrants had gained different skills through trainings prior to migration and from their employment experience abroad. A fifth had taken some form of skill training prior to migrating abroad for employment or education (Table 6.7). Sex-wise, around 9 per cent of female returnee migrants and 20 per cent of male returnee migrants had taken skill training prior to migrating. The training did not lead to any substantial difference in the income and savings

45 Jeevan Baniya, Sadikshya Bhattarai, Binay Jung Thapa and Vibhav Pradhan, *COVID-19 and Nepali Labour Migrants: Impact and Responses* (Kathmandu: Centre for the Study of Labour and Mobility, 2020).

46 International Organization of Migration, *Status of Nepali Migrant Workers in Relation to Covid-19* (Kathmandu: International Organization of Migration, 2020).

Table 6.5: Impact of Covid-19 (%)

Impact	Percentage
Lost job	31.3
Came on leave but could not go back due to Covid-19	12.5
Returned because of fear of Covid-19 transmission	37.5
Salary was deducted	12.5
Salary was not paid	6.3
Had to work in unsafe working environment	12.5
The company shut down and had to leave	6.3
N	16

Note: Multiple responses

Table 6.6: Plans to Migrate Abroad Again to Work (by sex) (%)

	Total	Male	Female
Yes, have plans to go abroad again	10.7	11.1	0.0
No, do not have any plans	63.4	62.6	85.7
Not sure	24.6	24.9	14.3
Don't know	1.3	1.3	0.0
N	391	377	14

Table 6.7: Area of Pre-migration Skill Training of Returnees (%)

Skill Training	Total	Male	Female
Driver	28.1	28.6	0.0
Mason	15.6	14.3	100.0
Electrician	15.6	15.9	0.0
Others	14.1	14.3	0.0
Hotel training	12.5	12.7	0.0
Scaffolding	6.3	6.3	0.0
JCB/Backhoe excavator operator	4.7	4.8	0.0
Carpenter	3.1	3.2	0.0
Garment worker	3.1	3.2	0.0
Mobile repair	1.6	1.6	0.0
Automobile repair	1.6	1.6	0.0
Beautician	1.6	1.6	0.0
Agriculture	1.6	1.6	0.0
N	64	63	1

of the migrant workers though.

As in the case of migrants who were abroad at the time of the survey (see Section 3.5), driving, masonry and electrician training were the most common skill trainings taken by male

Table 6.8: Area of Skill Training of Returnees during Migration Stint (%)

Skill	Total	Male	Female
Agriculture	32.0	32.6	14.3
Driver	20.7	21.5	0.0
Mason	18.4	18.6	14.3
Carpenter	10.2	10.6	0.0
Hotel training	9.5	9.3	14.3
Electrician	8.4	8.8	0.0
Domestic worker	4.9	2.7	64.3
Scaffolding	3.8	4	0.0
Tile/marble masonry	2.0	2.1	0.0
Automobile repair	2.0	2.1	0.0
Security guard	2.0	2.1	0.0
Mobile repair	1.8	1.9	0.0
Welding skills	1.5	1.6	0.0
Caregiver	1.3	0.5	21.4
Computer skill	1.3	1.3	0.0
Factory labour	1.3	1.3	0.0
Garment worker	1.0	1.1	0.0
JCB/Backhoe excavator operator	1.0	1.1	0.0
Sales	0.8	0.8	0.0
Plumbing	0.8	0.8	0.0
Business skill	0.5	0.5	0.0
Cleaning	0.5	0.3	7.1
Beautician	0.3	0.3	0.0
Others (such as coffee making, machinery repairing)	6.9	7.2	0.0
I did not get any skills/do not know	2.3	2.4	0.0
N	391	377	14

Note: Multiple responses

returnees. Only one female returnee migrant reported to have been trained as a mason prior to migration. However, as reported in the survey, it was perceived that the skills learnt by most returnee migrant workers (66 per cent) did match with the type of work they did in the destination country.

Returnee migrant workers were reported to have acquired various kinds of skills during their migration stint (Table 6.8). About a third of the male returnees had acquired skills in agriculture, 22 per cent as drivers and 19 per cent as masons in

Table 6.9: Certification of Skill Training (%)

Certificate Taken	Total	Male	Female
Yes	27.9	27.9	28.6
No	60.9	60.5	71.4
Don't know	11.3	11.7	0.0
N	391	377	14

Table 6.10: Application in Nepal of Skill Learnt Abroad (%)

Use of Skill	Total	Male	Female
No, not at all	80.6	80.4	85.7
A bit because not all of them are relevant	7.9	8.0	7.1
The skills I learnt abroad have helped me a lot	8.7	8.8	7.1
Other	2.8	2.9	0.0
N	391	377	14

the destination countries (Table 6.8). In the case of women, more than half of female returnees had gained skills in domestic work, 21 per cent as caregivers, and 14 per cent in hotel services.

Recognition and certification of skills of migrant workers can be important for them to find better employment opportunities and negotiate better salary and benefits. The study asked respondents from surveyed households whether returnee migrant workers had received skill certification for their work abroad. Among both male and female returnee migrants, 28 per cent had received a certificate for their skills (Table 6.9) with 20 per cent having got it in the destination country, 6 per cent from a private company in Nepal, and 4 per cent from the Government of Nepal's Council for Technical Education and Vocational Training (CTEVT).

6.5 Relevance of Skills Learnt Abroad

Although returnee migrants learnt different skills during their employment abroad, more than 80 per cent of them did not use the skill

they learnt abroad in Nepal (Table 6.10). Only 9 per cent were able to use the skills learnt abroad while 8 per cent were able to use only some of these skills since not everything they had learnt were relevant in the context of Nepal. The case was similar among both male and female returnee migrants.

Stakeholders mentioned the mismatch of skills learnt abroad and the demands of the labour market in Nepal as well as difference in technologies used in Nepal and abroad as some of the hindrances to returnee migrants from making full use of their skills.⁴⁷

6.6 Occupation on Return

With regard to the reintegration of returnee migrants, the survey showed that most of them were engaged in some form of employment following their return. In some cases, they were engaged in more than one occupation. Returnee migrants were primarily engaged in self-employment in both agriculture and non-agricultural sectors as well as daily wage work in the non-agricultural sector. Meanwhile, almost 7 per cent of the returnees were planning to migrate again (Table 6.11).

The skills/knowledge gained while abroad had helped 16 per cent of the returnees to find their current employment. In the case of female returnees, that figure was lower at 7 per cent while it was 16 per cent for male returnees.

Around 40 per cent of returnee migrants were earning less than NPR 10,000 per month, 33 per cent were making NPR 10,001–20,000 and 26 per cent NPR 20,001–50,000 (Table 6.12). According to the survey, the average income of returnee migrants varied in the three ecological belts: returnee migrants from Mountain and Hill regions were earning on average around NPR

Table 6.11: Employment after Return (%)

Occupation	Total (%)	Male (%)	Female (%)
Self-employed—Agriculture	31.7	32.1	21.4
Self-employed—Non-agriculture	17.9	17.5	28.6
Non-agriculture—Daily wage work	16.1	16.7	0.0
Others	11.0	10.6	21.4
Looking for work	7.1	6.9	14.3
Salaried job (Private/NGO)	4.1	4.2	0.0
Agriculture—Daily-wage work	3.8	4.0	0.0
Planning or trying to re-migrate	7.0	7.0	7.1
Social work/Political work	0.8	0.8	0.0
Salaried government job	0.5	0.3	7.1
N	391	377	14

12,000 per month from their current occupation while the average monthly income of returnee migrants in Tarai region was almost NPR 20,000. However, these figures need to be interpreted cautiously as salary can vary by occupation and employer. The caste and ethnicity of the workers did not significantly affect the salary scale.

6.7 Occupation Sector of Interest among Returnees

Self-employment in agriculture was what both male and female returnee migrants wanted to be engaged in the most. While salaried jobs and the construction sector were other important employment sectors preferred by female returnees, male returnees wanted to work as a driver or be self-employed in the non-agriculture sector, among others (Figure 6.2).

Among male returnee migrants who wanted to be self-employed in agriculture, 41 per cent were interested in goat rearing, followed by 16 per cent in vegetable farming, and 12 per cent in raising cows (Figure 6.3). Female returnee migrants were interested in goat, cow, poultry and rice farming. Similarly, the areas of interest of returnee migrants who wanted to work in the non-agriculture sector included construction-based enterprises and hotel, restaurants or catering (Figure 6.4).

⁴⁷ Ernst and Young and Centre for the Study of Labour and Mobility, 'Study on Migration Flow between Nepal and Japan' (unpublished).

Figure 6.2: Preferred Area for Employment/Self-employment of Returnee Migrants

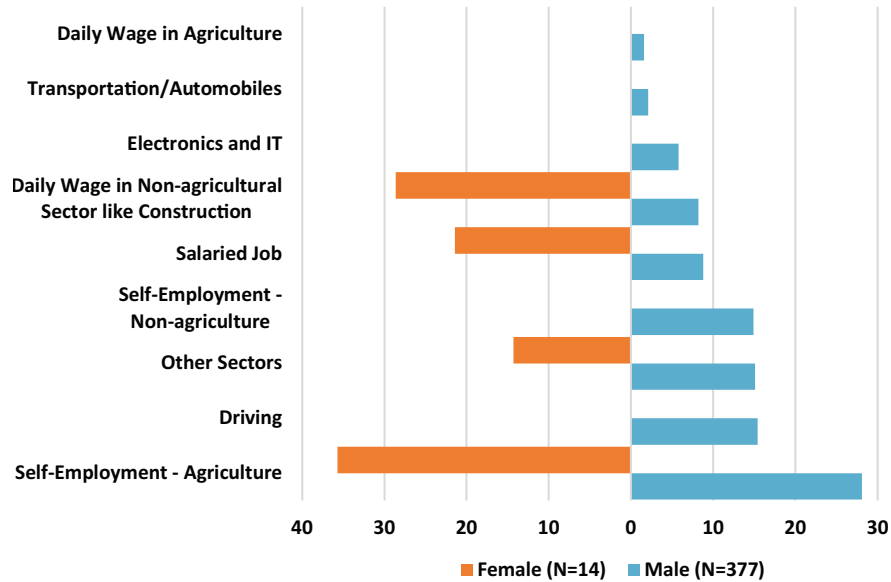
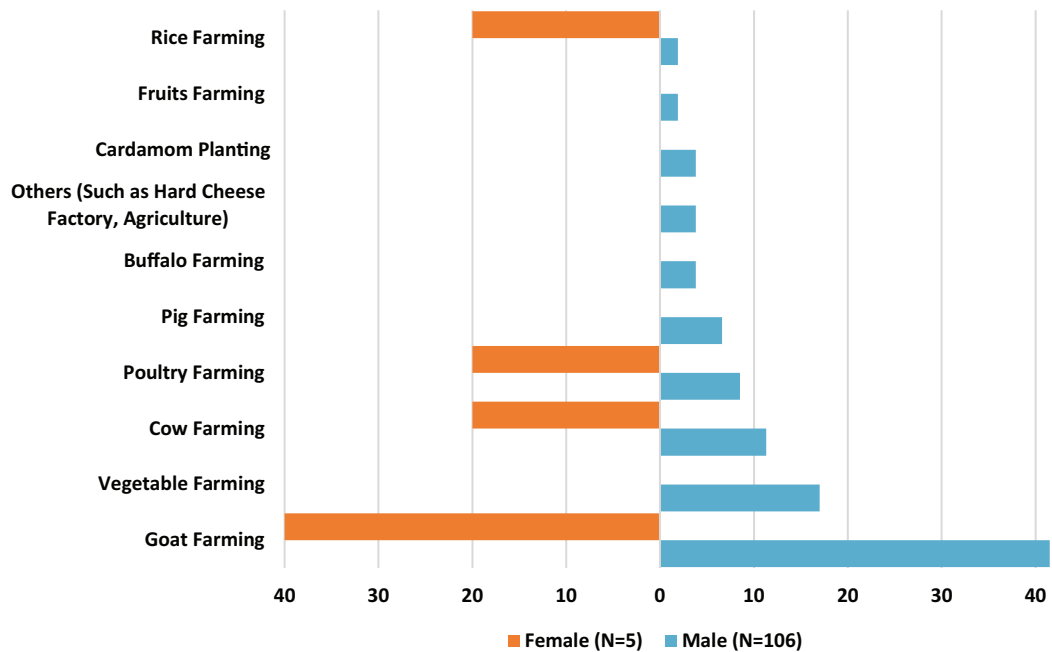


Figure 6.3: Preferred Sector for Self-employment in Agriculture



6.8 Returnees' Access to Government Schemes in Nepal

The Government of Nepal has introduced soft loan schemes for returnee migrant workers. The Unified Working Procedures on Interest

Subsidy for Concessional Loans introduced in 2018 was targeted towards youths, returnee migrant workers, women entrepreneurs and marginalised groups starting a business of their own or pursuing technical and vocational education. There are also other soft loan schemes

at the national and provincial levels targeted at returnee migrant workers. Only 6 per cent of the returnee migrant workers in this study had taken any loan under the Government of Nepal's soft loan schemes for agriculture and/or productive sectors (Table 6.13) with 73 per cent of this group having taken more than NPR 100,000 and 14 per cent, NPR 20,001–50,000 (Table 6.14). It has been reported that barriers such as need for collateral, lack of information about loan programmes, limitations in the quota of available loans hinder migrant workers' access to loans.⁴⁸

Among the 22 returnee migrant workers who had taken soft loans, six had Grade 12 or higher level of education while five each had secondary (Grades 9 and 10), and lower secondary (Grades 6–8) education. The rest had lower levels of education or had no formal education at all. In terms of caste and ethnicity of the returnees who had taken loans, nearly half of them were from Hill Caste group (10 out of 22) followed by four from Hill Janajati and two each from Tarai Janajati, Tarai Caste and Tarai Dalit groups. One migrant worker each from Hill Dalit and Muslim groups had also obtained such a loan. In terms of the country of employment prior to their return, the majority (13 out of 22) had returned from Malaysia while three had come back from Qatar, two each from Saudi Arabia and India, and one from the UAE.

Figure 6.4: Preferred Sector for Self-employment in Non-agricultural Sector

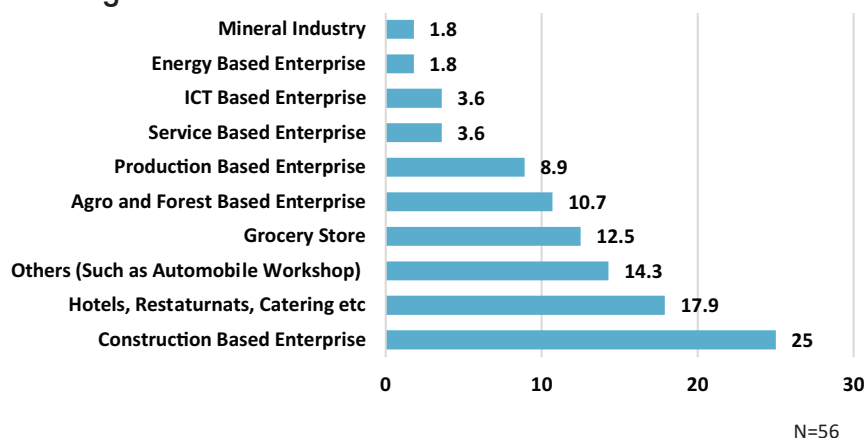


Table 6.12: Monthly Salary of Returnee Migrants (%)

Amount (NPR)	Total (%)	Male (%)	Female (%)
<=10,000	39.9	40.0	37.5
10,001–20,000	32.6	32.5	37.5
20,001–50,000	25.6	25.7	25.0
50,001–75,000	1.1	1.1	0.0
75,001–100,000	0.7	0.8	0.0
N	273	265	8

Table 6.13: Loan Taken under Soft Loan Schemes (by sex) (%)

Loan	Total	Male	Female
Yes, have taken loan	5.6	5.6	7.1
No, have not taken any loan	94.4	94.4	92.9
N	391	377	14

Table 6.14: Amount of Loan Taken under Soft Loan Schemes (in NPR) (%)

Amount	Per cent	N
20,001–50,000	13.6	3
50,001–75,000	4.5	1
75,001–100,000	9.1	2
> 100,001	72.7	16

48 International Labour Organization, *Promoting Informed Policy Dialogue on Migration*.

7. REMITTANCE TRANSFER

Migrant workers' remittance from foreign countries has become an integral part of Nepal's economy. In 2021, Nepal received USD 8.2 billion in remittances, an amount equivalent to about a quarter of the country's GDP.⁴⁹ Many Nepali households also depend on the remittances transferred from within Nepal for their survival. This chapter discusses the size of remittances, means of remittance transfer, and use of remittances in Province 1.

7.1 Remittance Recipient Households

Nearly a quarter of all households in the province had received remittances from migrant member/s in Nepal or abroad in the year prior to the survey (see Section 7.5 for remittances received from non-household member) (Table 7.1). Nearly 4 per cent of the households had received remittances from within Nepal as well as abroad.

Not all migrant households in the province received remittances from their migrant member though. Compared to the 42 per cent of households with at least a migrant member only 24 per cent received remittances. This may have been related to some people's migration for non-economic reasons and lack of sufficient income among those migrating for work. Among internal migrant households, i.e., households with at least one member who has migrated within the country for work, education, or other reasons, 38 per cent reported they had received remittances from their migrant household member in the 12 months prior to

the survey. In the case of international migrant households, 81 per cent had received remittance during the same period. The lower proportion among internal migrant households could be because most internal migrants bring their earnings with themselves when they return home. Furthermore, as the period under study corresponds to the time of Covid-19 and the subsequent lockdowns in Nepal, the pandemic may have led to a decrease in the remittance inflow from internal migrants.

7.2 Remittance Amount

The amount remitted to households varied based on the migrant's destination (Table 7.2). In the case of internal migrants, more than a fifth of them sent NPR 20,001–50,000 in the year prior to the survey. Two-fifths of the migrant workers who had gone to India sent NPR 10,001–20,000 while a third sent NPR 20,001–50,000 during this period. In the case of those going to other destination countries, 39 per cent sent more than NPR 200,000. As discussed in Section 3.4, the salary and savings of migrants is different in different destination countries. This explains the different amounts of remittances received by the households from different destination countries.

On average, internal migrant households in Province 1 received NPR 67,508 annually from their family member (Table 7.3). The average remittance received by households from migrants in India was NPR 64,083 and from Malaysia NPR 197,350. Similarly, households received more than NPR 150,000 from migrant workers in the Gulf Cooperation Council (GCC) countries.

⁴⁹ Ratha et al, *Migration and Development Brief 36: A War in a Pandemic*.

7.3 Means of Remittance Transfer

Nepali migrants use both formal and informal means to transfer remittances from abroad and from within Nepal. Formally, migrants are found to be remitting money through banks and other financial institutions such as money transfer agencies. Remittance is also transferred informally through *hundi*⁵⁰ or brought back in person. Migrants from Province 1 also used different means to transfer money (Table 7.4). Informal methods of remittance transfer were most prevalent among internal migrants, with 40 per cent of them bringing earnings themselves while 35 per cent sent funds through money transfer companies. This is similar to the means of remittance transfer observed in 2010/11.⁵¹

In the case of migrants abroad remittance transfer services were the most common medium of transferring money (77 per cent). A sizeable proportion also used banks to send money to their households. A small proportion of migrants still used informal channels such as family and friends as well as *hundi* to transfer funds to Nepal. Contrary to the report that most remittance from India are transferred through informal channels, i.e., brought in by the migrant him/herself or through *hundi*,⁵² this study found the use of informal channel

50 *Hundi* is 'a traditional system of remittance transfers widely practiced in the subcontinent whereby individuals in destination countries give money to an agent, who instructs his/her associates back home to deliver the money to the concerned individual referred by the remitter'. Bandita Sijapati and Amrita Limbu, *Governing Labour Migration in Nepal: An Analysis of Existing Policies and Institutional Mechanisms* (Kathmandu: Centre for the Study of Labour and Mobility, 2017), 17.

51 Central Bureau of Statistics, *Nepal Living Standards Survey 2010/11 Volume II* (Kathmandu: Central Bureau of Statistics, 2011), 85.

52 Nepal Rastra Bank, *Nepalma Bipresan Aprawahako Sthiti (Remittance Status in Nepal)* (Kathmandu: Nepal Rastra Bank, 2020); Central Bureau of Statistics, *Nepal Living Standards Survey 2010/11 Volume II*, 85.

Table 7.1: Remittance-Receiving Households (%)

Household (HH)	Percentage
HHs receiving internal remittance	4.0
HHs receiving remittance from abroad	16.7
HHs receiving both internal and international remittances	3.5
HHs receiving either internal or international remittance	24.1
HHs not receiving remittance	75.9
Migrant HHs in the province	42.5
N	1,225

Table 7.2: Remittances Received by Migrant Households in Previous 12 Months (%)

Amount (NPR)	Internal	India	Other Countries
<=10,000	23.3	0.0	0.9
10,001–20,000	15.0	41.7	2.2
20,001–50,000	25.0	33.3	11.0
50,001–75,000	8.3	0.0	7.9
75,001–100,000	8.3	16.7	10.1
100,001–200,000	15.0	0.0	28.9
>200,000	5.0	8.3	39.0
N	60	12	228

Table 7.3: Average Remittance Received by Migrant Household in Previous 12 Months (in NPR)

Destination	Average Amount	N
Within Nepal	67,508	60
UAE	231,705	44
Malaysia	197,429	42
Qatar	176,244	41
Saudi Arabia	203,051	39
Kuwait	195,350	20
India	64,083	12
Bahrain	191,273	11
South Korea	664,000	5

Table 7.4: Medium of Remittance Transfer (%)

Medium of Transfer	Internal	India	Other Countries
Self	40.6	15.4	0.0
Money transfer company	34.8	69.2	76.9
Banks	30.4	7.7	37.1
Through friends/neighbours	4.3	7.7	0.8
Through other family members/relatives	1.4	0.0	0.4
<i>Hundi</i>	0.0	0.0	2.0
N	69	13	251

Note: Multiple responses

Table 7.5: Use of Remittance by Source Country of Remittance (%)

Area of Use	Internal	India	Other Countries
Daily household expenses	92.8	84.6	88.8
Education of children/siblings	33.3	30.8	51.4
Health treatment of family members	33.3	46.2	26.7
To repay loans	20.3	30.8	39.8
Investment in agriculture	8.7	7.7	5.2
Saving	5.8	7.7	9.2
To build/renovate the house	4.3	7.7	17.1
Social obligations	4.3	0.0	2.4
Consumer goods	2.9	0.0	4.0
To buy gold and other accessories	1.4	0.0	0.4
To buy house/land	1.4	0.0	9.2
Investment in non-agriculture sector	0.0	0.0	1.2
Others	0.0	7.7	0.4
N	69	13	251

Note: Multiple responses

Table 7.6: Savings by Migrant Households in 12 Months Preceding Survey (in NPR)

Type of Migrant	Minimum	Mean	Maximum	Standard deviation	N
Internal	1,000	26,000	100,000	34,289	8
International	1,500	88,398	500,000	114,495	64
Both internal and international migrants	1,000	81,465	500,000	110,172	72

Table 7.7: Use of Earnings by Returnee Migrants (%)

Area of Remittance Use	Per cent
Daily household expenses	74.9
To repay loans	42.9
Education of children/siblings	37.7
To build/renovate the house	23.2
Health treatment of family members	21.0
To buy house/land	16.9
Lent the money	12.6
Consumer goods	9.0
Saving	8.7
Social obligations	6.0
Investment in agriculture	7.7
Don't Know	3.0
To buy gold and other accessories	2.7
Investment in agriculture and non-agriculture sectors	1.4
Preparation for re-migration	1.1
Others	1.1
N	366

Note: Multiple responses

for remittance transfer to be comparatively uncommon.

7.4 Use of Remittance

Studies on migration and remittance in Nepal have reported that a large share of remittance sent by migrants are used for daily consumption and related expenses, including food and clothes.⁵³ According to the National Living Standards Survey 2010/11, 79 per cent of the remittances is spent on daily consumption. As a result, few households are able to either save or invest remittances for further income generation.

The study found that migrant households use remittances for multiple purposes. The most common use of remittances remained daily household expenses (Table 7.5). Other sectors of remittance use included education of children or siblings, repayment of loans, building of house, health treatment and buying land. Forty per cent of the households receiving remittances from foreign countries (excluding India) were repaying loans, a fact that should not be a surprise given that most workers take loans to finance their migration (see Section 4.3).

7.5 Savings from Remittance

As discussed in Section 7.4, owing to the use of remittance for daily consumption, recurrent expenses and paying back loans migrant households are able to save or invest very little from the remittances they receive. Such a situation has also been aggravated by the lack of effective plans and policies of the Government of Nepal to channel remittances into productive sectors. Although national legislation such as the Foreign Employment

Act, 2007 and the Foreign Employment Policy, 2012, the Constitution of Nepal 2015, periodic and annual development plans have envisioned harnessing remittances for productive sectors, there have been limited programmes, such as the high-interest bond issued by the Nepal Rastra Bank and reservation of initial public offering (IPO) shares for migrant workers,⁵⁴ and these initiatives are yet to demonstrate any evidence of success. With little employment opportunities being created in Nepal, migrants feel the 'pressure' to continue migrating in search of better financial opportunities and/or work abroad.⁵⁵

The survey had also asked respondents about savings from remittance. In the 12 months prior to the survey, migrant households had saved on average NPR 26,000 from remittances sent by internal migrants (Table 7.6). This amount includes the savings in banks as well as any economic investments. For international migrants, this figure stood at NPR 88,398.

This study also asked households with returnee migrants about how much the returnee migrants earned from their labour migration and what they used the earnings for. Similar to the remittances from migrant members, the income from returnee migrants was also used for daily consumption, paying back loans, and education of children and siblings (Table 7.7).

7.6 Remittance Received from Individuals Other than Household Members

Apart from household GDP members who have migrated internally or internationally, some households in Province 1 had also received remittances from individuals other than the household members such as friends, relatives,

53 Central Bureau of Statistics, *Nepal Living Standards Survey 2010/11 Volume II*; Sijapati et al *Labour Migration and the Remittance Economy: The Socio-Political Impact*, 19.

54 MoLESS, *Nepal Labour Migration Report 2022*.

55 IOM and NIDS, *Status of Nepali Migrant Workers in Relation to Covid-19* (Kathmandu: IOM, 2020).

Table 7.8: Remittance Received from Non-household Member (in NPR) (%)

Amount	Percentage
<=10,000	15.5
10,001–20,000	22.6
20,001–50,000	19.0
50,001–75,000	1.2
75,001–100,000	14.3
> 100,000	27.4
N	85

Table 7.9: Source Country of Remittance Received from Non-household Member (%)

Destination	Percentage
Within Nepal	27.4
Saudi Arabia	14.3
USA	11.9
Malaysia	9.5
UAE	8.3
Qatar	7.1
India	4.8
Kuwait	4.8
Australia	3.6
Other countries	11.9
N	84

Note: Multiple responses

etc, in the 12 months prior to the survey. These households made up 7 per cent of the total. More than a quarter of such households had received more than NPR 100,000 in remittances from other sources (Table 7.8).

As shown in Table 7.9, a substantial proportion of such remittance was received from within Nepal (27 per cent) followed by Saudi Arabia (14 per cent). Another 14 per cent of households in Province 1 received remittance from individuals based in the United States of America.

8. STATUS OF INTERNAL MIGRATION IN PROVINCE 1

This chapter presents information on internal migrants in Province 1. Internal migrants are identified as individuals who have migrated to another destination within Nepal for the purpose of employment, education or other reasons. Internal migration is an important part of Nepali society and this form of migration is characterised by mobility primarily of the economically active population between ecological belts (Tarai, Hill and Mountain regions) and/or between rural and urban areas.⁵⁶ The 2011 census highlighted this phenomenon, with more than half the migrant population found to have moved within Nepal with the Tarai region experiencing net positive in-migration and the Hills facing the highest proportion of out-migration.⁵⁷

8.1 Key Features of Internal Migration

More than 20 per cent of the households in Province 1 had at least one member who had migrated within the country at the time of the survey. Just like international migration from the province, as discussed in Section 3.1, men dominated internal migration as well (Figure 8.1).

As Table 8.1 shows, most internal migrants belonged to the economically active age group irrespective of sex. Above 70 per cent of the internal migrants had secondary school

education or above. The share of the ‘never married’ population was quite high among internal migrants, at 56 per cent.

The most predominant caste and ethnic groups in the case of internal migrants in

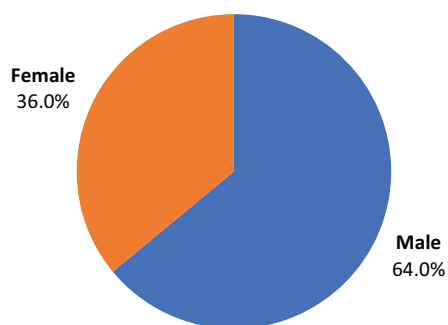
Table 8.1: Demographic Characteristics of Internal Migrants (%)

	Total	Male	Female
Age			
1–10 years	5.2	4.2	7.0
11–20 years	29.7	29.7	29.7
21–30 years	39.3	37.6	42.4
31–40 years	16.1	17.0	14.5
41–50 years	5.9	7.2	3.5
51–60 years	2.7	3.3	1.7
61 +	1.0	1.0	1.2
Education			
Illiterate	2.7	1.3	5.2
Informal education	1.0	1.0	1.2
Beginner	2.7	2.6	2.9
Primary (Grades 1–5)	9.2	11.4	5.2
Lower secondary (Grades 6–8)	10.7	13.1	6.4
Secondary (Grades 9–10)	11.7	11.8	11.6
SLC or equivalent	23.0	24.8	19.8
Intermediate equivalent/+2	24.5	19.6	33.7
Bachelor’s level or equivalent	8.4	7.5	9.9
Master’s level or equivalent	4.6	5.2	3.5
PhD/Professional degree	0.6	1.0	0.0
Technical education	0.8	0.7	0.6
Marital Status			
Never Married	56.5	55.6	58.1
Married	42.7	43.1	41.9
Separated (not legally divorced)	0.4	0.7	0.0
Divorced	0.0	0.0	0.0
Single male/female (widow/widower)	0.4	0.7	0.0
N	478	306	172

56 Bhim Raj Suwal, ‘Internal Migration in Nepal,’ in *Population Monograph of Nepal* (Kathmandu: Central Bureau of Statistics, 2014), 241–276.

57 Central Bureau of Statistics, *Nepal Living Standard Survey 2010/11* (Kathmandu: Central Bureau of Statistics, 2011).

Figure 8.1: Sex Distribution of Internal Migrants in Province 1



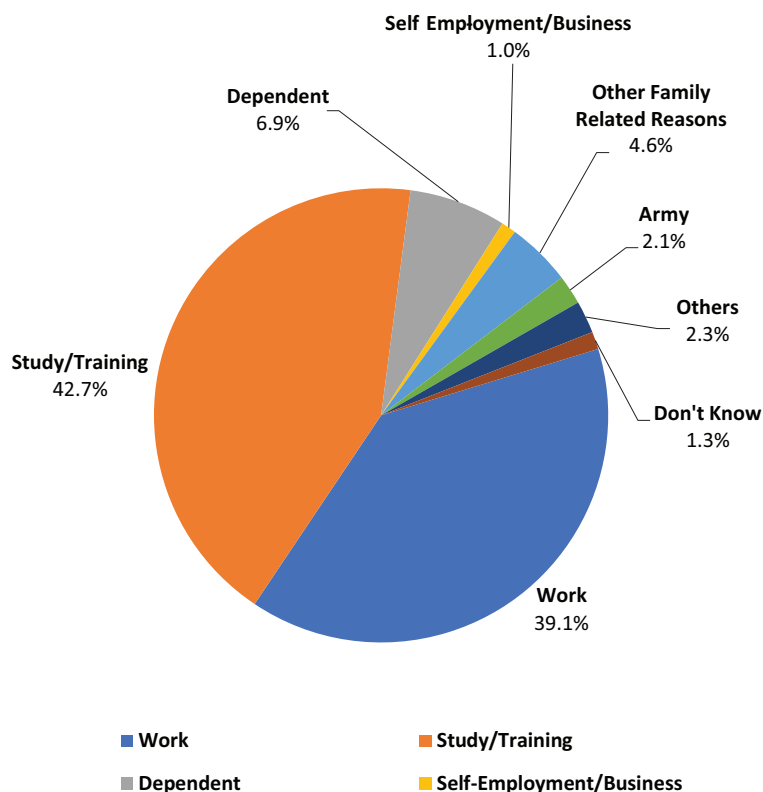
Province 1 were Hill Janajatis (49.8 per cent) and Hill Castes (37 per cent) (Table 8.2). At the national level, internal migrants are dominantly Hill Castes followed by Hill Janajati and Tarai Janajati.⁵⁸ The higher share of internal migrants from these caste and ethnic groups can be a reflection of the caste and ethnic group composition of Province 1 which is dominated by Hill Castes and Hill Janajatis (see Section 2.1).

8.2 Reasons for Migration

Although employment is an important reason for both internal and international migration, the degree of importance varied between internal and international migrants. In contrast to the findings on international migration in this study, most internal migrant in Province 1 had migrated for study/training followed by work (Figure 8.2).

A small proportion of internal migrants were

Figure 8.2: Reason for Internal Migration



N=478

Table 8.2: Caste/Ethnicity of Internal Migrants (%)

Caste/Ethnicity	Total	Male	Female	Population in Province
Mountain Janajati	1.7	2.0	1.2	25.5
Hill Janajati	49.8	48.7	51.7	31.4
Hill Caste	37.0	35.3	40.1	9.8
Hill Dalit	3.8	4.6	2.3	8.1
Tarai Janajati	3.3	3.9	2.3	14.8
Tarai Caste	2.3	2.9	1.2	4.5
Tarai Dalit	1.9	2.3	1.2	1.6
Muslim	0.2	0.3	0.0	
N	478	306	172	

reported to have migrated to join the army. This figure was similar to the findings from the Nepal Labour Force Survey (NLFS) 2017/18 for Province 1, according to which study and training were the main reasons for internal migration (at 41 per cent) for Province 1.

⁵⁸ Calculation based on the NLFS 2017/18 dataset.

Figure 8.3: Reason for Internal Migration (by sex)

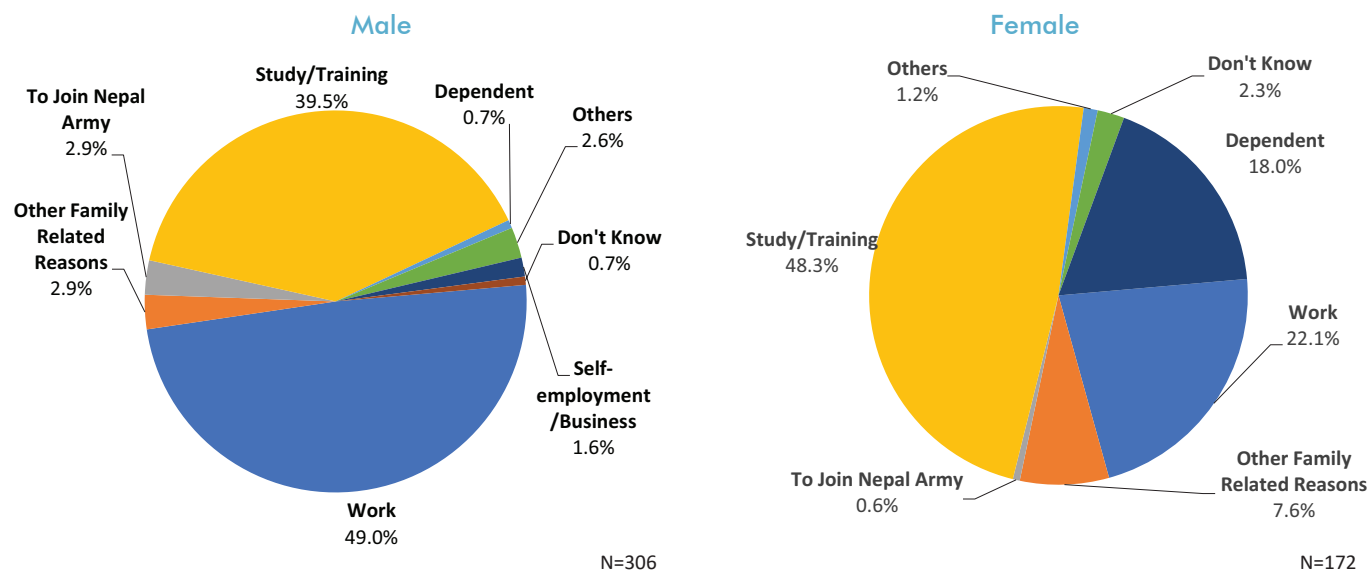


Table 8.3: Reason for Migration (by caste/ethnicity)* (%)

Reason	Mountain/Hill Janajati	Hill Caste	Dalit (Hill & Tarai)	Tarai Caste & Tarai Janajati
Work	36.2	40.7	55.6	42.9
Study/training	43.9	41.8	33.3	46.4
Dependant	6.1	8.5	7.4	3.6
Self-employment/business	0.8	0.6	3.7	3.6
Other family-related reasons	7.3	2.3	0.0	0.0
To join army	2.0	2.8	0.0	0.0
Others	2.0	2.3	0.0	3.6
Don't Know	1.6	1.1	0.0	0.0
N	246	177	27	28

* Some of the caste and ethnic group categories used in this study has been merged here due to the low sample sizes.

As shown in Figure 8.3, disaggregated data on sex showed migrating internally for work to be more prevalent among men, with almost half of them falling in this category, while women were found migrating more for reasons of study and training (48 per cent). Furthermore, women were also migrating as dependants and other family-related reasons more often than men.

In terms of reason for migrating, more than half of the internal migrants among Dalits had migrated for work compared to other caste and ethnic groups. In the case of other caste and ethnic categories, comparatively larger

proportions had migrated for study as well (Table 8.3).

8.3 Destinations

More than half of the internal migrants from Province 1 were headed to Bagmati Province. The capital of the country, Kathmandu, is located in Bagmati and this can explain the higher rate of migration to this province irrespective of the reason for migration. A significant number had also moved internally within Province 1. About 35 per cent of work-related internal migration

Table 8.4: Destination of Internal Migrants (by reason for migration) (%)

Destination	Total	Work	Study/ Training	Dependant	Self- employment/ Business	Other Family- related Reasons	Army	Others	Don't Know
Within Province	37.6	35.6	37.4	35.5	75.0	25.0	50.0	50.0	75.0
Madhesh Province	1.1	1.9	0.7	0.0	0.0	0.0	0.0	0.0	0.0
Bagmati Province	56.9	52.5	61.9	61.3	25.0	75.0	50.0	50.0	25.0
Gandaki Province	2.4	5.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lumbini Province	1.6	3.1	0.0	3.2	0.0	0.0	0.0	0.0	0.0
Karnali Province	0.5	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
N	478	188	204	33	5	22	10	10	6

Table 8.5: Occupation of Internal Migrants (%)

Occupation	Total	Male	Female
Construction labour	18.6	22.9	5.4
Private job /NGO/INGO	10.6	9.4	14.3
Government job	8.0	7.6	8.9
Teacher/Lecturer	8.0	5.3	16.1
Driving	6.2	8.2	0.0
Other	5.8	7.1	1.8
Business	5.8	4.1	10.7
Banking/Accounting	5.3	5.3	5.4
Factory labour	4.9	5.9	1.8
Health worker	3.5	0.6	12.5
Electrician	3.1	4.1	0.0
Helper/Cleaner	3.1	1.2	8.9
Hotel services	3.1	3.5	1.8
Security guard	1.8	2.4	0.0
Agriculture	1.3	0.6	3.6
Domestic work	0.9	0.6	1.8
Don't know	10.2	11.2	7.1
N	226	170	56

from the province was within it and 53 per cent to Bagmati. Migration for study/training, self-employment and migration as dependants also followed a similar pattern (Table 8.4).

8.4 Occupation and Salary

The findings from the present study show that internal migrants in the province were working mostly as construction labourers, or had a job in a private company/NGO/INGO, as teachers/

Table 8.6: Monthly Income of Internal Migrants (in NPR) (%)

Amount	Total	Male	Female
<=10,000	17.8	12.1	33.3
10,001–20,000	34.8	34.3	36.1
20,001–30,000	29.6	34.3	16.7
30,001–40,000	10.4	11.1	8.3
40,001–50,000	4.4	5.1	2.8
50,001–100,000	2.2	2.0	2.8
> 100,001	0.7	1.0	0.0
N	135	99	36

Table 8.7: Monthly Savings of Internal Migrants (in NPR) (%)

Amount	Total	Male	Female
<=10,000	35.6	30.0	66.7
10,001–20,000	55.9	60.0	33.3
20,001–30,000	6.8	8.0	0.0
30,001–40,000	1.7	2.0	0.0
N	59	50	9

lecturers, and in government (Table 8.5). There is a contrast in terms of employment of male and female internal migrants. While a comparatively larger share of male internal migrants from Province 1 were working as construction labour, female migrants were engaged in comparatively skilled occupation such as private job, teacher and health worker.

Almost 70 per cent of female internal migrants from Province 1 were earning NPR 20,000 or less per month, with a third of them earning below NPR 10,000 (Table 8.6).

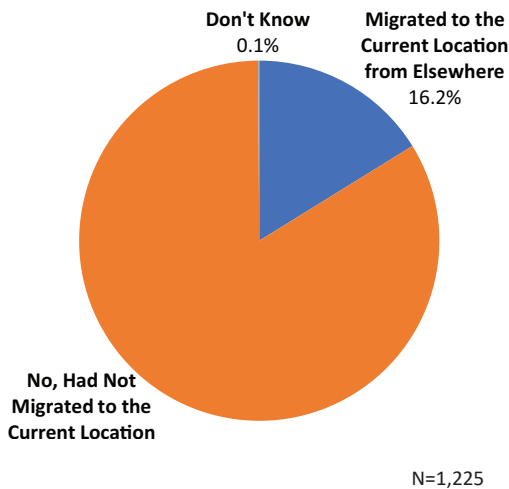
The earning of male internal migrants was a bit higher with 70 per cent of them earning in the range of NPR 10,000–30,000 per month.

As Table 8.7 shows, while 56 per cent of the internal migrants were able to save between

NPR 10,000–20,000 per month, a significant proportion (36 per cent) were able to save less than NPR 10,000 per month. The amount of savings per month is in line with the findings on the earnings of internal migrants (Table 8.6).

9. IMMIGRANT HOUSEHOLDS IN THE PROVINCE

Figure 9.1: Households' Migration to the Current Location in Province 1 from Elsewhere



The present study also collected data on immigrants. The survey considered immigrants to be households that had permanently or temporarily migrated to the current place of residence from another municipality or rural municipality, district or province within Nepal or from another country within the last 20 years.

The study found that 16 per cent of the households in Province 1 had migrated from elsewhere to the current location (Figure 9.1). The majority of immigrant households had migrated from another district, followed by immigration from the same municipality or rural municipality (Figure 9.2). A small proportion of households had migrated from India.

Among immigrant households, 7 per cent had migrated temporarily, implying that they

Figure 9.2: Household's Location Prior to Migration to Current Location in Province 1

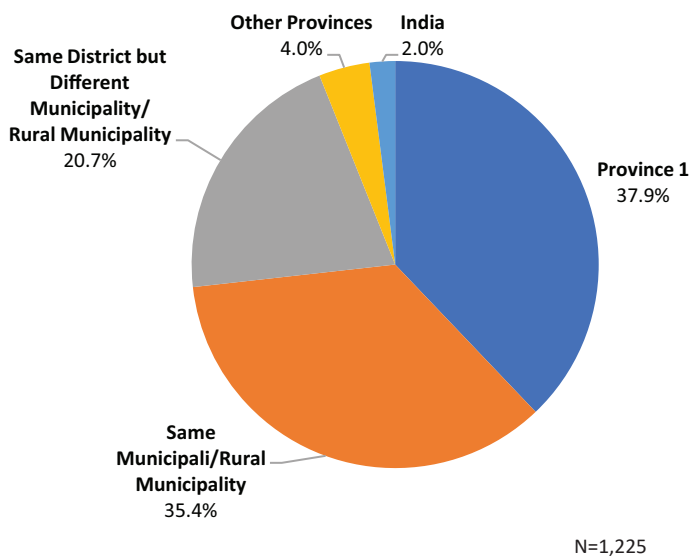


Figure 9.3: Nature of Migration

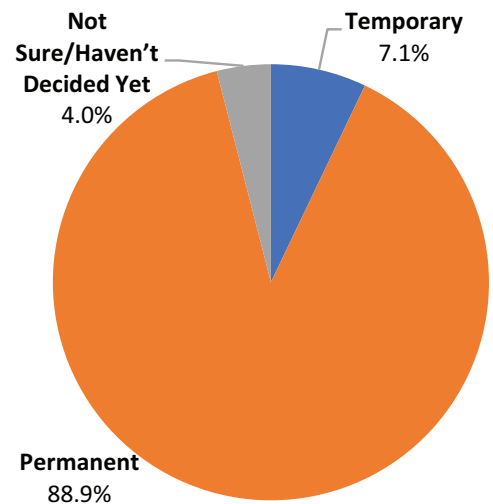


Table 9.1: Reason for Migration of Immigrant Household (by nature of immigration) (%)

Reason	Total	Temporary Immigration	Permanent Immigration	Not Sure
Better facilities (transportation, health, education)	57.1	42.9	58.0	62.5
Fertility of agricultural land	13.6	7.1	14.2	12.5
More job opportunities available	11.1	14.3	10.2	25.0
For business	7.6	0.0	8.0	12.5
Natural disaster (floods, landslides, earthquake etc.)	3.5	0.0	3.4	12.5
Resettlement/displacement by developmental project	2.0	7.1	1.7	0.0
Water scarcity in the previous place of residence	2.0	0.0	2.3	0.0
Conflicts/Civil war	1.5	0.0	1.7	0.0
Others	23.2	35.7	22.2	25.0
Don't Know	1.0	0.0	1.1	0.0
N	198	14	176	8

Note: Multiple responses

would return to their place of origin in the near future while 89 per cent had migrated permanently (Figure 9.3).

Households' migration to the current location was spurred by a number of reasons (Table 9.1). Irrespective of whether the migration was temporary or permanent, search for better education and health facilities were

the main drivers of migration followed by availability of employment opportunities in the place of settlement. Natural disasters such as floods, landslides and earthquakes and conflicts were also reported as reasons for migration. Other reasons included permanent migration after construction of their own house, family conflict/separation, etc.

10. CONCLUSION AND RECOMMENDATIONS

A large number of Nepalis from Province 1 migrate within the country and to foreign countries, primarily for work and education. Migrants who leave home for employment form a significant proportion of this population. Nepali students form another large category of migrants within Nepal and to overseas. Data on labour permit from the Department of Foreign Employment show that labour migrants from Province 1 to countries other than India account for a quarter of total labour migrants from Nepal. Migrant workers make a significant contribution to the economy of the nation and the income of households through remittances.

Despite the significance of labour migration at different levels of Nepali society, the availability and accessibility of migration data has remained a challenge. Although national surveys capture this phenomenon, labour migration forms only a section of these surveys and does not provide any comprehensive information on it. Apart from the Nepal Labour Force Survey 2017/18 and the Nepal Demographic and Health Survey 2016, province-wise migration data is not available in other national surveys. Owing to the integral role of migration, especially labour migration, in the socio-economic growth of Province 1, this study was carried out with the objective of preparing a migration profile to assist the Government of Province 1 to formulate policies, plans and programmes to effectively address the issues of migrant workers and their families as well as harness the benefits of migration. This report presented the result of study, mainly in the form of a survey of 1,225 migrant and non-migrant households from Province 1.

The findings showed that men dominate

migration from Province 1 to destinations within and outside the country. Overall, work was the main reason for migration within the country or abroad. The next main reasons for migration was education. There was variation in reasons for migration between men and women migrating within the country with most women migrating within the country for education while for men it was work. In the case of internal migrants, most travelled to Bagmati Province while migration within the province itself was substantial. In terms of international migration, the Gulf Cooperation Council (GCC) countries and Malaysia were the top destination countries for Nepalis from Province 1. Migration to these countries was mostly for employment. The cost of migration was dependent on the country of destination. The migration cost to India was lower than to other destination countries. Despite the legal instruments prohibiting recruitment agencies from charging migrant workers high recruitment fees, this study found that migrants were paying significant sums of money to recruitment agencies. Migrants depended on loans to finance their migration for employment.

Men were found to be predominantly engaged in labour work in factories and the construction sector in the destination countries while females worked mainly as domestic workers. The study also found that less than a quarter of current international migrants and returnee migrants from Province 1 had learnt any skills prior to their departure. Of those with any kind of training, a majority were able to make use of the skills they had acquired during their employment abroad. The scenario

was similar for returnee migrant workers as skills training taken prior to migration did match the employment in destinations, as reported by almost two-thirds of the returnees. Most of the returnee migrants were engaged in self-employment in agriculture followed by self-employment in the non-agricultural sector and daily wage work in the non-agricultural sector.

Remittances are the most tangible return from migration. A significant proportion of households reported having received remittances either from a migrant member abroad and within the country. The amount of remittance varied depending on the destination country and earnings from employment. Formal channels such as banks and other financial institutions were the most common means for remittance transfer for international migrants while informal channels were used by most of the internal migrants. In keeping with the previous findings, this study also found that most of the remittance are used by migrant households for daily consumption. The breakdown of expenses was similar for returnee migrants as well. Furthermore, this study pointed to the prevalence of fraud in the migration process whether for employment or study.

Based on the totality of the findings, this study presents the following recommendations so that the migration process can be further facilitated, migrant workers' earnings increased, remittances utilised in the productive sectors of the economy, and returnee migrants better integrated into Nepal's labour market with the proper utilisation of their skills.

Support to returnee migrant workers

The study showed very few migrants making use of government programmes such as subsidised loans. The government of Province 1 can work towards removing barriers in obtaining loans together with effective dissemination of information about the plans and policies of the central, provincial and local governments,

including existing employment and loan schemes. Local languages can be used in this regard while making use of advocacy campaigns, posters and other means such as radio, television and social media platforms. Furthermore, it needs to be ensured that reintegration plans and programmes are developed through dialogue and consultation with workers, trade unions and civil society organisations, among others.

Collection of comprehensive data on returnee migrants and reintegration situation

This survey found a large number of returnee migrants in the province with a significant proportion of them interested in self-employment in both agriculture and non-agricultural sectors. The provincial as well as local governments can play important roles in collecting comprehensive data on returnees and reintegration at the ward level. It would help the planning process at both levels to keep track of current and returnee migrants in order to build a comprehensive database on the skills and interest of returnees. The Employment Management Information System (EMIS) needs to be periodically updated towards that end and maintained in a manner to enable the information collected to be used by local governments.

Skill training and upskilling opportunities for returnee migrants

As per the findings of this study, fewer than a fifth of the male returnee migrants and less than a tenth of female returnees were able to utilise the skills/knowledge gained while abroad. The study identified the priority sectors of returnee migrants for self-employment. As such, the provincial government can support returnee migrants through skill development trainings based on the skills they possess and their preferences. The provincial government can also play an important role in connecting entrepreneurs with local and international markets in order to help them sell their products and services.

Identification of prior learning

Lack of identification of skills of returnee migrants can create a further challenge in their economic reintegration. Identification of skills learnt and qualifications acquired during their migration stint abroad by returnee migrant workers can be beneficial to them and the country as a whole. In order to achieve this, existing tools and system for skill identification and certification has to be expanded. Equally important is to ensure that returnee migrants are aware about the existence of such systems and ways to access them. Further, employers in Nepal need to be made aware about such systems so that they recognise and value such accreditation. Awareness campaigns targeting both returnee migrants and employers will be essential.

Counselling about job opportunities

The provincial government can support returnee migrant workers through financial and career counselling, making them aware of labour market demands, skill development and vocational training opportunities, supporting schemes that target returnee migrants and providing and facilitating job opportunities.

Access to labour markets

Prior to conducting skill training and counselling for job opportunities it is necessary to understand the labour market scenario in Nepal and identify sectors with demand for human resources. For this, in addition to creating a comprehensive database of skills and interest of returnee migrants, the government of Province 1 and local governments should also conduct research on local labour markets in coordination with relevant government and non-government agencies.

Reduce labour migration costs

Workers still pay exorbitant recruitment fees. The unethical and illegal collection of high recruitment fees suggests weak or non-implementation of the

‘free-visa, free-ticket’ policy in Nepal. All three tiers of government need to coordinate their work to ensure recruitment agencies and agents do not charge workers illegally during the recruitment process.

Migration costs have also increased for workers due to the need to make numerous trips to Kathmandu during the migration process as a result of the centralisation of all the migration services in the capital. Although there have been attempts made at decentralising some of these services, they do not seem adequate, especially for those who are migrating for the first time.

Access to complaint registration mechanisms

The study found that most people do not file any cases against alleged perpetrators of fraud and illegalities for several reasons. Many are not even aware they can file cases. Government and non-government bodies can work in removing barriers to access to justice of migrants and their families. The process of registering complaints can be made easier by allowing cases to be registered at the local or provincial levels. Awareness campaigns regarding available mechanisms for registering complaints along with the provision of a support system during the process can benefit migrants and their families.

Support for investment of remittances

Migrant workers should be provided investment and advisory services for enterprise development. They should be given orientation about labour market demand and micro-, small, and medium-sized enterprise development while also considering the human and social capital they have brought back with them. Enhancing returnee migrants’ access to subsidised loans is another essential step to support entrepreneurship.

Bring remittances into the formal sector

Although most migrant workers from the province use formal channels to transfer remittance, there are still some who use informal

channels to send money home. Provision of premium interest rates on remittance can help promote use of banks and other financial institutions to remit money. Also, migrant workers and their families should be made aware about such initiatives, including through pre-departure orientation trainings and general financial literacy programmes. At the same time, it has to be ensured that migrant workers and their families have access to and knowledge of banking facilities by expanding the banking infrastructure into the rural areas. Such a step can also contribute to increasing the use of formal channels in remittance transfers.

ANNEX 1: SAMPLING METHOD

The sample frame for the survey consists of all the municipalities in Province 1. Like the rest of Nepal, Province 1 is also divided into three ecological regions along the north-south axis – Mountain, Hill and Tarai. In order to generate the desired sample, each of these ecological regions in Province 1 was further divided into rural and urban settlements. This made six possible sub-groups. These six sub-groups constitute the ‘strata’, whereby each stratum tends to have distinct features (i.e., physical, cultural-linguistic and social), and within a stratum, there is a high degree of homogeneity, while across strata there is a high degree of heterogeneity.

The primary sampling units (PSUs) in this survey are municipal wards. In the first stage, a proportional number of wards was selected from each of the six strata using probability proportional to size (PPS) sampling with the population size as a measure of the size of a unit. This technique ensures the proportional representation of the entire provincial population as per its composition in terms of ecological regions, caste/ethnic groups, urban-rural settlement, age groups and other demographic variables. A total of 61 wards was drawn by the PPS sampling method from the six strata. The surveys were administered between 19 to 22 households in each of the sampled wards.

In the second stage, sub-wards were selected from the sampled wards using simple random sampling. Since available data from the 2011 census is at the erstwhile ward level, the sub-wards in this case, correspond to the ‘old’ wards.

Number of Migrant Households (by district and ecological belt)

District	Ecological Belt	Total Number of Households	Number of Migrant Households*	Percentage of Migrant Households
Taplejung	Mountain	26,471	4,313	16.3
Solukhumbu	Mountain	23,758	2,208	9.3
Sankhuwasabha	Mountain	34,615	11,732	33.9
Bhojpur	Hill	39,393	6,998	17.8
Dhankuta	Hill	37,616	13,908	37.0
Ilam	Hill	64,477	14,031	21.8
Panchthar	Hill	41,176	8,260	20.1
Okhaldhunga	Hill	32,466	4,620	14.2
Terhathum	Hill	22,084	4500	20.4
Khotang	Hill	42,647	8,089	19.0
Udayapur	Hill	66,514	10,348	15.6
Jhapa	Tarai	184,384	36,494	19.8
Morang	Tarai	213,870	29,233	13.7
Sunsari	Tarai	162,279	27,557	17.0

Source: National Population and Housing Census 2011

* This is the ‘absentee’ population according to the 2011 census, whereby an absentee is anyone from a household who has been abroad for six or more months prior to the time of enumeration.

From these sub-wards, a village (tole) was selected based on the distribution of settlements in that particular sampled sub-ward and these constitute the enumeration areas (EAs). A list of all the households in the sampled EAs was prepared during the first round of the fieldwork and a sample of between 19 to 22 households was randomly selected from the list. Then, the randomly selected households were approached, and interviews were conducted with the available household members who were knowledgeable about their household.

Sampled Municipality/Rural Municipality and Wards by Number of Households (HHs)

Ecological Regions (rural/urban)	District	Municipality/Rural Municipality (RM)	Ward	Village/Tole	Sample Size (HHs)
Mountain Rural	Taplejung	Phaktanlung RM	4	Satuwa, Saujung	22
	Sankhuwasabha	Makalu RM	4	Baidhe, Siutaar	21
	Solukhumbu	Necha Salyan RM	1	Khyampu, Bhanteru, Thali Deurali, Chuli Tole	21
	Sub-Total				64
Mountain Urban	Sankhuwasabha	Chainpur Municipality	6	Maathiko Daangi Gaun	22
	Sankhuwasabha	Panchakhapan Municipality	1	Danda Gaun	21
	Sub-Total				43
Hill Rural	Panchthar	Hilihan RM	1	Rai Gaun	20
	Panchthar	Tumbewa RM	4	Ratamaate, Khatri Tole, Wadan Danda	20
	Illam	Mai Jogmai RM	2	Khatri Gaun, Giri Gaun, School Danda	19
	Dhankuta	Chaubise RM	1	Muktara Pangme, Teen Ghare, Warahi Tole	19
	Dhankuta	Sangurigadhi RM	8	Khundi	19
	Bhojpur	Aamchowk RM	1	Khamtang	19
	Bhojpur	Pauwa Dunma RM	6	Reletole	19
	Okhaldhunga	Chishankhu Gadhi RM	2	Khaanibhanjyang	19
	Okhaldhunga	Molung RM	4	Thaam Danda, Khahare Kharseni	19
	Khotang	Diprung RM	5	Tritiya, Dhaap, Kula Gaun, Thapa Gaun	19
	Khotang	Rawabesi RM	5	Regmi Gaun, Rautaar	19
	Udayapur	Udayapurgadhi RM	2	Gekhre Gaun	19
	Sub-Total				230
Hill Urban	Ilam	Deumai Municipality	3	Danda Gaun	21
	Ilam	Mai Municipality	1	Aanptaari	21
	Ilam	Suryodaya Municipality	11	Suntale, Sisire, Kaarbari	20
	Dhankuta	Mahalaxmi Municipality	9	Gairi Gaun	20
	Bhojpur	Bhojpur Municipality	7	Danabot	20
	Khotang	Halesi Tuwachung Municipality	1	Pakancheпа, Ninglam, Gudrup, Gopitar	20
	Khotang	Rupakot Majhuwagadhi Municipality	15	Baseri, Dhakal Tole, Purani Gaun	20
	Udayapur	Chaudandigadhi Municipality	7	Kechuwa, Shivalaya Tole	20
	Udayapur	Katari Municipality	14	Lekhani, Pokhari Tole	20
	Udayapur	Triyuga Municipality	13	Janjyoti Tole, Gaighat	20
Sub-Total				202	
Tarai Rural	Jhapa	Buddhashanti RM	3	Dhanjan Chowk Uttar Titari Bot	21
	Jhapa	Haldibari RM	4	Wada Baazar	21
	Jhapa	Kachanakawal RM	7	Pharsadangi	21
	Morang	Budhiganga RM	5	Hattimuda	21
	Morang	Gramthan RM	6	Bharchaul	21
	Morang	Kanepokhari RM	6	Ramailo, Haat Khola	21
	Morang	Kerabari RM	10	Kula Paani	21
	Sunsari	Bhokraha RM	4	Urau, Musahari Tole	21

Sampled Municipality/Rural Municipality and Wards by Number of Households (HHs)

Ecological Regions (rural/urban)	District	Municipality/Rural Municipality (RM)	Ward	Village/Tole	Sample Size (HHs)
Tarai Rural	Sunsari	Gadhi RM	3	Mehata Tole	21
	Sunsari	Koshi RM	4	Mehata, Khatwe, Yadav, Mandal Tole	20
	Sub-Total				209
Tarai Urban	Jhapa	Arjundhara Municipality	5	Kanchanwaari School Area	20
	Jhapa	Bhadrapur Municipality	6	Srijana Tole	20
	Jhapa	Birtamod Municipality	5	Dharma Kanta Road ko Purva Tole	20
	Jhapa	Damak Municipality	5	Manakamana, Sundar Basti, Mama Chowk	20
	Jhapa	Gauradaha Municipality	6	Damna Baazar	20
	Jhapa	Mechinagar Municipality	3	Dokan Danda	20
	Jhapa	Mechinagar Municipality	11	Saawik Dhajjan	20
	Jhapa	Shivasatakshi Municipality	8	Jhiljhile Baazar	20
	Morang	Belbari Municipality	9	Rajbanshi Tole	20
	Morang	Biratnagar Metropolitan City	5	Bishnu Tole	20
	Morang	Biratnagar Metropolitan City	11	Alka Tole	20
	Morang	Biratnagar Metropolitan City	18	Jhatiyahi	20
	Morang	Pathari Shanishchare Municipality	5	Pange Jhalash	20
	Morang	Rangeli Municipality	8	Jhawanpur	20
	Morang	Sundarharaicha Municipality	2	Mrigauliya	20
	Morang	Sunwarshi Municipality	1	Chapramari, Sangam Chowk	20
	Morang	Urlabari Municipality	4	Bhadramaari Tole	20
	Sunsari	Baraha Municipality	7	Newar Tole	20
	Sunsari	Dharan Sub-Metropolitan City	8	Arun Tole	20
	Sunsari	Dharan Sub-Metropolitan City	16	Naulo Path, Naulo Tole	20
	Sunsari	Duhabi Municipality	11	Charaiya Tole	20
	Sunsari	Inaruwa Municipality	10	Podar Basti, Sardar Basti	19
	Sunsari	Itahari Sub-Metropolitan City	9	Bhojpure, Pashupati, Bhaladmi Tole	19
	Sunsari	Ramdhuni Municipality	1	Naya Bhadgaun	19
	Sub-Total				477
	Total				

ANNEX 2: CASTE AND ETHNIC GROUPINGS

The categorisation of caste and ethnic groups used in this study follows Pitamber Sharma in *Some Aspects of Nepal's Social Demography: Census 2011 Update* (Kathmandu: Social Science Baha and Himal Books, 2014). Accordingly:

1. **Mountain Janajati**
Bhote, Byasi/Sanka, Dolpo, Lhomi, Lhopa, Sherpa, Thakali, Topkegola, Walung
2. **Hill Janajati**
Aathpariya, Bahing, Bantawa, Brahm/ Baramo, Chamling, Chepang/Praja, Chhantyal/ Chhantel, Dura, Ghale, Gharti/Bhujel, Gurung, Hayu, Hyolmo, Jirel, Khaling, Khawas, Kulung, Kusunda, Lepcha, Limbu, Loharung, Magar, Mewahang Bala, Nachhiring, Newar, Pahari, Rai, Samgpang, Sunuwar, Tamang, Thami, Thulung, Yakkha, Yamphu
3. **Hill Caste**
Bahun, Chhetri, Sanyasi/Dasnami, Thakuri
4. **Hill Dalit**
Badi, Damai/Dholi, Gaine, Kami, Sarki
5. **Tarai Janajati**
Amat, Bote, Danuwar, Darai, Dhanuk, Dhimal, Gangai, Jhangad/Dhagar, Kisan, Koche, Kumal, Majhi, Meche, Munda, Pattharkatta/Kushwadiya, Rajbanshi, Raji, Raute, Satar/Santhal, Tajpuriya, Tharu
6. **Tarai Caste**
Badhaee, Baraee, Bin, Brahman—Tarai, Dev, Dhunia, Gaderi/Bhedhar, Hajam/Thakur, Haluwai, Kahar, Kalwar, Kamar, Kanu, Kathbaniyan, Kayastha, Kewat, Koiri/ Kushwaha, Kori, Kumhar, Kurmi, Lodh, Lohar, Mali, Mallaha, Marwari, Nuniya, Nurang, Rajbhar, Rajdhob, Rajput, Sonar, Sudhi, Teli, Yadav
7. **Tarai Dalit**
Bantar/Sardar, Chamar/Harijan/Ram, Chidimar, Dhandi, Dhankar/Kharikar, Dhobi, Dom, Dusadh/Paswan/Pasi, Halkhor, Kalar, Khatwe, Musahar, Natuwa, Sarbaria, Tatma/Tatwa
8. **Others:** Bengali, Muslim, Punjabi/Sikh

