

Mass exodus: migration and peaceful change in post-war Nepal

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Hundreds of thousands of Nepalis leave every year to seek livelihoods in other countries across the world. The 2011 Census recorded 1.9 million Nepalis abroad, of whom more than 80 per cent had left for employment and work-related purposes. This mass exodus of people is a consequence of a number of factors, including government policies encouraging foreign employment, chronic political instability, and slow economic growth, and it has played an important part in shaping Nepal's post-war transition.

Migration policy

Nepal has a long history of migration. The British in India recruited young Nepali men from the early 19th century. Later, Nepalis also migrated to various parts of northern India to provide much-needed labour for tea plantations, oil refineries and coalmines. An open border between Nepal and India, and the facility granted to Nepalis to settle down and seek employment under the 1950 Treaty of Peace and Friendship, continued to provide momentum to the flow of Nepalis to India.

Despite these outflows, the Nepali government did not take an active interest in external migration until the 1980s, when it introduced policy initiatives to send citizens abroad for work as a way to address the growing unemployment and underemployment. This came at a time when countries in the Gulf region were seeking huge numbers of workers for the massive development projects that followed the oil boom.

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Workers from other parts of South Asia had been working in these countries since the mid-1970s. Nepal entered the process somewhat late and the scale of Nepali labour migration to the Gulf remained limited. Most of the labour permits issued until 1996–97 for employment abroad (excluding India) were for the Gulf

Cooperation Council countries, and these averaged fewer than 3,000 annually. Crossing the open border between Nepal and India does not require any documentation, so there is no accurate estimate of the number of migrant workers going to India.

The government became more proactive in sending young Nepalis as migrant labour in the late 1990s. In 1999, the government announced plans to send 200 workers from each of the 201 electoral constituencies, and also to provide loans of NPR 100,000 to conflict-affected and socially excluded groups to take up foreign employment. The Maoist insurgency was then gaining momentum and, although not explicit, the move to increase government support for labour migration was aimed at curbing the Maoists' recruitment efforts. In its Five-Year Development Plan of 2002–07, the government extended its promotion of external labour migration with measures such as training skilled personnel, mobilising diplomatic missions, and providing credit facilities to rural youths, poor families and people in insurgency-affected areas.

Implementation of the government initiatives, however, was very poor. The 200 workers per constituency plan never materialised and only 721 people benefitted from the loan programme, which was discontinued after the poor loan recovery rate of less than five per cent. Yet, by the time the insurgency had escalated in 2001–02, the number of people leaving the country to destinations other than India had increased to more than 100,000 annually.

Migration and development

The upheavals of the past two decades – frequent changes in government, the Maoist insurgency, political and social strife, and a prolonged transition – have held back economic development in Nepal. Investment has been low, with fixed capital formation accounting for only six per cent of economic growth, and net foreign direct investment between 2001 and 2010 averaging just 0.2 per cent of gross



Migrant workers boarding a plane at Kathmandu airport.
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domestic product. Yet, the country has seen economic growth averaging four per cent over the last decade and remittances have been credited with keeping the economy afloat. The most significant impact of remittances is in contributing to reduce poverty rates from 42 per cent in 1995–96, to 31 per cent in 2003–04 and 25 per cent in 2010–11.

More importantly, financial remittances have contributed to increased household consumption, investment in children's education and better health care. Nepal received more than USD 5.5 billion in remittances in 2014–15 alone. Following the devastating earthquake of April 2015, Nepal saw an increased remittance inflow. Migration policies have thus proved to be timely and fruitful and the government has continued to promote labour migration to address unemployment and underemployment, as evidenced in laws and policies such as the Foreign Employment Act 2007, the Foreign Employment Policy 2012, and the Thirteenth Plan (2013–14 to 2015–16). Nepalis going to countries other than India (which remains the number one destination) totalled more than half a million in 2014–15 alone, about six per cent of whom were women.

Migration is also having an equalising effect in the social sphere. For instance, the traditionally marginalised Dalits ('low caste') have become less dependent on other castes or ethnic groups for wage labour, food support or land-leasing following the migration of family members. Likewise, since migration is predominantly a male phenomenon in Nepal, it has increased women's workload both within and outside the household, but has also led to a significant increase in their mobility and participation in community activities. This has exposed them to new ideas, knowledge and information. Women have also increasingly taken up decision-making roles in the absence of their husbands, although more serious decisions such as purchase of land, selection of schools for the children, or taking loans still tend to be taken jointly.

On the other hand, large-scale migration has resulted in a shortage of agricultural labour and decreased household farm output. About 70 per cent of remittances are used for daily consumption, so investment in agricultural assets to enhance agricultural production or even for business start-ups is comparatively very low. Migrant families with financial capability are also shifting to urban and semi-urban localities, primarily to access a better education for their children, further steepening the decline in farming activity.

Migration and stability

People between the ages of 15 and 39 comprise about 40 per cent of Nepal's population, a stage of demographic transition often seen as a window of opportunity for economic growth known as the 'demographic dividend'. Experiences from other countries, however, show that high youth unemployment, particularly for males, has a disruptive effect on peace and security. In Nepal, risks of falling back into a cycle of political violence and conflict are greater due to unemployment, identity- and ethnic-based tensions over federalism, the absence of local political representatives, and general weak governance.

In this scenario, the productive engagement of youths through large-scale migration has had a significant mitigating effect. There is little empirical evidence on the impact of the Nepali migrant labour force's exposure to skills, ideas, knowledge, and experience acquired abroad, but studies elsewhere have shown that remittances help in democratic transition. Remittance-receiving households are more averse to politicians' attempts to bribe voters and are thus in a position to elect leaders that better represent their interests.

On the whole, migration has helped to address the unemployment and poverty that contributed to the Maoist insurgency. It is fair to conclude that Nepal's mass exodus, coupled with the inflow of remittances, has contributed positively to peace and stability during Nepal's fragile political transition.

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