# Causes and Consequences of Foreign Labour Migration in Nepal

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Foreign migration refers to the movement of persons away from their place of usual residence and across an international border to a country. Foreign labour as the form of the relationship of an employee on an employer outside the territory of the country where the employee pursues activity according to employer's instructions for the remuneration agreed upon in advance. Remittance to Nepal has a strong hold in the national economy and they have also transformed the lives of a large number of rural people. The objectives of the study are: to find the social background of the foreign labour migrants, to explore the causes of foreign labour migration in the study area and to describe the effects of foreign labour migration. This study overall uses quantitative method as core methodological analysis to substantiate its argument. The research method is survey with interview schedule as the tool. The study shows that there are different causes and consequences of foreign labour migration and most of the remittance is utilized to fulfill the livelihood, education and health. The implication of the study is to enhance the knowledge on causes and consequences of foreign labour migration in Nepal.

[Keywords: Migration, Foreign Labour, Causes, Consequences]

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# 1. Background of the Study

Migration being one of the factors of population change, may affect socio-economic condition at both the place of origin and place of destination. It influences the size, composition and others characteristics of population (Subedi, 1993). Migration for employment means a person who migrates from one country to another with a view to being employed otherwise then on his own account and includes any person regularly admitted as a migrant for employment (Wickramasekera, 2002). Migration in general refers to geographical or spatial mobility from "one geographical unit to another. It involves a change of place/residence from the place of origin to the place of destination. One who migrates is called a migrant" (CBS Nepal, 2011).

Remittance from Nepali migrant workers in foreign countries is an important contribution to the national economy. Its contribution is not only the cash income and other goods and commodities that come to Nepal, but also the foreign exchange which has others positive contributions in terms of social and human development (Gurung et.al., 2011). Remittance is a strong source of foreign exchange earnings for Nepal. Workers remittance is now consider as a backbone of our economy. The value of foreign remittance from migrant labourers could be equivalent to 25 percent of gross domestic product (GDP). Since last few years remittance income is playing a vital role for the foreign currency earnings and favorable impact on balance of payment situation to reduce the number of people in the country below poverty line and ultimately to the economic growth of the nation (Panthee, 2012).

I choose to conduct a research on socio-economic effects of foreign labour migration in Nepal in Sahid Lakhan Municipality Ward No. 7 and 8, Bungkot, Gorkha. It is a sociological study of causes and consequences of foreign Labour Migration conducted in Sahid Lakhan Rural Municipality Ward No. 7 and 8, Bungkot, Gorkha.

# 2. Statement of the Problem

The foreign employment has to some extent, reduced the state of poverty and unemployment. The lifestyle of the household who seceded in going for foreign employment was changed. But where and how people utilized and invested the remittances remained still less explored which was a major problem of this study. So, this study

was designed to address the following research questions related to causes and consequences of overseas foreign labour migration:

- What are the causes of foreign labour migration?
- ➤ What are the sources of money that made achievable for foreign labour migration?
- ▶ How has the foreign labour migration been affected the socioeconomic life of people?

# 3. Objectives of the Study

The general objective of this research will be to analyze the overall causes, process and effects of foreign migration in Sahid Lakhan Rural Municipality Ward No. 7 and 8, Bungkot, Gorkha. Though, the specific objectives will be:

- ▶ To find the social background of the foreign labour migrants.
- ➤ To explore the causes of foreign labour migration in the study area.
- ▶ To describe the effects of foreign labour migration.

# 4. Significance of the Study

The research is significant because it expects, to some extent, to contribute the theoretical knowledge regarding how to understand the foreign labour migration from the sociological perspectives and also provides the empirical knowledge about causes and its effects as well as the reality of social background of foreign labour migration of the study area.

Those person who, by knitting the golden dreams, involved in foreign labour migration pay out a lot of money to go foreign so this research helps to find out the sources of money that made achievable for foreign labour migration as well as the labour migration , who go to foreign labour market, send a lot of money as a remittance so this research also help to investigate the trend of remittance received and used especially in which area or the field the foreign employee or their households members spend this remittance; whether they are utilizing it in the creative and productive work or not.

# 5. Limitation of the Study

Although there is a need of analyzing overall trend, impact of remittance on the whole economy, due to lack of time resource,

money availability of data constraints, this study has confined within limited things, which is known as the limitations of the study. Every research has its own limitation so the research was no exception either. The research was based only on quantitative analysis on foreign labour migration in study area. The finding of the research may or may not be equally generalized to the other area or whole part of Nepal. The purpose of this study will to fulfill the academic dissertation so it is based on limited objectives under limited time and resources in which only one data collection tool i.e. interview schedule was used to collect the primary information.

## 6. Literature Review

#### 6.1 Theoretical Review

Developmentalist "migration optimists" tend to think that migration leads to a North-South transfer of investment capital and accelerate the exposure of traditional communities to liberal, rational and democratic ideas, modern knowledge and education. From this prospective, migrants are perceived as important agents of change, innovators and investor. The general expectation was that the flow of remittances-as well as the experience, skill and knowledge and migrants would acquire foreign before returning-would greatly help developing countries in their economic take-off. Return migrants were expected to invest large sum of money in enterprises in the country of origin. Neoclassical economists also tend to see migration in the positive light. However, it is important to note that neoclassical migration theory has no place for remittances. Neoclassical advocates of the theoretical model of balanced growth perceive migration as a process that contributes to the optimal allocation of production factors for the benefit of all in which the process of factors price equalization. From this perspective, the re-allocation of labour from rural, agricultural areas, (within and across national boundaries) to urban, industrial sectors is considered as an essential prerequisite for economic growth and hence, as an integral components of the whole development process. The free movement of labour - in an increasing wage levels in migrant - sending societies. Capital flows are expected to go in exactly the opposite direction as labour migration (Haas, 2007).

## 6.2 National Context

Gurung and Adhikari (2004), concluded in their article that "The New Lahures", after democratic movement in 1990, it has become

easier to obtain travel documents and passport. The increasing flow of information and the liberalization in travel led to a surge in the migration of Nepali citizens for employment. Again, because of the political conflict since 1995, the trend of foreign employment has dramatically increased. This situation has compelled Nepalese youths to look for overseas employment. This conflict has also resulted in increased flow of migrants from the mid-west to India. As per the information from Department of Foreign Employment, a total of 58710 Nepali workers are found to have gone to different countries for foreign employment by second trimester of FY 2011/12. Large number of people is estimated to have gone to third countries via India through unauthorized means taking advantage of open boarder with India. A separate Foreign Employment Department was established on 31 December 2008, which has been carrying out foreign employment related activities. An Employment Permit System (EPS), Korea Section 22 is established in the Department while a separate Japan International Trading Corporation Organization (JITCO) unit has been formed in fiscal year 2009/10, for sending workers to Japan. A total of 250829 are male while this number stood at 354716 until the end of previous fiscal year of which 344310 are male and 10416 are female. Economic Survey (2011/12) states that the Nepali youth groups are attracted to foreign employment due to dearth of adequate employment opportunity in the country. The number of Nepali workers going for foreign employment is growing every year.

#### 6.3 Global Context

World Bank (2008) states that, Remittance constitute workers remittance, compensation of employees and migrant transfer, migrant remittances are defined broadly as the monetary transfer that a migrant makes to the country of origin. International migrant remittances are the second largest source of external finance in developing economics, neat to foreign direct investment international migrant remittances received by developing countries are estimated to be approximately us & 167 billion in 2005 and have doubled in last five years. Monaranjan Mohanty in his article "Globalization, New Labour Migration and Development in Fiji" (2006), shows the links between globalization, migration and remittance. He says, Globalization as a social and economic process prompts a "proliferation of cross-border flows and transnational social networks" (Castles, 2001) that connects migrants across transnational space. In a rapidly globalized world, the patterns of migration and the migrants' social

relationships are changing fast. The migrants move in what are called 'transnational social spaces', which are the preconditions for and also the products of globalizing processes" (Mohanthy, 2006: 108).

# 6.4 History of Foreign Migration in Nepal

The history of foreign employment in Nepal dates back to the early 19th century when Nepalese soldiers began to work for the British army. Many Nepalese have worked in British and Indian Army. Currently over 60 thousand Nepalese are working in Indian army and other government institution in India (Panthee, 2012). Nepal has long history of foreign employment in India, dating back to the beginning of the 19th century, when men from the hill areas of what was then known as Gorkha migrated westwards to the city of Lahure in the northern region of Punjab. There they joined up as soldiers in the army of the Sikh Rajah, Ranjit Singh. Even today, those who are working in foreign are popularly known as Lahure (Seddon, 2005).

Literally the nickname 'Lahure' in given to the people who join the armed force of India, Hong Kong, US, and so on but is also designates people living foreign particularly having the working class job. The destination here is essential because people living foreign for study or working in the universities and big organization like UN, FAO and ADB are not necessarily called Lahures. The Labourers working in the class jobs are recently termed as 'New Lahure' (Gurung et al., 2002).

The census of 1942 seems to have not recorded the Nepali troops sent from Nepal in different fronts to assist the allied forces and might have been included only those who went foreign for livelihood. Nepal's international border with India and China remained almost open for the movement of people from both of her neighbors. With China, it became closed one after 1950, while it has remained open with India to date with no restriction on the movement of people of both countries. Hence, because of open border, cultural similarities, and no need of documentary evidence to show migration to and from India is pre-historic and even unaccounted. Throughout the 19th century and well into 20th century, Nepalese men served in India, often accompanied by their wives and other family members. As the Gurkha settlements increased in number and size, they also attracted Nepali workers seeking civilian employment in India. The brothels developed in

these new centers may well have included women from Nepal and from the surrounding areas (Seddon, 2005).

# 7. Methodology

# 7.1 Selection of the Study Area

To grab the objectives of this research, Sahid Lakhan Rural Municipality Ward No. 7 and 8, Bungkot, Gorkha district was selected the study area through multi-stage sampling method. Most of the researches on foreign labour migration were concentrated in the national level. That's why; I choose to study the foreign labour migration in this particular area.

# 7.2 Research Design

This research based on quantitative data with both descriptive and explorative of the study. The major purpose of the descriptive research design is to describe the social background like age, sex, caste, ethnicity, education, marital status, family structure etc. of the foreign labour migrants in Bungkot. It tried to explore the causes and consequences of foreign labour migration. As per the research, data related with social phenomenon, demographic calculation etc. would be collected on the base of existing situation. This study was exploratory in the sense that its analysis was focused on exploration of the fact on the causes and consequences of foreign labour migration research area before they were presented.

#### 7-3 Nature and Source of Data

As per the nature of the research was concerned, this study was based on quantitative primary data as the sources of data, as well as secondary data also used to make this study more effective and authentic. In household survey, especially interview schedule tool was used to collect the primary information.

## 7.4 Sampling

The total universe of the study area was 398, among them 120 respondents were selected by using multi-stage sampling method. After using sampling method, the head of the households and returned migrants were the respondents to collect the objective oriented information of the study.

## 7.5 Data Collection Tools and Techniques

Interview schedule, was taken as the major tool of collecting quantitative primary data in survey method. The schedule was based

on a full set of questions on household characteristic, income, expenditure, employment, labour migration, and remittance and so on. Probability questions, therefore, were prepared to ask which was result oriented according to the objectives. The interview schedule was prepared containing questions, concerning foreign labour migration, at both household and individual level.

#### 8. Results and Discussions

For the study, the data were collected through survey methods. When the field survey and data collection completed, the gathered data and information was analyzed using both descriptive and statistical method. The MS excel and MS word were used for assigning codes to data, creating appropriate field structure and entering data. Descriptive analytical tool such as tables should be presented wherever necessary. It attempted to shed light on some of the background and status of the respondents on the causes and consequences of foreign labour migration.

# 8-1 Age Composition

Age is an important demographic factor, which makes difference. All of the interviewed people were from the age group 15-65. The average age of the respondents were from 25 to 40. Here, the people who have gone abroad for foreign work have been discussed. The way of migration was differ from one age group to another. Some were migrated due to poverty and some by family pressure, unemployment and so on. The table below represents the respondents according to the age group:

Table-1: Distributions of Respondents by Age Groups

S. No.	Age	No. of Respondents	Percentage
1.	15-19	45	37.50
2.	20-24	35	29.17
3.	25-29	23	19.17
4.	30-34	15	12.50
5.	35 above	7	5.83
Total		120	100.00

Source: Field Survey, 2020

The age of the respondents of the sampled households ranges from age group 15 to 35 and above years. On total respondents,

majorities of the respondents were in the age group 15-19 and the least were above 35.

# 8.2 Caste/Ethnicity

According to the national census 2011, there are 125 different caste and ethnic groups identified so far. Whereas, the samples consists of following castes and ethnic groups:

Table-2: Distributions of Respondents by Castes/Ethnicity

Castes/Ethnicity	No of respondents	Percentage
Brahmin	25	20.83
Chhetri	30	25.00
Magar	20	16.67
Newar	35	29.17
Dalit	10	8.33
Total	120	100.00

Source: Field Survey, 2020

Table-2 shows that the highest percentage (29.17%) were Newars then Chhetri had 25.00%, Brahmin are 19.05%, Magars were 16.67% and the least were dalit with 8.33 percentage.

#### 8.3 Education

One of the main reasons for foreign migration is illiteracy, ignorance and poor standard of living. Similarly educated people also migrated because of unemployment, low salary, and low quality of education and so on. The table given below shows the literacy rate of respondents of the study area.

Table-3: Distribution of Respondents According to their Educational Status

S. No.	Educational Level	No. of Respondents	Percentage
1.	Illiterate	4	3.33
2.	Literate	50	41.67
3.	Primary	35	29.17
4.	Secondary	25	20.83
5.	University	6	5.00
Total		120	100.00

**Source :** Field Survey, 2020

Table-3 shows that the highest percentage (41.67%) were literate, 29.17 percentage had primary education, 20.83 percentage had secondary education, 5.00 percentage had University education and the least 3.33 percentage were illiterate.

# 8.4 Causes of Foreign Labour Migration

Different factors such as high rate of unemployment and poverty in source countries search of curiosity and exploration, fleering from persecution and arm conflict, low agricultural production, in debt and family pressures as the causes of foreign labour migration, which numbers and corresponding percentage, were found in the following way:

**Table-4: Frequency and Percentage Distribution of Respondent by Causes** of Foreign Employment

Causes of foreign Employment	No of respondents	Percentage
Unemployment	57	47.50
Poverty	20	16.67
Family pressure	16	13.33
Political Instability	10	8.33
Indebt	12	10.00
Lack of Education	5	4.17
Total	120	100.00

**Source :** Field Survey, 2020

Table-4 shows 47.50 percent individuals were migrated because of unemployment. This is followed by poverty, political instability, family pressure, indebt, lack of education were gradually 16.67 percent, 13.33 percent, 8.33 percent, 10.00 percent and 4.17 percent role which compelled the individuals to migrate into hostile country.

The figure of table 4 revels that most of the individual push into the foreign country due to the high rate of unemployment, family pressure, poverty, indebt, political instability in the source country as push-pull model of foreign labour migration.

# 8.5 Sources of Foreign Employment

Individuals were gone into foreign employment through manpower agency, friend and relatives and self-attempt as well.

100.00

Source of EmploymentNo of respondentsPercentageManpower Agencies9579.17Friends2016.67Self54.17

120

Table-5: Sources of Foreign Employment of Migrants

**Source :** Field Survey, 2020

**Total** 

Table-5 shows that only few number of individuals use to go to foreign by their self-attempt but most of them depend on manpower agency and friend to go to foreign employment. It indicates that most of the individual are unknown with the process of going to destination country for employment that may cause problem of cheating while in the processing.

Destination of individual to go to foreign employment and corresponding country were found in the given table :

Table-6: Frequency and Percentage Distribution of Migrant Workers of their Destination Country

Destination Country	No of respondents	Percentage
Qatar	30	25.00
Malaysia	25	20.83
UAE	15	12.50
Kuwait	12	10.00
Israel	2	1.67
Saudi Arab	29	24.17
Bahrain	4	3.33
South Korea	2	1.67
Iraq	1	0.83
Total	120	100.00

**Source :** Field Survey, 2020

Table-6 shows there were nine different countries where Qatar, Malaysia, UAE and Saudi Arab were the main countries where 25.00, 20.83, 12.50 and 24.17 percent individuals made their destination. Kuwait and Bahrain were the other destination countries where 10.00 and 3.33 percent respondent migrant workers made their destination. This was followed by the number of migrant went to Israel, South Korea and Iraq were 1.67, 1.67, and 0.83 percent. All

individuals are migrant to Asian countries and most of them were gone to Gulf Countries. Some of the factors such as higher wage, easy available of unskilled work, easy to entry and exit act significant role to select the destination country.

Table-7: Salary Distribution by Migrant Worker Distribution by their Per Month Salary

Amount of Money	No of respondents	Percentage
Less than 20000	5	4.17
20000-40000	25	20.83
40000-60000	40	33.33
60000-80000	45	37.50
80000-100000	3	2.50
Above 100000	2	1.67
Total	120	100.00

Source: Field Survey, 2020

Table-7 shows that 4.17 percent migrant workers received less than rupees 20000 in a month as their earning. Similarly 20.83 percent migrant workers received rupees 20000 to 40000 as their monthly salary followed by33.33 percent received 40000 to 60000, 37.50 percent received 60000 to 80000, 2.50 percent migrant workers received rupees 80000 to 100000 as their per monthly salary and above 100000 is 1.67 percent.

#### 8.6 Utilized Area of Remittances

The choices of utilized area of the remittance of the individuals/Households depend on their own needs and income levels. As per the objective of this study, only the annual utilized amount from foreign employment was presented here but other sources of money were excluded. The list of utilized areas of remittance and their respective percentage with annual amount of expenditure is analyzed in the table below:

Table-8: Utilized Areas of Remittances

Utilized Area of Remittances	No of respondents	Percentage
Buying Land	35	29.17
Education	25	20.83
Payment Debt	20	16.67
Housing	5	4.17

Health	14	11.67
Food and clothes	14	11.67
Saving Amount	7	5.83
Total	120	100.00

Source: Field Survey, 2020

The earning remittance from foreign employment was not used in single area by the households but they used it in multiple area of expenditure. Table-8 shows that the amount from remittance was utilized in different areas. On total received remittance 29.17 percent was utilized in buying land. 20.83 percent was utilized in education sectors, 16.67 percent in the payment of debt. This was followed by 4.17 percent in housing, 11.67 percent in health and 11.67 utilized in food and clothes and saving percent is 5.83 percent respectively.

#### 9. Conclusion

The purpose of the study was to understand the causes and consequences of foreign Labour migration and how to manage their remittance and the knowledge on family financial planning of migrant households. Due to pull and push factors like socio cultural, occupational opportunities, political, social, economy etc. people are migrated to foreign countries. Similarly due to unemployment, poverty, lacks of education are also the reasons behind the migration. To find out the social background, causes and consequences of foreign labour migration and trend of remittance are the objectives while doing research. The study reveals that the foreign labour migration is a growing sector in terms of volume of labour migrants going overseas and its contribution to the national economy. The contribution of foreign labour migration industry has not been of much concern, but it seems that it has also contributed greatly in terms of employment opportunities for others and in generating economic activities within the country. The contribution of Recruitment Agencies and Money Transfer Agencies in terms of employment to people within the country is huge. The contribution in terms of hotel accommodation, transport, and other services used by labour migrants is also significant.

Foreign labour migration is a social process which trend is being increasing day by day. In the present context of Nepal, unemployment is the burning issues so foreign labour migration has been seen as the best choice for Nepalese, even for educated or non-

educated, as the alternative strategy for livelihood adoption which provides employment to those who are deprived from the right of employment. Individual related to different social background are being migrated because of unable to fulfill the household's requirement for daily life, lack of better employment opportunities within nation, unable to complete the level of education, lack of security and earn much more in short time period. The different social, political, economic and personal factors such as unemployment, poverty, political instability, debt, family pressure, family conflict, low agricultural production and so on compel the individuals to migrate to foreign for employment and some of the pull factors in the destination countries such as easy available of unskilled work, higher wage rate, easy to entry and exit etc. pull the individuals from the source countries.

In the case of sending remittance most of the migrant workers sent less amount of earning and only few migrants sent high amount from foreign employment at home revels that there is inequality in earning of individuals which create inequality among the individuals in the society. On total sending remittance some portion utilize in productive enterprises indicates migrant workers are to some extent, perceived as important agents of investors who invest some sum of money, experience, skill, and knowledge in the country of origin as per the developmentalists perspective. Huge portion of remittances earning by them are mainly spent on conspicuous consumption and consummative investment such as building houses, buying land and rarely invested in productive works.

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