

ARAB KO LAHURE: LOOKING AT NEPALI LABOUR MIGRANTS TO ARABIAN COUNTRIES

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The Nepali economy was, until not so long ago, generally perceived to be predominantly agrarian. Yet, this preoccupation with agriculture misses out on quite a number of crucial characteristics of the Nepali national and household economies. At the micro-level it is totally blind towards diversifications of household employment and income patterns in search for a “livelihood”. Particularly in joint households, some members of the household may work in agriculture whereas others may (additionally) perform other types of work, both locally and at other locations. The latter type involves substantial movements of the labour force across the country and its borders. This also implies quite significant amounts of remittances which are crucial not only for household economies but also for the national economy, as pointed out in a study undertaken by Seddon and his Nepali colleagues Adhikari and Gurung (1998, 2002). During the political unrests and economic recession of 2001/02 it was probably the only sector which remained unaffected, and Shakya even claims that the remittance economy has “largely unnoticed, propped up the country” (Shakya 2002: 188).

This article is a further contribution to analysing patterns of labour migration. It includes work and previous analyses done by both of the authors in collaboration with others (Seddon, Adhikari and Gurung 1998, 2001, 2002; Gurung 2003, Graner 2001, 2003, Graner and Karmacharya 2001). Secondary data related to migration is taken from the Population Census 2001 as well as from the Nepal Living Standard Survey (NLSS) 1996/97. The paper also includes a detailed analysis based on the original data base of the NLSS, as well as a reassessment of the “guestimations” made by Seddon et al. based on these findings. For understanding the dynamics of labour

migration, particularly to the Gulf countries, a look into institutional frameworks is of importance, as laid down in the Foreign Employment Act and the respective Rules and Regulations. In addition, this article also introduces some empirical data collected jointly by the two authors. These data are based on a sample survey of migrant labourers collected from manpower (recruiting) agencies. It looks into demographic (gender and age), educational, regional (district of origin) as well as work-related (destination, type of work, incomes) aspects of migrants leaving for the Gulf countries, which have rapidly evolved as a major destination for labour migrants within the last few years.

Labour Migration – acknowledging the role of remittances

Until today households are usually classified according to the occupation of the household head. This is fairly conservative in terms of considering employment structures of the parent generation rather than those of the younger one. Thus, this classification is comparatively blind towards, or at least slow in capturing current changes. Classifications also face the difficulty that the numbers of persons engaged in one particular field and incomes from different household members may differ significantly. For instance, a household may have four or even more members engaged in agriculture and one employed elsewhere, as for example a migrant in one of the gulf countries, with his income by far exceeding those accumulated by all other household members put together – is that an agricultural household? These methodological difficulties to weigh the importance of incomes against the distribution of employment need to be kept in mind when classifying “agricultural” households’ (incomes).

A further point of interest is the lack of educational attainments (for details see Graner 1998). Thus, wage labour is often carried out in “less attractive” labour markets, both locally, regionally or at foreign destinations. As those in search for work usually outnumber employment opportunities, conditions on labour markets are usually not particularly favourable for the workers (see Graner 2001, 2003). As a result, a significant and above all increasing proportion of those engaged in wage labour perform their work at a place distant from home. The sector has grown rapidly, yet most data are either “lacking or inadequate” (CARAM/ASIA et al. 2000, 110). Thus, in spite of its relevance, the topic of labour migration has until recently received fairly little attention in Nepal. This “blindness” towards actual dimensions of

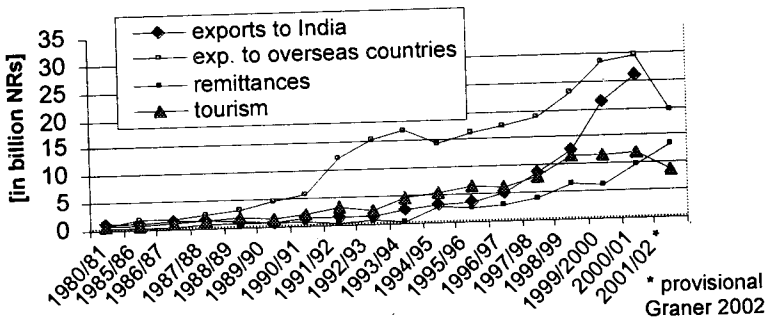
labour migration is well documented in the Nepal Human Development Report, where the authors quote grossly underestimated figures of 12,000 labour migrants (NESAC/UNDP 1998: 104). This lack of information even in a report which is a most well-informed and substantial source for many other topics is characteristic for the general tendency to miss out on quite an important and salient feature of the Nepali economy.

Addressing this lack of recognition, Dixit even complained about “an official and scholarly apathy on the subject” (Dixit 1997: 10). At the same time, he characterises labour migration as equivalent to an “economy of desperation”, a national embarrassment, and a “volume of misery” (ibid.: 10). Similarly sceptical notions are prevalent in Khadka’s “Passport to Misery” (1998). Interestingly, labour migration was already mentioned as a matter of concern in a study by a British (forest) official, engaged during the late 1920s in designing a new forest policy for Nepal. There, he pointed out the urgent need of intensification of agriculture, which also was “to lessen or completely stop the contemporary drain of the country’s menhood to India” (Collier 1928 : 252; quoted in Graner 1997: 36/37). Yet, in spite of this aloofness from the side of Kathmandu based (upper) middle class publicists, labour migration is a crucial component of household economies for many of their less fortunate and less-endowed countrymen.

The topic gained a much wider public interest when Seddon together with his Nepalese colleagues Adhikari and Gurung published the findings of their studies on international migration and remittances, pointing out to the inadequate understanding but also the predominant role of the “remittance economy” (Seddon et al. 1998, 2001, 2002; Adhikari 1999; Gurung 2003). Based on assessments with key informants the authors “guestioned” annual remittances to account for about 35-69 billion Rupees annually (for 1997/98), equivalent to about 13-25 % of the GDP (ibid. 1998: 4/6). Remittances originate mainly from East and South East Asian countries (23 billion), and India (6 to 40 billion), with some less important countries as Great Britain (about 4.4 billion) and the gulf countries (1.5 billion, see Figure 6). Assessments by Dahal in his HIMAL-article on “Remittance bonanza” are similarly high, stating that annual remittances from India amount to about 40 billion, and an additional 35 billion from other countries, thus “accounting for higher foreign currency earnings than “exports, tourism, and foreign aid put together” (Dahal 2000: 42). These figures have been confirmed informally by NRB personell, who nevertheless backed out when asked to officially acknowledge the figures. Yet, there is evidence for this figure.

On the other hand, these figures by far exceed the ones usually stated in government sources, as the Nepal Rastra Bank (NRB 2002) or Nepal Living Standard Survey (NLSS). The latter assesses that in 1995/96 annual remittances accounted for about NRs 16 million from their 3,375 sample households), and thus about NRs 16 billion when extrapolated (see Graner and Karmacharya 2001: 176). Yet, even when based on “official” numbers, private remittances alone have increased from 3 - 5 billion to more than NRs 10 billion, and to more than 6.6 billion within the first six months of the 2001/02 fiscal year (NRB 2002, 62; see Figure 1). Yet this leaves a substantial lag which is difficult to explain.

Figure 1: Foreign Currency Earnings in Nepal (based on Nepal Rastra Bank 2002)



Migration and Remittances - from global warriors to global workers

The history of labour migration dates back at least to the beginnings of the early 19th century and is closely linked to British imperial politics (Shrestha 1985, 298ff; see also Seddon et al. 2001, Das Chene 1993). Recruitment of so-called “Gurkha”-soldiers into the (British) Indian army was institutionalised in 1816 after Nepal had lost the war with British India. Prior to that, some of the defeated soldiers had sought employment in the army of the Sikh ruler Ranjit Singh in Lahore “rather than facing humiliation at home” (Dahal 2000: 42). This tradition, until today is reflected in the name “lahure” for soldiers, and, characteristically, Seddon, Adhikari and Gurung have chosen this synonym as the title for their recent publication about international labour migration, “The New Lahures” (ibid. 2001). This labour market, with its various off-springs (particularly Hong Kong and Great Britain), has remained of importance until today, and when Yamanaka speaks

about “global” migration of Nepalis, she encapsulates it “from global warriors to global workers” (Yamanaka 2000), a term which was adopted as a sub-title for this chapter.

Labour migration today is characterised by a few crucial features (see Box 1). One is the important role of India as a destination. Due to its physical proximity and treaty provision, labour markets in India are comparatively easily accessible. Thus, international migration has, similar to international trade, for quite some time been predominantly an “affair” between Nepal and India. Numbers of migrants to India are generally assessed at about one million (Dixit 1997; Seddon et al. 1998), but some sources even estimate the number at 3 million (Dahal 2000: 42). Seddon et al. mention that workers in the public sector alone account for about 250,000, estimating the total number at about 1 million (see Figure 2). Based on recent Population Census (2001) figures there are 589,050 persons living and/or working in India (see Figure 3). Secondly, migration to Japan is an important issue. Yet, in contradistinction to India, its importance is not due to the total number of migrants but because it is one of the most attractive labour markets with comparatively high incomes and thus high remittances. Thus, Yamanaka quotes one of her informants stating that Japan is “migrants heaven” (ibid. 2000: 85). After Japan tightened its immigration policy during 1990 some “undocumented workers” have even been sent back (ibid.).

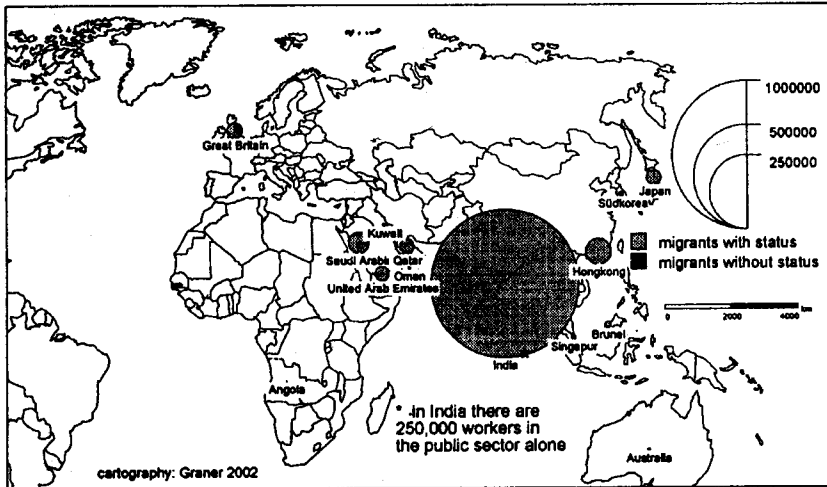
Thirdly, the gulf countries have become one of the prime destinations since the mid-1990s and certainly one of the most dynamic ones (see below). This is reflected in (unpublished) records available at the Dept. of Labour, which document that numbers of officially registered artment workers increased from 200 - 2,200 during the early 1990s to nearly 6,500 in 1997/98, and to nearly 20,000 by 1999/2000 (see also Graner and Karmacharya 2001, 167ff). Among these, migration to Saudi Arabia plays a crucial role, where 67-74 % of all labour permits are issued for. In addition to these officially registered labour migrants, unofficial sources speak about annually 100,000 migrants. Poudel in 2003 even mentions 400,000 persons working in gulf and Eastern Asian countries (Poudel 2003: 18). These numbers are supported by estimations from the “Foreign Labour Inquiry Commission” set up in 1997 (Adhikari 1999: 4). The currently published Population Census of 2001 confirms that more than 100,000 have been working in the gulf countries in 2001 (see Figure 3), reflecting the high priority in government policies (see below).

Other, less important destinations are Europe/United States and (South) East Asia, where based on Seddon et al. there are about 15,000 and 13,000 migrants, respectively. In Europe, the majority of the workers are based in Great Britain, about three quarters of them “without status”, and in East Asia most of them are in Hong Kong (see Figure 2). Based on data from the Population Census 2001 slightly more persons (about 21,000) are living/working in Western countries, whereas in (South) East Asia there are only about 18,600 persons (see Figures 2 and 3).

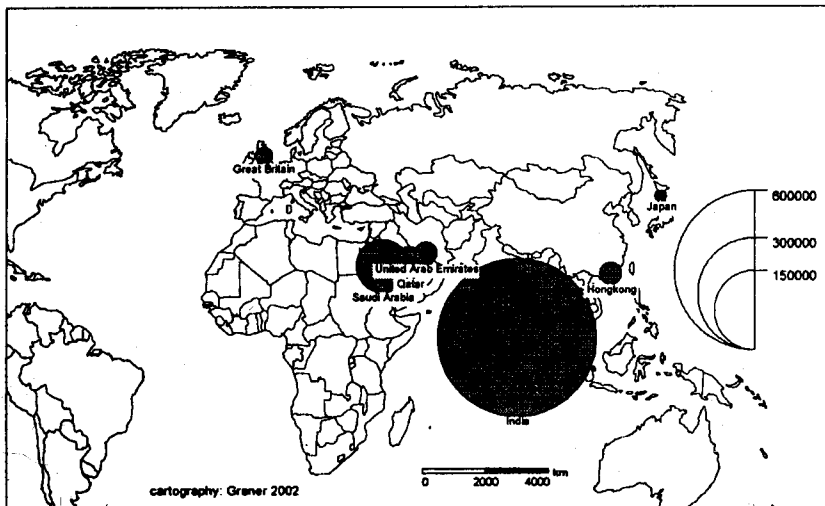
BOX 1 Crucial aspects of labour migration from Nepal

- labour migration to India is a predominant feature, both in terms of its long history as well as in terms of numbers of migrants involved (600,000 to 3 million); on the other hand, remittances usually account for low values, as is apparent from the NLSS data base (see Table A1, appendix)
- migration to Japan is an important issue, less in terms of total numbers but because it is considered to be one of the most attractive labour markets with comparatively high incomes and thus high remittances
- migration to Hong Kong is important in terms of numbers of people involved as well as values of remittances; in contradistinction to other (South) East Asian destinations, migration is based on legal provisions (ID holders), at least for those whose parents were based in Hong Kong under British governance
- the gulf countries have become one of the prime destinations since the mid 1990s and certainly one of the most dynamic ones; numbers have increased from (officially) a few hundred migrants in the early 1990s to more than 20,000 by 2002, and the Population Census 2001 documents more than 100,000 workers; manpower (recruiting) agencies have played a crucial role in arranging and “negotiating” work permits
- internal labour migration is important in terms of number of cases and numbers of remittances, but much less when considering values of remittances; within the country, the Kathmandu valley is the largest single labour market, and remittances exceed those from all other urban areas put together

**Figure 2: Estimated labour migration from Nepal in 1997
(based on Seddon & al. 1999)**



**Figure 3: Estimated labour migrants from Nepal for 2001
(based on Population Census 2001)**



Nepal's Remittance Economy - (re-)assessing the scale

The Nepal Living Standard Survey (NLSS for 1995/96), published in two volumes, provides one of the most detailed national sources on household incomes and remittances for the 1990s (HMG/ NPC/ CBS 1996, 1997a). Even more valuably, the original data base is also available (NLSS 1997b; see also Graner and Karmacharya 2001). It specifies the sources and values, such as the number of remittances received, types of work, regional origin, relation of donor and recipient. The NLSS documents that 760 of the 3,373 households (23 %) receive a total number of 948 cases of remittances from at least one source during the year preceeding the survey (ibid. 1997, 63). The number of remittances is slightly ambiguous, as this includes both, remittances from different family members as well as remittances from one single person to different family members (see Graner and Karmacharya 2001, 177). Among these remittances, the NLSS documents several crucial characteristics of labour migration and remittances (see also Box 1, above). First of all, there are high disparities between numbers and values of remittances from different places of origin. Thus, it is crucial to clearly distinguish whether analyses are based upon numbers or values (see Figures 4 and 5).

Secondly, India is the most important place of origin, particularly in terms of numbers of remittances but also for values, although the latter is much less pronounced. Thirdly, remittances from foreign countries other than India account for only a negligible number of cases (58) but their total values account for almost half of the total values of remittances (6.839 million NRs) and thus exceed the values of all internal remittances put together (6.409 million NRs from 571 cases), indicating their predominant role (see Table A2, appendix). Fourthly, the high number of cases of remittances from within the country shows the importance of internal migration, at least in terms of cases of remittances, as 60.2 % (32.8 plus 27.4 %) derive from within the country (see Figure 4). A more detailed analysis of the original data base shows that values of remittances are particularly low from rural areas within Nepal, where 26 % are below NRs 500 annually and a further 43 % below NRs 4,000. On the other hand, remittances from Kathmandu exceed the ones from rural areas and are significantly higher (see Figures 4 and 5), similar to remittances originating from India or from other foreign countries (above NR 15,000). Thus, more than half of all remittances from urban areas within Nepal derive from Kathmandu, indicating the predominant role of the capital city as a

destination for labour migration (see also Graner and Karmacharya 2001: 174). Whereas internal remittances are important in terms of volumes, it is crucial to note that their contribution in terms of monetary values is far less pronounced (34 %).

Figure 4: Remittances from various regions (based on NLSS for 1996)

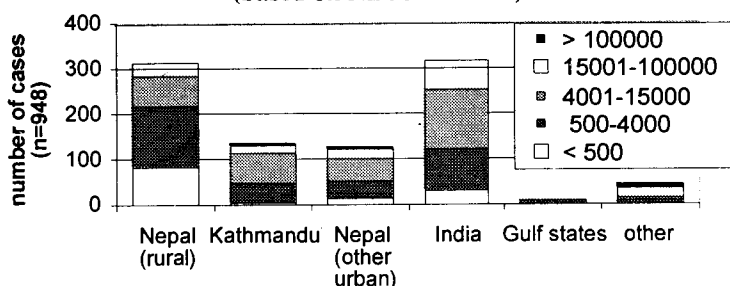
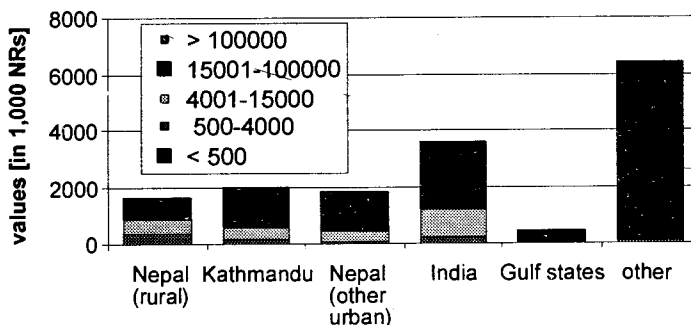


Figure 5: Values of remittances from various regions (based on NLSS for 1996)



Among all regions of origin average annual remittances (NRs 5,000 – 136,000) are significantly higher than median values (NRs 1,500 – 25,000; see Table A2, appendix), with average values up to 6-times higher than median values. This is a strong indicator for high disparities among single values of remittances, which increase along with overall values. Thus, comparatively high disparities exist for remittances originating from foreign countries other than India, whereas they are much lower for rural areas of Nepal and India.

The NLSS data base documents that there were only 11 cases of migration to gulf countries included in the sample, but nevertheless the

NLSS-“designers”, luckily, deemed these countries important enough to classify them as a separate category. Based on the NLSS data base, average values were NRs 38,665 (see Table A2, appendix), yet median values only reached NRs 2,000. These extremely high disparities (19fold) can be explained by the fact that migration to these destinations was only a fairly recent phenomenon in 1995/96 and only a few migrants had already started remitting. A more detailed analysis of the original data base shows that most cases (7) were simply remittances in-kind, ranging from NRs 500 to 3,000, whereas actual cash remittances ranged from a minimum of NRs 60,000 to 180,000. Thus, average annual remittances from these countries can quite reasonably be assessed at NRs 100,000.

Remittances from the gulf countries are assessed at about NRs 1.5 billion by Seddon et al. (2001: 52/53), assuming that each of the 41,000 workers remits about NRs 36,000 per year. However, this is the only estimation where the authors “undercut” NLSS-data, probably due to lack of evidence from the NLSS-publications, which do not clearly specify gulf countries as a region of origin of remittances. Applying the findings from the analysis of the data base to the estimations done by Seddon, this may well increase their estimation of remittances to NRs 3-4 billion. As towards the turn of the century numbers of migrants have increased substantially, increases in remittances have occurred likewise. When assuming a total labour force of 150,000 persons and if 120,000 among those remit annual average amounts of NRs 100,000 (two assumptions which are quite reasonable) then by 2000 remittances from the gulf countries are likely to account for NRs 12 billion, or even NRs 15 billion (assuming 150,000 persons remitting), ie. almost 10fold of the 1997-assessments made by Seddon et al.

For India, the data base about the number of migrants is fairly vague. Thus, it is easily understandable that assessments about values of remittances from India are extremely difficult. The NLSS-data documents 319 cases of remittances from India, which accumulate to NRs 3.5 million. Assuming a representative sample (one per mille), total remittances account for about NRs 3.5 billion. Remittances from India have a few crucial features. One is that remittances are predominantly from urban areas, as is indicated by the number of cases (77 %) and even more pronounced by the share of values of remittances (87 %). Secondly, remittances from India are characterised by a comparatively low value, particularly the ones originating from rural areas, which at NRs 6,586 are only slightly higher than remittances from rural areas in Nepal (NRs 5,207, see Table A2, appendix). As most remittances (60 %)

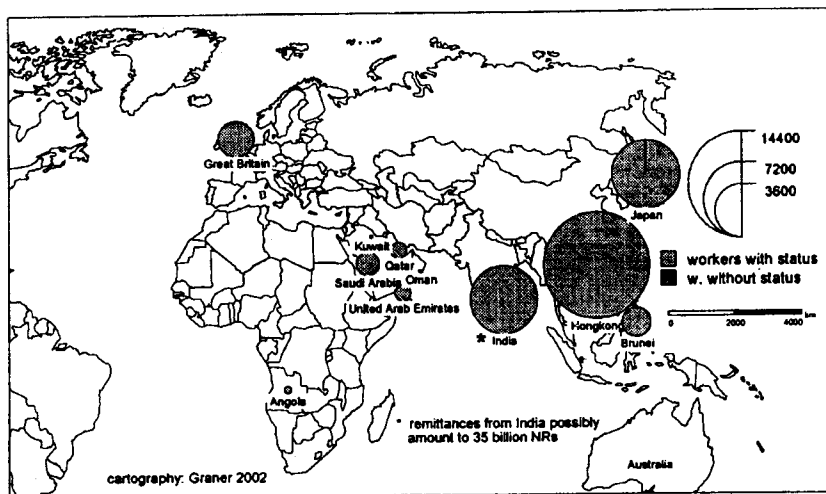
amount to less than NRs 4,000 median values are significantly lower, at NRs 2,000 (see Graner and Karmacharya 2001). In rural areas of India, similar to rural areas in Nepal, wage labour in agriculture is important, and accounts for 32 of 72 cases of remittances. In urban areas the role of employment in the Indian army (classified as *military, army, or sainik*) is less important today (23 cases, 7 %), whereas the occupation as watchmen (*chaukidar*) is the single largest group of occupation (37 cases, 12 %).

For India, Seddon, Adhikari and Gurung have estimated that remittances from registered employees amount to about NRs 6 billion, based on the assumption that 250,000 workers in the public sector remit an average of NRs 24,000 annually (ibid. 2001, 52/53), which certainly is a reasonable estimate. At the same time they argue that when considering the share of remittances from India as documented by NLSS-data, remittances “would be closer to NRs 40 billion” (ibid., 50). Yet, this “guestimation” still needs confirmation. If so, then one million employees need to remit about 34 billion among them, ie. an annual average of NRs 34,000 per person. On this figure the two authors disagree. A point against it is the fact that this estimation does not consider the significant disparities between average and median values which have been apparent from analysing the NLSS data base. When correct, the NLSS indicates that remittances are likely to be (substantially) below NRs 10,000 /person for at least 500,000 labour migrants in India, thus accounting for no more than NRs 5 billion. Higher income groups may be in a position to remit NRs 25,000 or more. Yet, among them, many live with their families, and thus remit only a small proportion of their incomes. These differences in assessing total values of remittances are pronounced and difficult to explain. Besides the risk of (gross) understatements from the households included in the NLSS-sample there is also the danger of misrepresentation of the sample-households. On the other hand, even official data document significant increases even during this comparatively short two-years period (see Figure 1, above).

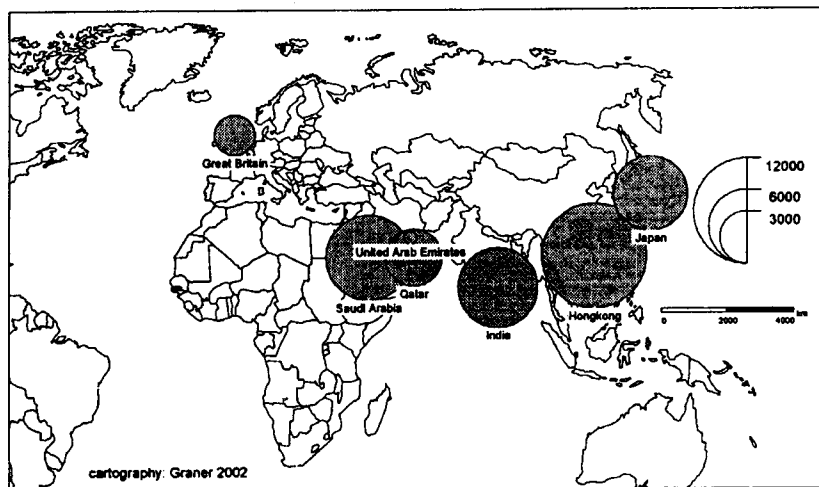
Policies Regarding Foreign Employment

For international migration, government policies, as well as institutions and legislation pertaining to foreign migration, are crucial aspects. While access to Indian labour markets is regulated rather informally, matters concerning employment of Nepalese citizens in other foreign countries are

**Figure 6: Estimated remittances to Nepal in 1997
(based on Seddon et al. 1999)**



**Figure 7: (Re-) Assessment of remittances to Nepal for 2000
(Graner & Gurung 2003)**



regulated rather strictly by the so-called "Foreign Employment Act" which dates back to 1985 (2042 B.S.), with so-far two amendments, in 1989 and 1998 (HMG/ML&J 1985). The Act bans recruitment of Nepalese without government permission and is generally considered to control rather than to facilitate Nepalese citizens who wish to take up foreign employment (CARAM/ASIA et al. 2000: 115ff). This aspect is clearly accentuated in the act's preamble which states that it is "desirable to control and organise foreign employment" (HMG/ ML&J 1985: i). The Act regulates foreign employment via manpower agencies (see below) and explicitly prohibits "to operate foreign employment business without licensing" (ibid.: § 3).

Interestingly, the Regulations which according to Nepalese law generally need to specify details pertaining to any act have only been drafted with a substantial time lag in 1999, and this lack of specification was considered critical (ibid.). On the other hand, this "late"-coming made it possible that the rules reflect a new understanding of the role of foreign employment for the national economy, where the government's role is rather to "maximise benefits and minimise risks" (CARAM/ASIA et al. 2000: 110). Manpower (recruiting) agencies could decisively contribute to designing the regulations.

These changes are also reflected in HMG's Ninth Plan, much clearer than in the Eighth Plan. In a chapter focussing on "Poverty Alleviation and Employment Promotion" (HMG/NPC 1998: 211ff) it is listed as the forth of six objectives of the current plan "to emphasise on the development of competitive capability of the manpower for foreign employment" (ibid.: 214). In addition, the Implementation Strategy of the following chapter specifies that "institutional arrangement will be made in order to make foreign employment opportunities simply and well-managed for the Nepalese labour force" (ibid.: 215). Yet, irrespective of this political declaration of intent, implementation lagged far behind. At the institutional level, the respective department was staffed with five members who were in charge of (and swamped with) handling the rapidly increasing numbers of applicants (Khadka 1998).

In addition, Kathmandu hosts only a few embassies of countries open to labour migration for Nepali workers, particularly none of any of the gulf countries, and thus visas usually have to be arranged via a third country, such as India or Bangladesh. Yet, there has been anecdotal evidence that in some cases these passports "disappear" and are (mis-)appropriated from other nationals who then take up the respective jobs (Khadka 1998: 18). Similarly, institutional support from Nepali embassies in the respective countries only

exists in Saudi Arabia, which is in charge of handling all affairs occurring in any of the gulf countries. This latter issue was addressed by Prime Minister G.P. Koirala during a visit in Qatar in September 1998, when negotiating the setting up of a new embassy (Khadka 1998: 17ff), yet so far there have been no further actions. Similarly, Krishna, while Prime Minister in 1998 announced to appoint labour attaches for countries with more than 5,000 Nepal migrants who could then look after the interests and welfare of the workers, a matter which was even institutionalised in the Rules. Yet again, by September 2000 (an still by May 2003) no such appointment has been made (CARAM/ ASIA et al. 2000: 114). In the same year, the minister of finance presented in his budget speech a scheme which was to create foreign employment opportunities to 200 persons from each of the 205 constituencies, resulting in about 41,000 opportunities, which also, at least so far, has not been implemented.

Based on the Act as well as on the Regulations, the facilitation and mediation between persons willing to take up foreign employment on the one hand, and foreign employers willing to employ Nepali workers and government bodies (Ministry of Labour) on the other hand was placed in the hands of manpower agencies. These enterprises need to recruit the labourers and arrange for the registration of each single case at the Department of Labour (see Box 2 § 9-12). In order to obtain a license manpower agencies need to register at the Ministry of Labour (§ 3) via its Department of Labour which was set up in 1971. In order to be eligible for the renewal, manpower agencies need to arrange for a minimum of 50 work contracts annually and must not violate any government rules and regulations (HMG/ML 1999). They also need to maintain proper records about all employees sent abroad (§ 16) and they currently need to submit an annual report about their activities within 35 days after the expiry of each fiscal year (§ 16A). By the year 2000, about 180 manpower agencies had registered, yet about 40 of those had been closed due to fraud.

Box 2 Foreign Employment Act 1985 [2042 B.S.] (selected issues)

- § 3 no one shall be allowed to engage in foreign employment business without obtaining a license
- § 4 HMG shall specify the countries for which foreign employment business may be operated by notification in Nepal Rajpatra
- § 9 a licensee must obtain the prior approval of HMG in order to select employees for foreign employment [...]
- § 9/2 HMG shall not grant approval for the selection of employees a) in case the person demanded by the employer-institution is required for the economic development of Nepal; b) in case the proposed foreign employment is not regular under the laws of the concerned nation; [...] d) in case the proposed foreign employment is such as to adversely affect the prestige, dignity, or health of employees.
- § 10 After receiving the approval of HMG [...] the licensee must publish an advertisement in a national-level newspaper inviting applications for the selection of employees for foreign employment
- § 10/A The licensee must prepare a list of qualified persons who have applied [...] in response to the advertisement
- § 11 1) The licensee must select employees on the basis of the prescribed criteria: 2) the licensee must include a representative of HMG as well as a representative of the employer-institution, if the latter so describes; 3) the particulars of the selection [...] must be submitted to the department [of Labour] within seven days; 4) the employee [...] must be sent for foreign employment within four months from the date of the selection [...]; 5) in case the concerned institution is unable to send the selected employee [...] within the time-limit [...] it shall refund [...] the amount obtained from him
- § 12 notwithstanding anything contained elsewhere in this act, the licensee may not make available foreign employment to minors and women
- § 13 a licensee may obtain service charge for having provided foreign employment
- § 15 [...] the licensee must supply the employee [...] information about the geographical situation, culture, labour laws, and economic, social, and political conditions of the concerned country, as well as about the nature of the work to be done by him.

For registering, man power agencies need to deposit an initial surety of NRs 500,000, proof deposit of further NRs 2.6 million as capital investment, and pay an annual fee of NRs 10,000 at time of renewal of licence. In 1992 a large group of entrepreneurs (107) formed the Nepal Association of Foreign Employment Agencies (NAFEA; presently Nepal Association of United Foreign Employment Agencies- NAUFEA) which was instrumental in voicing its concern about the lack of Regulations, and in pushing forward the issue and designing them. NAFEA also plays a crucial role in representing the interests of the entrepreneurs as well as the workers in a wider regional framework, such as at the "Regional Summit on the pre-departure, post-arrival, and reintegration programs for migrant workers" in Genting/Malaysia in September 2000 (CARAM/ASIA et al. 2000). Yet, facilitation between the different agents and agencies is not always easy, particularly with government as one "partner". Thus, there are cases when work permits are short-circuited, which to some extent is in accordance with the new "spirit" of government policies yet not directly in lieu with the existing legislative framework.

The Gulf region - prime destination ?

Whereas the "labour market" of joining the (British) Indian army has quite some history, migration to the Gulf countries is one of the most recent and certainly also one of the most dynamic phenomena. Migration from South Asian countries to these "oil economies" is documented for 1976 onwards, when migrants from Pakistan, Bangladesh, and India accounted for about the same number (50,000) as migrants from South East Asia, particularly from South Korea. By 1986 the number of South Asians had increased to 200,000 and India accounted for about half, whereas numbers from Pakistan, which initially had accounted for 4/5th had hardly increased (Gardezi 1997, 114ff). Yet, while there is a vast body of studies about migration from various South Asian countries to the gulf countries, workers from Nepal are not mentioned in any of these, neither in earlier ones (Amjad 1989, Gunatilleke 1991, Abella 1992, Shah 1995) nor in more recent compilations (Gardezi 1997, Appleyard 1998, Shah 1998). One of the reasons is the small size of Nepal's population, particularly in comparison to India and Pakistan, another one is that workers from Nepal have only recently "joined" this labour market.

Due to the high priority in government policy, even official numbers of migrants leaving for one of the gulf countries increased almost 10fold within

the five-year period 1996-2000, from about 1,400 to about 13,900, accounting for 58-78 % of all (official) labour migrants, and thus it exceeds labour migrations to any other country. Government policies are also quite favourable from the side of the “receiving” countries, and Dahal states that by 2000 Qatar was almost exclusively “importing” manpower from Nepal (Dahal 2000: 43). Seddon and his colleagues estimated the number of labour migrants to the gulf countries at about 40,000 for 1997, which they more recently up-dated to about 90,000 – 100,000 for the late 1990s (ibid. 2001: 49). Khadka puts the number of migrants at 40,000 for Qatar alone (Khadka, 1998: 18) and Dahal quotes a source from the Labour Ministry saying that the number of migrants to this destination crossed 200,000 by 2000 (ibid. 2000: 42; see also SPOTLIGHT 1998). Poudel even mentions a figure of 400,000 for the gulf and eastern Asian countries (Poudel 2003: 58). Among the different states, Saudi Arabia is the prime destination, accounting for about half of all migrants. A small sample survey (see below) has confirmed this dominant role (see Table 1) but also shows that by 2000 Qatar has also become of increasing importance.

Table 1: Estimations of numbers of migrants (different sources)

Region of destination	estimated number of workers for 1997 (1)		estimated number of workers for 2000 (2)			estimated number of workers for 2001 (5)	
	total no.	pc.	pc. (2)	no. (3)	no. (4)	total no.	pc.
Saudi Arabia	20,000	48.8	60.7	60,700	91,000	67,460	60.9
Qatar	10,000	24.4	35.0	35,000	52,400	24,397	22.0
United Arab. Emirates	10,000	24.4	2.6	2,600	3,600	12,544	11.3
Dubai	n.a.	n.a.	1.9	1,900	2,900	n.a.	n.a.
Other Gulf countries	1,000	2.4	n.a.	n.a.	n.a.	6,425	5.8
All Gulf countries	41,000	100	100	100,000	150,000	110,824	100

Sources:

- 1) Seddon et al. (2001: 51);
- 2) sample survey undertaken by Graner and Guring for 2000;
- 3) applying (2) for an estimated number of 100,000 migrants;
- 4) applying (2) for 150,000 migrants;
- 5) Population Census 2001.

Migration to the Gulf countries is almost exclusively arranged through manpower agencies (see above), which is certainly one of the most booming sectors of the Nepalese economy since the mid 1990s. Rates for working permits, visa, and transfers range from 40,000 to NRs 80,000 for a two to three years work contract (see Seddon et al. 2001: 67ff). With these sums involved, fraud is predestined and there is plenty of anecdotal evidence (see CARAM/ ASIA 2000: 112). In addition, there are quite a number of horror-stories even from those who reached their destinations, particularly from these states and particularly about women migrants. In a few extreme cases women have been brought back to Nepal semi-consciously or even unconsciously, after NGOs, as such as Maiti Nepal had interfered (see SPOTLIGHT 1998). Thus, articles as "Passport to Misery", "The Woes In Foreign Employment", (SPOTLIGHT 1998) or "Lowly Labour in the Lowlands" (Dixit 1997) regularly question the "success"-stories which the migrants experience and rather point out to numerous facets of human miseries which usually remain untold, partly due to lack of institutional "back-up". On the other hand, migration to the gulf certainly is a success story when taking into account the remittances from there (see above).

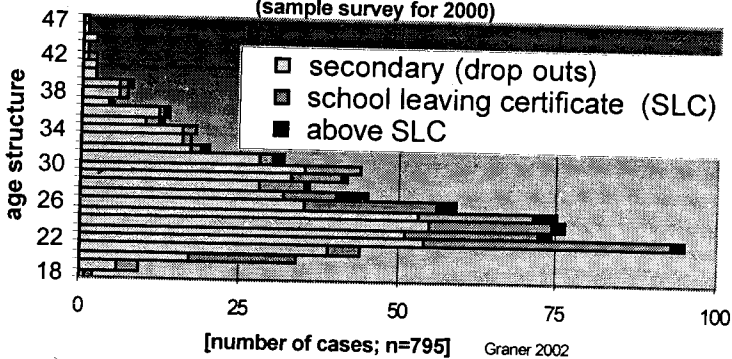
In spite of the crucial importance of labour migration to the gulf countries there are, at least so far, hardly any studies which have taken up this issue. This article introduces a brief sample survey which was carried out by the two authors in November 2001, based on a sample of 995 workers taking up foreign employment via a particular manpower agency. Among these, the gulf countries were the prime destination (87%; for details see Table A1, appendix) whereas the others (125 cases, 13%) went to Malaysia. The sample survey was based on records, and focuses on demographic features of the labour migrants, namely age, gender, marriage status, as well as education, district of origin and country of destination. Information about labour migration is based on type of work, as specified in the work contracts, as well as wages. In addition, this article also includes some empirical findings from a village survey in Jhapa district (1999/2001), focussing on interlinkages between internal migration to carpet manufacturies and international migration (see Graner 2001, 2003), as quite a number of the men who had previously been engaged as carpet workers are now employed in gulf countries (see below).

The sample survey shows that for those migrants which listed demographic details (n=795) all are men, and mainly from the age group 21-30 (74 %). Most of them are between 21 and 25 (47 %; see Figure 8), and

while those aged between 18 and 22 are usually unmarried, most men above 24 are married. Information on education reveals that most of the men are secondary drop outs (71%), although almost all of them (except for 11 cases) have completed at least class 7. Some of them (16% of all) have completed class 10 but have failed the final SLC-exam (school leaving certificate). Yet, SLC-holders account for 30% of all migrants and 3% of these have degrees above SLC (see Figures 8 and 9).

In terms of regional origin, most migrants included in the sample come from either the western (37%) or Eastern Development Region (34%), which thus account for more than 70% of all migrants. An astonishingly small number comes from the central region (13%), and the latter are mainly from the Kathmandu valley (4%). Similarly, but much less of a surprise, migrants from the mid and far western region are hardly represented, and only account for 2% of all migrants (see Figures 9 and 10). The three single largest districts of origin are Jhapa in the eastern Terai (8.5%), and Syangja (6%) and Kaski in the western hills (5%). The low number of migrants from the Central region, and particularly from Kathmandu is difficult to interpret. One possible explanation is that there are specific networks between people from one region and different manpower agencies, for instance due to the fact that persons from the management are from the same district of origin. This could possibly also explain the lack of migrants from the Mid/Far Western Regions, although their low number is too pronounced to be solely due to this reason. As manpower agencies can only operate through their offices in Kathmandu, this explanation is less powerful.

Figure 8 Age & education of migrants to Gulf countries
(sample survey for 2000)



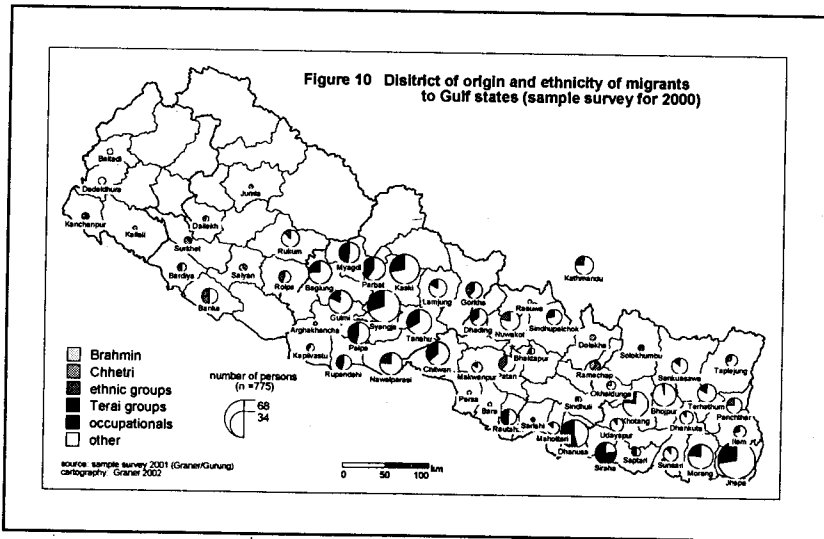
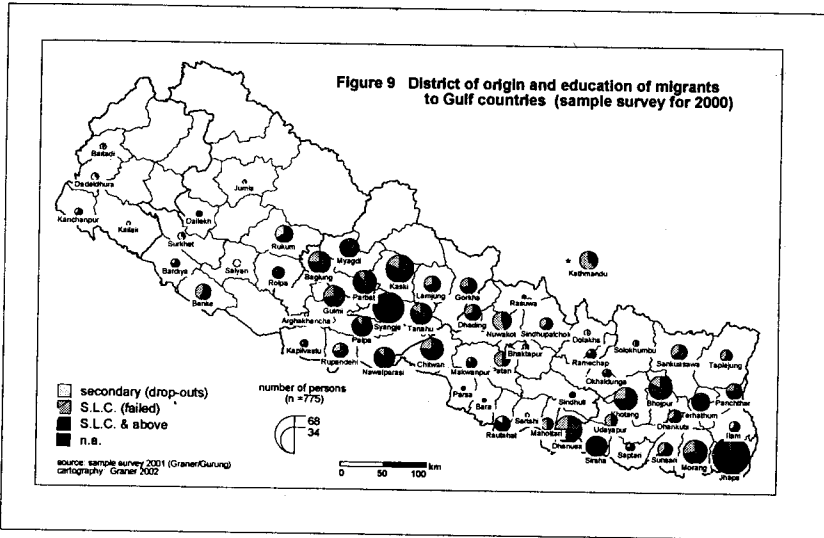
An analysis of interlinkages between district of origin and country of migration does not produce a clear pattern, but this may be due to the limited size of sample, once further disaggregated. A much clearer pattern can be seen for educational attainments of people from different districts and this aspect may explain migration patterns in terms of pre-qualifications for job demands at the particular country of destination. From many districts, secondary drop-outs (ie. those who have not successfully completed their SLC-exam after class 10) account for 60-85 % of all migrants. There are only a few exceptions to this pattern, particularly Kathmandu, Patan, and Nuwakot but also Jhapa and Morang which both have an extraordinarily large share of migrants with high educational levels (see Figure 9).

Information about caste and ethnicity is only analysed for a sub-sample (n=720). Yet, there are some interesting patterns. Migrants reflect the ethnic mosaic of Nepal, yet, there are some groups which are represented much stronger than others. The largest single groups of migrants are Brahmin (21%) and Chhetri (23%). Among ethnic groups, Magar account for almost 9%, Rai and Newar for 7% each, and Gurung and Tamang for 6% each. Groups from the Terai (Chaudhary, Sunar) also account for 7% when accumulated. Occupational castes are highly under-represented and only account for 7%. Ethnic groups come from (hill) districts of the Western Region but even more pronouncedly from hill districts of the Eastern Region, mainly Bhojpur and Khotang. A high number of Brahmin and less so Chhetri come from Syangja and particularly from Kaski, but also from Jhapa district (see Figure 10). Migrants from Terai groups almost exclusively come from Dhanusa and are grossly underrepresented in most Terai districts.

Migrants take up quite a variety of occupations, some in construction (painters, 30 cases), some in catering, such as waiters (110 cases) or "juice makers" (68 cases), and some also as skilled workers in engineering (7 cases). Yet, the latter sector is clearly of minor importance and the majority is classified as labourers/workers (370 cases). Thus, while Dahal states that "the profile of workers has changed" (ibid. 1998: 42) this is only partly consistent with findings from the sample survey. Wage differentials are not particularly pronounced in most countries and occur for different types of work but also for different countries. In Qatar, almost all migrants earn the equivalent of NRs 11-13,000 per/month whereas in UEA salaries are highest, at NRs 18,000 per/month. In Saudi Arabia, differentials are highest, ranging from NRs 9000 to 24,000 per/month. High-income groups are technicians and engineers (NRs 16,000 – 24,000) but interestingly there are

also working contracts for waiters who earn up to 18,000 although most of them earn significantly less (NRs 12,000). While hotel workers have the advantage to be accom-modated free of costs others often need to spend some share of their incomes for food and lodging.

Due to the nature of its design this sample survey is limited to demographic data of the migrants and does not answer any more interesting questions about their household economies, working histories prior to departure, decision making processes within the household in relation to who is migrating where, networks of access to manpower agencies, and financing of fees required for taking up overseas employment and, last but not least, remittances from their side. Some of these aspects have been covered in a previous case study on migration from Jhapa district, focussing upon inter-linkages between internal and international migration (see Graner 2001, 2003). This case study (n=80 households) has revealed an interesting chronology of destinations for labour migration. During the 1980s and early 1990s labour migration to carpet manufactories of the Kathmandu valley was by far the largest type of migration. This declined after 1994, when this sector went through a severe crisis (see Graner 2001). By then, the first migrants had left for the Gulf countries (Kuwait).



From 1994 onwards, migration to gulf countries increased rapidly (see Graner 2001, Figure 5). This destination has soon become an attractive option for men from a broad spectrum of socio-economic backgrounds. Besides carpet workers, migrants to other destinations, particularly India, have also joined this "market". Fees for arranging work permits via manpower agencies (NRs 40,000 - 80,000 see above) correspond to a two to three years salary of workers in carpet production and other menial labour, and thus by far exceed household budgets. Loans are usually arranged within villages, and in the cases of more wealthy families within a more narrow family network. In some cases, some or even all land is "temporarily" sold in order to acquire the financial needs. Interestingly, many among those men who had been engaged in carpet production come from families who have only recently become "eligible" for higher-value loans. Originally, these were not granted, due to lack of "collaterals". Yet, after having worked in Kathmandu for some time, these workers have earned credentials for being hard-working and thus trust-worthy for being able to repay loans within an appropriate period of time.

During the last years, the main sources for loans have been remittances of current migrants to gulf countries, which are either used for arranging working permits for other household members, or within the village for other prospective migrants. Thus, remittances are generally directly re-invested in promoting further migrations, rather than being spent in what is, somehow derogatively, called "conspicuous" consumption. House constructions and improvement of existing houses have occurred at a small scale. It will be interesting to see how further remittances will be spent/invested, once the need for further fees declines.

Conclusions

Remittances play a vital role for the Nepali economy, and this fact is increasingly being acknowledged, at least at the macro-level. Important data has been provided by the Nepal Living Standard Survey (NLSS) for 1996/97 as well as by a study undertaken by Seddon, Adhikari and Gurung (1998, 2001, 2002). Yet, due to the importance of this sector, regular assessments need to be carried out, at the macro-level as well as at the micro-level. Case studies at a variety of locations need to look into diversifications of labour migration, in terms of who migrates where and under which particular conditions. Educational aspects need to consider access to different labour markets and income differentials. Networks of access, manpower agencies or private arrangements, and conditions at the destination (incomes and need for expenditures) are similarly important. Gender analyses need to be carried out,

both in terms of potential migrant labour force and looking into families of households where men migrate and women stay back, or, as is the case in Sri Lanka, vice versa. Finally, arrangements for sending remittances (see Gurung 2003, Wyss 2002) and investments of remittances are important for assessing their role for households as well as for the national economy. Due to fact that many of the migrants are from poorer sections of society, these remittances also need to be analysed from a vantage point of securing livelihoods.

International labour migration has rapidly increased during the last five to ten years. Government policies and administrative reforms have had their share in simplifying procedures. At a local level, the decentralising of issuing passports at district headquarters rather than in Kathmandu only (from 1997 onwards) has been one crucial step (Shakya 2002: 188). At the same time, the organisation and mediating of labour migration has evolved as a lucrative business in the Kathmandu valley, and many businessmen have taken up this opportunity. While most of them have been instrumental in facilitating working permits for their fellow citizens, some others have rather criminally taken advantage of lowly-educated and inexperienced villagers who willingly hand over their savings and, even worse, loaned money to scrupulous hooligans disguised as businessmen. Such practices need to be severely screened and punished. Besides there is an urgent need for "safe" migration and there is also the need to improve the present system in order to make it accessible (such as access to information, collateral free loan, training, pre departure program, re-integration program and equal opportunity for women too) to rural unemployed people of Nepal.

One further reason for the rapid spread of international labour migration, particularly to the gulf countries, is generally seen in the perception of Nepali hill people as "loyal and diligent workers", as stated by Shakya (*ibid.*). Yet, it also needs to be pointed out that another, and possibly even more crucial reason is due to the fact that wage differentials are (much) higher than between the gulf and other (south) Asian countries. Thus, migrants as well as manpower agencies may be inclined to agree to lower wages than workers from other countries. In some cases actual wages even undercut national minimum wages (by about 10 %) in receiving countries, as confirmed by a broker from Qatar in September 2000. This aspect needs much further attention, as it places the notion of "being easy to work with" into a framework of global labour markets, which continuously incorporate new "sources" of workers (Bolaria and Bolaria 1997: ii). At the same time, this indicates a lack of bargaining capacities from the side of Nepali workers and manpower agencies, as analysed in conflict theory (Kent 1993).

Table A1 Estimations of numbers of migrants (for 1997 and 2001)

Region of destination	Estimated no. of migrant workers in 1997 (Seddon & al. 1998, 2001)			Estimated number of migrants (Population Census 2001)	
	No. of workers	Estim. average annual rem.	estim. total remittances [in billion NRs]	numbers	pc.
Western countries	15,000	300,000	4.4	21,000	2.8
Gulf countries	40,000	36,000	1.5	107,400	14.4
East & South East Asia	44,000	300-480,000	22.8	18,600	2.5
India	250,000 (up to 1 million)	24,000	6 (up to 40)	589,050	79.3
other countries	1,000	n.a.	0.2	ca. 7,000	0.9
Total	350,000 (up to 1 million)		35 (to 69)	ca. 743,000	100

Source: Seddon et al. (2001, 51), HMG/NPC/CBS (2002, Table 12)

Table A2: Remittances from different regions of origin (NLSS for 1995/96)

Region of origin	values of remittances					Pc. share of region of origin
	total no.	average values	median values	relation median/average	total values [in 1,000 NRs]	
Nepal (rural areas)	311	5,207	1,500	3.5	1,619	10.3
Kathmandu	135	14,554	6,500	2.2	1,965	12.4
Nepal (other urban areas)	125	14,597	6,000	2.4	1,825	11.6
Nepal (total)	571	11,224	3,000	3.7	5,409	34.2
India (urban)	247	12,440	6,300	1.9	3,073	19.5
India (rural)	72	6,586	2,000	3.3	474	3
India (total)	319	10,532	6,000	1.7	3,547	22.6
Gulf states	11	38,655	2,000*	19.3 *	425	2.7
Other foreign countries	47	136,468	25,000	5.5	6,414	40.6
For. countries (excl. India)	58	117,916	20,000	5.9	6,839	43.3
Total	948	12,090	4,500	2.7	15,795	100

* low number of cases

Source: calculated from Nepal Living Standard Survey data base (HMG/NPC/CBS 1997b)

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