

# Labour Migration and Remittances in Nepal



Enabling poor rural people  
to overcome poverty

## Note

This case study is one of three carried out at selected sites in India, Nepal, and Pakistan to look at the phenomenon of migration, and the flow of remittances, in the western Hindu Kush-Himalayas. A synthesis of the findings has been published by ICIMOD in the document: Hoermann B; Banerjee S; Kollmair M (2010) *Labour migration for development in the western Hindu Kush-Himalayas*. The publication presented here is the full summary of the case study carried out in Nepal.

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## Introduction

### Background

The main source of livelihood in Nepal is agriculture, but production is barely sufficient to meet domestic consumption needs. Thirty-two per cent of the population still live in poverty with the per capita gross domestic product (GDP) at US\$ 260 (World Bank 2004). Food insecurity persists in many parts of the country; 45 of 75 districts are incapable of producing enough food to meet minimum requirements (CBS 2003). Although agriculture is the mainstay of the rural economy, people employ different livelihood strategies in addition to agriculture to cope with the problem of food insecurity, including rearing livestock, collecting and trading of medicinal plants, occupational work, tourism, and, most importantly, labour migration.

### Need for this study

Labour migration can be an effective strategy for livelihood adaptation. It generates financial and human capital that can contribute to the sustainable alleviation of poverty in mountain areas, but it can also have less welcome effects on communities. For the mountain poor, remittances are increasingly the most direct, immediate, and significant contribution to their livelihoods. However, mountain communities face particular challenges in benefiting from migration that are linked to the specific situation of mountain life.

Development efforts generally pay little attention to the challenges and opportunities that must be faced to harness the potential of labour migration and reduce the negative effects for mountain societies. One of the main reasons for this is the lack of information and knowledge on labour migration and remittance patterns and volumes. Before developing strategies that can help people benefit more from the migration that is taking place, it is important to understand more about the process, the way it affects and is used by society, and the flows of remittances. Labour migration in mountain communities is a highly engendered process, with mostly men leaving and women staying behind, it is of particular importance to better understand the effects of this mostly male outmigration in order to develop (gender) sensitive solutions to improve the development relevance of remittances. Comprehensive studies are needed at the micro level to understand the impacts of migration, and identify strategies to remove obstacles and increase the benefits.

Labour migration is an important component of the Nepalese economy, with remittances constituting 17.4% of GDP (Nepal Rastra Bank 2009). Almost half of the population of the Far Western and Mid Western Development Regions migrate seasonally every year in search of work. The main reasons are poverty and food insecurity. With most of the population migrating to India and thus unrecorded, there is no absolute figure for the total number of migrant workers or the inflow of remittances. To address the lack of information in the Hindu Kush-Himalayan region overall, three case studies were carried out in India, Nepal, and Pakistan looking at migration in general, and the flow of remittances in particular, at the different sites. The present report presents the results of the case study in Nepal which was carried out in the Far Western and Mid Western Development Regions.

## Study objectives

The objectives of this study were to collect information on the type, volume, and mode of transfer of remittances and, more importantly, to understand the impact of remittances in terms of financial flows and the transfer of new skills and perceptions on poverty, development, and gender dimensions. On the basis of this information, ICIMOD and its partners aim to design instruments to improve the development impact of both financial and social remittances in mountain areas. The main objectives of the study were to

- identify the wider impacts of social and financial remittances on poverty;
- identify the skills migrants bring back to their origin communities and the use of these skills in developing the local areas;
- identify investment opportunities for remittances in the mountains;
- identify the perceived impacts of climate change on migration patterns;
- identify the impacts of migration on women's workload, decision making, and the gender issues; and
- identify better institutional arrangements for sending and receiving remittances.

## Methodology

The study was conducted in the Far Western and Mid Western Development Regions of Nepal at two levels: macro and micro (village level).

### Macro level

Secondary literature and statistics on migration and remittances in mountain districts were reviewed. Information and data was reviewed from various sources including the World Bank, Nepal Rastriya Banijya Bank, World Food Programme, the Western Upland Poverty Alleviation Project (WUPAP), and various journals. The Western Upland Poverty Alleviation Project reports and staff were an important source of reference. However, there is a significant lack of baseline information and data from the study areas on the topic of migration.

### Micro level/village assessment

The study was conducted in six village development committee areas (VDCs), two in each of the three districts of Bajhang, Dailekh, and Jumla. The districts were chosen because of their high level of poverty and people's dependence on migration as a means of survival; and the specific VDCs from locations where WUPAP is working (WUPAP works in the poorest VDCs in the region, where food is barely enough to cover needs for three months of the year). The selected sites were Chauratha VDC and Chheudi Pusakot VDC in Dailekh district; Dantola VDC and Khera VDC in Bajhang district; and Chandannath VDC and Talhyum VDC in Jumla district.

Focus group discussions were held with various community groups in two village development committee areas (VDCs) in each of the study districts. Discussions were held with men and women separately to gather in-depth information on their experiences and perspectives on labour migration and the use of remittances. The focus group discussions had 15 to 30 people in each group and lasted for approximately 2 to 3 hours. Focus group discussions were conducted with migrant and non-migrant households, with a full set of questions on household characteristics, income, expenditure, employment, labour migration, and remittances.

Individual interactions and in-depth interviews were held informally with community members, supporting the literature review and the focus group discussions. The views and expressions of the individuals are reflected in this report.

Discussions were held with development stakeholders from the International Fund for Agricultural Development (IFAD), Western Upland Poverty Alleviation Project, and local government bodies including representatives of the district development committees (DDCs).

### Limitations

The study coincided with the harvesting and planting season, and it was very difficult to keep people in discussions for long.

## Characteristics of the Study Area

### Population demographics and land use patterns

Nepal lies on the southern slopes of the Himalayas, with the Tibet Autonomous Region of the People's Republic of China to the north and India to the south, east, and west. It had a total population in 2001 of 23.1 million and a land area of 147,181 sq.km. In 2005, GDP was US\$ 39 billion (UNDP 2004). Although agriculture employs 76% of the total workforce, it contributes only 39% to GDP (UNDP 2004) reflecting the traditional subsistence farming practices.

Nepal has three ecological zones from north to south – mountains (>2,500 masl), hills (1,300-2,500 masl), and the Terai plains (50-1300 masl) – and is divided into five development regions from east to west – Eastern, Central, Western, Mid Western and Far Western. The mountain areas of the Far Western and Mid Western Development Region are considered to be the poorest areas in the country in terms of food insecurity and the lack of road access, information, education, and employment opportunities.

### Bajhang

Bajhang is a mountain district situated to the north of the Far Western Development Region at an altitude of 2,130 to 6,425 m. It borders China to the north and is bordered by the Nepali districts of Bajura, Humla, Doti, Baitadi, and Darchula. The total population is 166,926 (DDDC 2002/03), consisting of 28,558 households, with 51.7% women and 48.3% men. It has a total area of 3,422 sq.km, making it the eighth largest district in Nepal, of which agricultural land is approximately 8%, forest 29%, and pasture 5%. The study sites of Chauratha and Chheudi Pusakot represent 2 of a total of 47 VDCs.

### Dailekh

Dailekh lies in the hills of the Mid Western Development Region at an altitude of 544 to 4,168 masl. It is bordered by Kalikot to the north, Surkhet to the south, Jajarkot to the east, and Accham to the west. Eighty per cent of Dailekh is hills; 20% lies in the high uplands. The total population is 225,189, with 51.1% women and 48.9% men (CBS 2002). Dailekh has a total land area of 1,505 sq.km, of which approximately 29% is suitable for agriculture, 58% is forest, and 2.5% is pasture. Of the total land suitable for agriculture, only 4.5% has year round irrigation, 20.3% is dependent on rainfall, and the remaining 75.2% is not irrigated at all. Hence, agricultural production is limited to subsistence production. According to the Dailekh District Development Committee, 92% of the population is engaged in agriculture.

### Jumla

Jumla lies in the mountains of the Mid Western Development Region at an altitude of 2,130 to 6,425 m. It is bordered by Mugu to the north, Dolpa to the east, Jajarkot to the south, and Kalikot to the south and west. The total population is 89,427 (CBS 2002), 48.73% women and 51.26% men. It has a total land area of 2531 sq.km, of which approximately 15.6% is suitable for agriculture, 42% is forest, and 27% is pasture. It is the fourteenth largest district in Nepal in terms of area and ranks forty-second in terms of GDP per capita (IFAD 2008).

### Summary

The comparative data on population, land area, and land use for the three districts are summarised in Tables 1 and 2, and shown schematically in Figure 1.

## Poverty status

Poverty is distributed unequally across the five development regions and three ecological zones of Nepal; the Far Western and Mid Western Development Regions are the poorest, and the mountain areas of these regions are the worst affected by poverty. While the current overall poverty rate for Nepal is 32%, this figure increases to 41% in the Far Western Development Region and 45% in the Mid Western Development Region (IFAD 2008). Two of the study areas have some of the lowest Human Development Index rankings in the country: Bajhang in place 72 and Jumla in place 70, out of 75 districts.

## Food insecurity

Although 76% of the total workforce is employed in agriculture, 45 of the 75 districts in Nepal are unable to produce enough food to meet minimum requirements (CBS 2003). Inability to access food is one of the main indicators of poverty. Food security is understood as “access by all people at all times to enough food for an active and healthy life” (World Bank 1986). In the Far Western and Mid Western Development Regions of Nepal, people barely produce sufficient food to last for 3 months of the year. Food insecurity is the biggest issue in these regions. For example, in Bajhang, only 6.3% of the people produce enough food to meet their needs the whole year round (BDDC 2060 BS). Jumla and Dailekh are considered moderately food insecure districts as stocks of food are only enough for 1 to 2 months, whereas Bajhang is considered highly food insecure, as food stocks are enough for less than 1 month, especially in the central and northern belt (Table 3).

The causes of food insecurity include

- lack of easy access to roads,
- lack of access to technology/irrigation,
- lack of access to markets,
- lack of access to information,
- disasters – floods, excessive rainfall, landslides,
- political situation,
- rise in food prices, and
- Decrease in sale of high value products like yarshagumba.

## Education

The overall literacy status in the study areas is moderately low. Bajhang’s literacy rate is 35.3% (male 57.3%; female 16.7%) (BDDC 2059 BS). Dailekh’s literacy rate is the highest among the three at 47.4% (male 63.4%; female 38%) (DDDC 2059 BS); and Jumla’s literacy rate is the lowest at 32.4% (male 46.9%; female 16.7%) (JDDC

Table 1: Population and land area

District	Population		Land area	
	Population	% of the country	Area (sq.km)	% of the country
Total for Nepal	28.11 million	100	147,181	100
Bajhang	166,926	0.6	3,422	2.3
Dailekh	225,189	0.8	1,505	1.0
Jumla	89,427	0.3	2,531	1.7

Source: BDDC (2002/03); DDDC (2002/04); JDDC (2004)

Table 2: Land area and land use

Land Use	Bajhang		Dailekh		Jumla	
	sq.km	%	sq.km	%	sq.km	%
Agriculture	269	7.9	431	28.6	395	15.6
Forest	1,024	29.9	899	59.7	1,064	42.0
Pasture	169	4.9	37	2.5	690	27.3
Other	1,960	57.3	138	9.2	382	15.1
<b>Total</b>	<b>3,422</b>	<b>100</b>	<b>1,505</b>	<b>100</b>	<b>2,531</b>	<b>100</b>

Source: BDDC 2002/03-2004/05, DDDC 2002/03-2005/06, JDDC 2004

Figure 1: Land use in the three districts

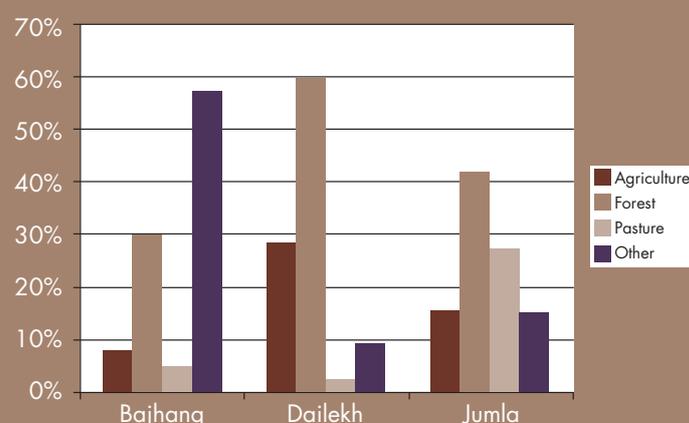


Table 3: Food insecurity level

District	Food insecurity level	Causes of food insecurity	Remarks
Bajhang	Highly insecure	Limited agricultural land; rising food prices; limited food stocks	Food stocks enough for less than 1 month
Dailekh	Moderately insecure	Untimely excessive rainfall	Food stocks enough for 1-2 months
Jumla	Moderately insecure	Untimely excessive rainfall; limited supply of food from outside	Food stocks enough for 1-2 months

Source: Adapted from DDC Profiles 2059 BS (2003/04)

2059 BS). Education status is low in these areas due to poverty. Although tuition is free in government schools, awareness of the importance of education is low. Villagers do not send their children to school, mainly because children are needed as extra labour and also because of the additional costs involved for books, uniforms, stationary, and so on. Many families send their children, mainly sons, to work abroad from the age of 12. Most women in the villages are uneducated due to traditional views on educating women. There is a saying in these areas, "When women act smart, everything gets spoilt." However, with increasing awareness of the benefits of education, the trend of sending daughters to schools is slowly picking up. But the literacy status remains very low.

## Infrastructure

Poor accessibility is one of the reasons why the Far Western Development Region remains poor. Transportation is expensive as many of the districts are connected only by air. Bajhang and Jumla have both road and air access, whereas Dailekh has only road access. Some VDCs within these districts have road access; however, many can still only be reached on foot. Even in places where there are roads, they are dangerous and the journey is long.

## Major sources of livelihood

### Agriculture

Although only 25% of the country is cultivable, agriculture still contributes 39.2% to GDP in Nepal (CBS 2002). Agricultural production in Nepal is concentrated in the flat belt of the Terai; the hills have less production and the mountains the least. It is the Terai that meets the food deficit in the hills and mountains, supplying its surplus every year to these regions. Agriculture in the hills and mountains of the Far Western and Mid Western Development Regions is rainfed, depending heavily on the weather; thus, production remains subsistence and barely enough for personal consumption. Typical characteristics of the Far Western and Mid Western agriculture are lack of cultivable land and small landholdings. The major agricultural products are paddy (rice), wheat, barley, buckwheat, potatoes, and corn.

### High value products

The mountain areas of Nepal are considered a haven for medicinal plants and high value products. The mountain areas of the Mid Western Development Region are especially famous for high value products such as yarshagumba and seabuckthorn. These high value products provide extra income in poor areas where agriculture is subsistence. The Western Upland Poverty Alleviation Project (WUPAP) has facilitated the formation of leasehold forestry user groups in these areas, which use degraded forests for the cultivation of high value products and medicinal plants. The income derived has helped support the livelihoods of many community members.

### Livestock

Animal husbandry or livestock rearing is common in the mountain areas of the Himalayas. In the Far Western and Mid Western Development Regions, livestock are an extra source of livelihood. The major types reared are cows, ox, sheep, goats, pigs, mules, and horses. Livestock production is mainly for meat, trade, ploughing, threshing, transportation, and wool.

### Daily wage labour

Daily wage labour is used every year to meet cash deficits. Many work as agricultural labourers or domestic labourers on other people's farms, mostly in exchange for crops instead of cash. Some work as porters carrying construction materials and firewood for NRs 150 per trip. Women carry firewood long distances to sell in the villages, and even take it to the district headquarters where they can get a good price. Construction work for houses can also provide relief in areas with few other opportunities. Big road construction projects like the 'Decentralised Rural Infrastructure and Livelihood Project' have been a good source of income for local people. In Bajhang, this project has employed around 2,000 people every day for the past three years to build roads, paying around

### Livestock in Jumla

In Jumla, the Mugali community is solely dependent on livestock trading as they do not own agricultural land. They buy sheep and goats from Tibet AR, China, and sell them in Mustang and Pokhara in September and October before the Dashain festival. If business is good, they can make around NRs 300,000 to 400,000 (approximately 4,000 to 5,000 USD) in six months.

NRs 300 per day. These kinds of projects have encouraged local people, who otherwise would have migrated to India for work, to stay in their villages. Similarly, people from the Dalit caste work in specific skilled jobs such as carpentry and tailoring, and Badis from the Dalit group make a living by entertaining people, moving from village to village.

### Civil service and others

Educated people join the civil service and other organisations as they are considered prestigious. Jobs in this sector include jobs in government offices such as the district development committee and village development committee, and jobs with non-government organisations, projects, the army, and police force. Employment in this sector is much preferred as it provides a stable income and allows local people to stay with their families either in the village or in accommodation near their work place. However, there are very limited opportunities and high competition.

### Labour migration

Labour migration is a major livelihood option in the rural Far Western and the Mid Western Development Regions. As agricultural production and livestock are not enough to sustain livelihoods, people migrate to earn extra money. With changes in the weather patterns, untimely rainfall and droughts have led to food insecurity; and migration for work is increasingly used as a livelihood strategy to deal with this.

## Labour Migration Flows and Trends

In 2004, one million Nepalese worked abroad (World Bank 2004); between 1996 and 2004 remittance inflows soared from 3% of GDP (US\$203 million) to 12% of GDP (US\$794 million), mainly driven by labour migration to the Gulf and Southeast Asia, where earnings are much higher than in India. The proportion of households receiving remittances also increased from 24% to 32%. The study showed that almost half of all hill households interviewed received remittances, and these represented close to 35% of their income. According to the Nepal Rastra Bank, remittances rose by 42.5% in 2007/08, and the ratio of remittances to GDP increased to 17.4%. The total remittance inflow increased by 67% during the first 7 months of the fiscal year 2008/09, despite the global financial crisis and consequent downsizing of industries abroad.

The highest inflow of remittances were to the Eastern Development Region, followed by the Central, Western, and, finally, Far Western, and Mid Western Development Regions. The Far Western and Mid Western Development Regions, where migration is a major source of livelihood that has been practised for generations, received the largest amount of remittances from India (Nepal Rastra Bank 2009). Remittances are increasingly the most direct, immediate, and significant contribution to the livelihoods of the mountain people.

### Causes of labour migration

#### Poverty

The Far Western Development Region is the poorest development region in Nepal. Food insecurity, unemployment, and lack of opportunities were significant issues. Lack of employment opportunities could be attributed to lack of education and lack of access to information. Poverty was deeply rooted due to lack of access to markets and was exacerbated by disasters such as floods, excessive rainfall, and landslides. The vicious cycle of poverty was one of the major factors driving labour migration.

#### Impact of environmental stressors and changing agricultural production

Agricultural production in the Far Western and Mid Western Development Regions was subsistence, and

“We are dependent on agriculture, which is totally dependent on good weather conditions. The biggest problem we face is food insecurity. If the weather was good, with timely rain and better food security, we would never opt to migrate. Why would we want to leave our family and travel to another place and work like animals?”

– Moti Ram Khadka, VDC Secretary, Chheudi, Dailkeh

“We work on the farms for twelve months. If the weather is favourable, the crops are enough for five months; if not, there is hardly enough for two months. It has been very dry recently.”

– Villager from Bajhang



## High expenses

The average number of children per family in the study area was five, some families had six or seven children, and this considerably increased the basic expenses for an average family. With increased awareness, education was being given priority, despite the high incidence of poverty. Although tuition was free, the accompanying costs of education were high in these remote areas. Inaccessibility also increased expenses, as goods had to be airlifted to many areas. Frequent blockades and transportation strikes forced even those products that could usually be brought by road and porter to be carried by air, increasing the prices substantially. On average in the three study areas, the major portion of income was required for food (75%), almost all for rice (90% of the food total), followed by equal amounts on education (8.33%), health (8.33%), and clothes (8.33%).

Poverty and cash deficits mean that many are not able to spend as much as required. To make ends meet, they compromise on their food intake and withdraw a few of their children from school, usually the daughters first.

## Conflict

The Far Western and Mid Western Development Regions were the worst hit by the political conflict of the last decade. Infrastructure was damaged, people were killed, and the local economy was adversely affected. The conflict impeded any kind of development in the area, forcing especially young men to migrate for safety as well as for work.

## Forms of labour migration

The basic principle is that those who do not have money, migrate in order to make money; and those who do have money prefer to stay in the mountains with their families, looking after their livestock and agricultural land. There were three main kinds of labour migration: seasonal, temporary, and permanent.

Seasonal migration usually took place for 4 to 6 months and was mostly to hill and mountain areas of India like Nainital, Badrinath, Kedarnath, Ladakh, and Himachal Pradesh, and the plains of Nepal for daily wage labour. Many also went to places like Bihar in India during winter to trade in woollen clothes, carpets, and other such items. An increasing number of people migrated to the high rangeland areas of Nepal to harvest yarshagumba, which is in high demand on the international market.

People migrated temporarily, generally for one to three years or more, to work in full time jobs. Temporary labour migration was commonly to big Indian cities like Delhi and Bangalore, where migrants worked as security guards, cooks, waiters, dish washers, domestic labourers, and the like, and to the Middle East. Temporary labour migration to Western countries had also started.

People migrated permanently to large Indian cities, cities in Nepal, and Western countries, to find better, permanent work in big cities with more stable economies.

The proportion of people migrating for different time periods is summarised in Table 6. Labour migrants who worked in fulltime jobs, rather than as labourers, were more likely to migrate permanently. The migrant workers usually did not sell their farm and property; other family members (wife, parents, and brothers) looked after the farm and livestock. All migrants, whether permanent, temporary, or seasonal, kept ancestral property (such as farm and livestock) to come back to later.

**Table 6: Types of labour migration and destination**

Type of labour migration	% of total labour migrants	Time period	Destination
Seasonal	95	6-8 months	Indian hill areas Small cities (especially for trade)
Temporary	4	1-3 years	Indian large cities Gulf countries Western countries
Permanent	1	Permanent	Large cities in India Cities in Nepal Western countries

Note: Based on focus group discussions and interviews

## Characteristics of labour migrants

### Male centric labour migration

Labour migration in all of the three study areas was male centric, with women staying behind to look after the children, farm, cattle, the elderly, and the sick. Women in Bajhang, Dailekh, and Jumla were traditionally barred from migrating

for any purpose, but this practice was slowly being challenged and a few women had started migrating seasonally, particularly from Dailekh. However, such women were still looked down upon. Since the time of their ancestors, only men had migrated from these regions and women had stayed behind and looked after the fields. Women did not want to migrate due to lack of education and exposure, and because of their attachment to their children and land. With increased awareness about trafficking, women were less likely to consider migration.

### Number of labour migrants

Migration to countries other than India requires a passport, thus some indication of the numbers migrating to countries further afield can be gained from statistics on passport issuance. Over the previous 3 years, an average of 242 passports had been issued annually in the three study areas as shown in Table 7. However, not everybody who is issued a passport migrates, due to financial problems, visa problems, or other issues. Also not everyone who migrates does so in search of work.

Most labour migrants from the Far Western and Mid Western Development Regions of Nepal went to India. The countries share an open border that provides entry without a passport or visa, so the exact number of migrants cannot be ascertained. However, 80% of male focus group discussion members said that they migrated each year (Table 8). Dailekh had the highest proportion of labour migrants, which may be the result of easier access to roads, which is an important factor in migration as it makes it easier and cheaper to migrate.

### Age group

Men from the study areas started migrating at 12 to 15 years of age, following their fathers and uncles to learn the same trade or profession, and continued until they were 60 to 70 years old (Table 9). Labour migration was a way of life, as agricultural production could not sustain people's livelihoods. Women's workload increased when men migrated as they had to take on the dual role of looking after the household and doing the farm work. Youth migration affected the education of both boys and girls, who had to help in the house while their mothers worked in the fields. However, it was changing. For example, in Dantola VDC in Bajhang, boys had started migrating later as the VDC now had schools and there was an increased awareness of the importance of education.

### Educational status

It was mostly the less educated people who migrated for work since educated people had more options in the villages. The education status of migrants varied from uneducated to secondary education (School Leaving Certificate – SLC). More

“Life in a foreign land is very difficult. We are called human ‘gaadi’ (vehicles), as we transport everything on our back. We lose our self esteem for a few rupees. We don’t want our wives to see this humiliation, so we don’t want our wives to migrate along with us.”

– Junga Bahadur Kunwar, Khera VDC, Bajhang

Table 7: Passport issuance

District	Average number of passports issued per year	% of the total population
Bajhang	183	0.11
Dailekh	480	0.21
Jumla	63	0.07
<b>Total</b>	<b>242</b>	<b>0.05</b>

Table 8: Male population migrating annually for work

District	% of male population migrating annually	Average %
Bajhang		
Dantola VDC	60	77.5
Khera VDC	95	
Dailekh		
Chauratha VDC	90	82.5
Chheudi VDC	75	
Jumla		
Chandannath VDC	70	80
Talhyum VDC	90	
<b>Average</b>		<b>80%</b>

Note: Based on male focus group discussions

Table 9: Age of labour migrants

District	Minimum age	Maximum age	Highest frequency age group
Bajhang	15	65	20-50
Dailekh	12	70	16-40
Jumla	13	60	18-30
<b>Average</b>	<b>13.3</b>	<b>63.3</b>	<b>18-40</b>

educated people tended either to stay in the villages to work in government offices, district development committee offices, or as teachers, or went to large centres in Nepal such as Nepalgunj or Surkhet to work. However, even those with school leaving certificate (the school qualification gained after Class 10) migrated to work as porters and the like in India due to lack of opportunities in the village.

### Job categories and earnings

There was no exact data on the proportion of migrant workers employed in different job categories. Migrant workers did not have much choice in terms of jobs; they took whatever work was available and went wherever there was work. A migrant might work as a porter at a religious fair in Badrinath one year, and pick apples in Shimla the next. A migrant with secondary education reported working as a tailor in India, as he could not find professional work. The relative frequency of different job categories was identified on the basis of the focus group discussions. The results are shown in Table 10. The labour migrants interviewed worked most frequently as porters and labourers and least often as security guards.

The migrants' jobs could be broadly divided into three categories: skilled, unskilled, and self-employed. Skilled workers such as carpenters, tailors, and mechanics achieved high earnings of up to NRs 9,600 per month. They are usually needed in the larger cities of India. Unskilled workers such as porters, construction workers, grass cutters, and apple harvesters earned around NRs 7,200 per month. A few people migrated to cities in the province of Bihar in India and the city of Kathmandu in Nepal to trade in goods like carpets, clothes, and shoes. If business was good, they could make up to NRs 50,000 in one season of 4 to 6 months. Another new trading product was yarshagumba; people went to high rangeland areas in districts of Nepal like Mugu, Dolpa, Jumla, Bajura, and Bajhang to collect the high value product.

Table 10: **Migrant workers' jobs in order of frequency**

	Job	Migration destination	Earnings (NRs)		
			Per day	Per month	Per 6 months
1	Porter/labourer	Badrinath, Kedarnath, Bageshwar, and Kinnor (India)	240	7,200	43,200
2	Construction	Khadikand and Delhi (India)	240	7,200	43,200
3	Apple collector	Nainital, Himachal Pradesh, Kulu Manali, and Shimla (India)	240	7,200	43,200
4	Grass cutter	Nainital and Ladakh (India)	240	7,200	43,200
5	Yarshagumba collector	Mugu, Dolpa, Jumla, Bajura, and Bajhang (Nepal)	3,333	100,000	NA
6	Mechanic	Uttar Pradesh (India)	320	9,600	57,600
7	Carpenter	Uttar Pradesh (India)	320	9,600	57,600
8	Tailor	Uttar Pradesh (India)	320	9,600	57,600
9	Trading	Bihar (India); Kathmandu and Nepalgunj (Nepal)	277	8,333.3	50,000
10	Security guard	Delhi, Mumbai, Tamil Nadu, Bangalore, and Kerala (India) Nepalgunj (Nepal)	133	4,000	24,000

1 = most common, 10 = least common

### Access to labour migration

People in the Far Western and Mid Western Development Regions migrated mainly to sustain their basic livelihoods. However, this option was not necessarily readily available to all due to lack of access to information, credit, and skills.

#### Access to information

Access to correct and reliable information on migration is very important. Information was available in the villages through different channels according to the migration destination.

Information on migration to India was received mainly from relatives and occasionally from contractors (locally known as thekkadars). People obtained valuable information on work opportunities from relatives and friends working in the destination countries. Whenever there was an opening or an opportunity, people called up their relatives and friends in the village to inform them. The local contractors recruited people from their village for contracted jobs in India. When a

contractor won a contract bid in India, he recruited labourers from his village, supervised their work, and paid them out of the contract amount. His profit was the difference between the contract amount and what he paid the labourers. Generally, there was one contractor per village, usually somebody with leadership skills who could collect people on short notice.

Information on migration to the Middle East (especially United Arab Emirates, Saudi Arabia, and Qatar) and Southeast Asia (especially South Korea, and Malaysia) and other distant destinations was received mainly from the employment agencies (known as manpower agencies) in Kathmandu and their brokers, and occasionally from relatives.

The employment agencies took care of all the paperwork and other procedures for migrants including visa applications, obtaining permission from the government, and arranging hotel accommodation, air tickets, medical checkups, and insurance. They charged a lump sum for these services, which covered any fees, and made a profit of NRs 5,000 to 10,000 per person. In most cases, local agents or brokers acted for the employment agency in the villages. The local agents were usually returned migrants who were in close contact with the villagers and able to relate their success stories to convince some villagers to migrate. The agents received a brokerage fee of between 5 and 10% of the total charged by the employment agency, for example NRs 10,000 for brokering a NRs 100,000 package to send a person to Malaysia, and occasionally as much as NRs 25,000 for brokering a deal to a high earning country like Israel.

### Access to credit

Among the lower income classes, migration was easily accessible to those who could afford the travel and initial costs. Poorer people paid for the migration costs by using credit from one of the three main sources available in the villages: local moneylenders, banks, and community organisations.

Local moneylenders were the most widely used sources of credit for migration. They were generally the local rich people, with inherited land and property. They lent money to migrants instantly and very easily, with or without collateral, but at a high rate of interest (up to 60% per half year and as much as 156% per year). Despite the high rates of interest, villagers borrowed from local moneylenders because of the simple process and instant access to loans, and non-requirement of collateral.

The general practice was to take a loan of NRs 1,500 to 3,000 to go to India (which just covers transportation costs) or NRs 90,000 to 100,000 to go to the Middle East or Southeast Asia. The migrant had to repay NRs 4,800 in the first six months on a loan of NRs 3,000; or NRs 7,680 within the next 6 months if he is unable to pay off the loan on time. The rate of interest is progressive and increases with every delay in payment. Borrowers could easily fall into this cycle of credit and could even end up losing their land and cattle, and ultimately had to work as unpaid labours on the moneylender's farm.

Banks were among the most reasonably priced credit facilities available in the districts; they charged much lower rates of interest than local moneylenders (around 12% per annum). However, they were unpopular in the villages as they were usually based in the district headquarters, which could be a very long walk away. The villagers also complained that the credit process was long and bureaucratic in banks, mainly because the banks took collateral (gold or land) and checked creditworthiness. This was one of the reasons why bad debts in the banks were low, as banks tended to give loans only to people who could afford them. Moreover, banks did not give migration specific loans.

Community organisation (CO) savings and credit schemes were a new source of credit emerging in the villages. The members of the COs collected and saved NRs 10 per person every month and granted loans to members of the organisation at low interest

### Debt trap: Borrowing from local moneylenders

Laxmi Sarki of Chheudi Pusakot VDC in Dailekh is thirty years old and has three children. Her husband migrated to India four years ago, taking a loan of NRs 3,000 from a local moneylender. Her husband has not contacted her since or sent any money. To support her children and pay off the loan and accumulated interest, Laxmi now has to work day and night. She has not stopped sending her children to school though. She works at people's houses for NRs 200 to 300 per month, which is not enough to feed her children. Sometimes, she begs for food or takes a further loan just to eat. She has been working at the moneylender's house, but there is no record of how much she has earned or how much money she has left to repay. The local moneylender has threatened to seize her house and land if she does not repay the loan her husband took.

rates, usually between 12 and 18%. These savings and credit schemes were becoming popular due to the low rate of interest, non-requirement for collateral, and the simple process. In Dantola VDC of Bajhang alone, there were many successful community organisations, such as the Himalaya CO with net savings of NRs 100,000, Bahawani CO with savings of NRs 51,000, and Khapar CO with savings of NRs 80,000. Half of the money saved came from remittances. However, such schemes are also not foolproof. Cases of bad debt had been reported, and in some the credit facility was not well regulated and the money was lent to only a few people. There had also been a few cases of mismanagement of funds due to lack of strict written policies, penalties, rules, and regulations, and a general lack of accountability. However, this can be controlled with stricter policies.

The differences between these sources of credit are summarised in Table 11.

### Access to pre-migration opportunities

There were not many opportunities for skill development in the villages. Villagers could gain skills at the migration destination, but would prefer to have these skills before they migrate so that they could earn (and save) more money. The lack of opportunities for skill development in their home villages meant that their earnings were low. Even the skills they brought back were being wasted as a result of the lack of opportunities in the villages. There was a demand for skill building in areas like carpentry, tailoring, ironwork, making tools and utensils, and new technologies.

### Global recession and labour migration

Work in the Middle East and Southeast Asia had been affected by the global recession over the previous two years, with decreases in pay and companies downsizing. Migrant workers were returning to Nepal before their contract period had ended.

Labour migrants to India were also being affected, but not as much as there had been rapid economic development in India. However, the villagers said that there was not as much demand for labourers in India now, as technology was replacing labour. There was gas instead of coal, lifts to carry people and luggage, and cars and trucks instead of porters.

Table 11: Comparison between sources of credit

	Local moneylenders	Banks	Community organisations
Interest rates	60% per six months 156% per annum	12% per annum	18% per annum
Accessibility	High	Low	Increasing
Collateral	Labour, land	Land, gold	Membership, goodwill
Process	Very fast	Slow	Fast
Bad debt	High (6 months); very high (one year)	Very low	Low
Repeat customers	Medium	Medium	High
Credit awareness	High	Low	Increasing

### Unused skills

Suresh Shahi (from Chheudi VDC) had recently returned from India where he drove a bulldozer. He says he went to India not just to earn money but to learn skills. He came back hoping he could drive vehicles from Nepalgunj to Dailekh, but he cannot find any work. These days he is idle, trying to save money to go to India again.

### Laid off in Malaysia

Kabi Raj Bista (20 years old) migrated to Malaysia, paying NRs 100,000 to the employment agency in Kathmandu. He had a contract for three years to work in a factory that makes screws and nails. The company paid him for only three months (NRs 54,000), as the factory was not doing well. They gave him food for a few months, and then laid off staff, including 15 of the 17 Nepalese working there. Kabi returned to Nepal after one year. When he reached Kathmandu, he took an additional loan of NRs 6,000 from a friend for transportation and to buy gifts for his family.

## Remittances

### Remitting procedures and charges

The main aim of labour migration is to send money back home. The main mechanisms for migrants to remit money are banks, money transfer operators, 'hundi', and through returning migrants.

Remittance transfer charges for banks and money transfer operators varied between countries at around 1 to 2% on sending, and there was no charge at the receiving end. Usually, only migrants to countries further afield use banks or money transfer operators. Nepalese migrants to India opted for more informal remittance mechanisms. In 2008, the Rastriya Baniya Bank in Bajhang received only around NRs 250,000 and the Nepal Rastra Bank in Jumla only around NRs 240,000 (from one person). In the fiscal year 2007/08, NRs 71,200 entered Jumla through Western Union Money Transfer and another NRs 70,000 through Nepal Investment Bank, Jumla.

Most of the villagers surveyed had little understanding of formal transfer mechanisms. They claimed that the process of remitting through banks and money transfer operators was long with a lot of requirements, making it cumbersome for the mostly uneducated wives and parents of migrants. Many women and elderly people did not understand bank policies and procedures, and could not sign, so they preferred not to use the banks to receive remittances. Women said that the bank staff gave them a lot of trouble and asked for their signature everywhere. Moreover, the banks were located in the district headquarters, and reaching them was a time consuming and expensive exercise.

Hundi is a traditional method of sending money. It is now illegal, but is popular among migrants to the Gulf countries, Southeast Asia, and the West. The system operates on the basis of trust between brokers in two different countries without official/legal documents. For example, if a person wants to remit money from Malaysia, the hundi broker in Malaysia contacts another broker in Nepal and asks the Nepalese broker to pay the amount to the receiving person/family. It is a fast and easy way of transferring money, and usually with a lower rate of commission than charged by the formal modes of remittance transfer. Hundi brokers make their profit on exchange rates.

Nepalese migrants within Nepal and to India generally carried back remittances themselves or sent it back with friends and relatives. The majority of migrants from Western Nepal go to India, and they came and went to their villages with great frequency. Thus migrants could either carry back the money themselves or could send it with other returning migrants. Despite this process being the most widely used, there were issues with security. There have been many cases where migrant returnees had been robbed of their money on the way back home, and even of money being confiscated by Indian police officials at the border.

### Reliance on remittances

Remittances were the single largest source of income for most people interviewed in the Far Western and Mid Western Development Regions (Table 12). Other sources varied with wealth, the poor gained income from wage labour such as portering and construction, sale of non-timber forest products, and to a small extent excess agricultural production. People with more wealth gained income from agricultural production, and small businesses like tea houses and cold stores.

### Remitting through formal pathways

"The process of sending money is not difficult at all. There are different mediums to remit such as International Money Express, Western Union, Express Money Transfer, and Baniya Remit. As soon as money is remitted, a control number is given. A family member has to come with their citizenship certificate and the control number. Money can be remitted in a day."

– Prem Singh Bhatt, Manager, Rastriya Baniya Bank, Bajhang

Table 12: Sources of income

Income source	Very Poor (%)	Poor (%)	Average (%)
Remittances	50	50	50
Labour	45	40	-
Sale of non-timber forest products	5	5	-
Local business	-	-	20
Agriculture	-	5	30

Notes: Very poor = landless; poor = food production sufficient for 3-6 months; average = food production sufficient for 6-12 months

## Proportion of income remitted

The average proportion of income that the Nepalese migrant workers to India sent back to their families is shown in Table 13 and Figure 2. A Nepalese migrant worker in India typically earned around NRs 240 per day (earned NRs 7200 per month if worked every day and NRs 43,200 in 6 months). On average, half of gross earnings were used for food and living expenses, as the cost of living is higher than in Nepal and there are more consumables to tempt the migrant. Around 9% was used to cover the cost of travelling to and from India, and 11% on repayment of the loan for migration. This left around NRs 12,800, or 30%, of which more than a third was spent on gifts for family and friends (food, clothes, shoes, kitchen utensils, electronic goods, watches, jewellery, and so on), and the remainder was remitted in monetary form.

## Use of remittances

The use of remittances varied from person to person, and with family size and economic status. There is no real culture of saving and investment and people lacked awareness of the potential benefits. Most people simply spent what they earned and migrated in order to bring back food and money to live on for the next 4 to 6 months. The items that remittances were used for are listed in Table 14 from most to least important.

Labour migrants brought new skills like driving, construction, cooking, electrical skills, and house painting when they return to the villages. But opportunities to use these skills, or invest the savings, were very limited. Lack of ideas, of opportunities for entrepreneurship, and of access to markets, all discouraged returned migrants from investing even the small sums that they have.

The few who did invest or start a business were generally the ones who were not in such a bad 'hand-to-mouth' situation and did not have to worry about feeding their families for the remaining months. Some invested in small

Table 13: Use of gross income in India (6 months salary)

Income and expenditure	Income (NRs)	Expenditure (NRs)
Income for 6 months (NRs 7,200 x 6)	43,200	
Living expenses		21,600
Travel		4,000
Loan repayment		4,800
Remittance		12,800
Non-monetary (gifts)		5,000
Monetary		7,800
<b>Total</b>	<b>43,200</b>	<b>43,200</b>

Figure 2: Gross income versus remittances for Nepalese migrants in India

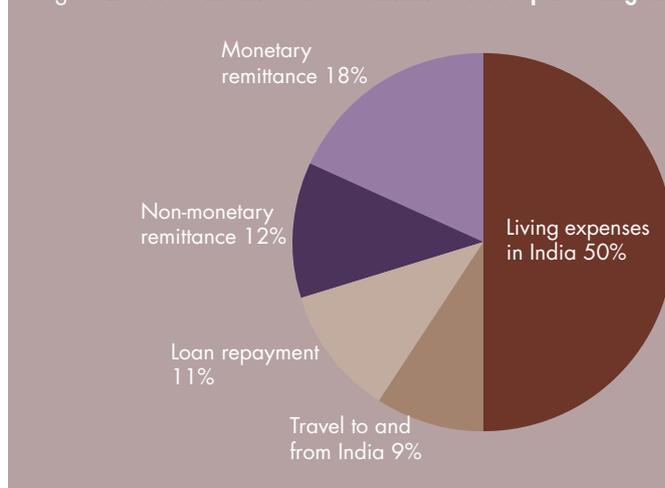


Table 14: Use of remittances in order of importance

Monetary remittance (spent in the village)	Non-monetary remittance (spent outside the village)
Rice	Rice
Oil	Oil
Salt	Sugar
Clothes	Clothes
Miscellaneous food (spices/vegetables)	Shoes
Education	Kitchen utensils
Health	Electronic goods (mobile phone/radio)
Loan repayment	Watches and jewellery
Investment	

## Investment of remittances and skills

Ratan Bahadur Rawal (32 years old) of Talhyum VDC in Jumla first went to India when he was 13. He went to Kinnaur in Himachal Pradesh where he worked on an apple farm. He learned skills like stem grafting and how to grade and pack apples. He made NRs 2,880 per month, earning NRs 17,280 in six months. Originally landless, he was able to buy a piece of land in his village with his savings and built a house. He started planting apples on a small plot, then sold the plot at a profit and bought another one. He continued planting and selling and currently has 28,000 seedlings of apple, walnut, peach, pomegranate, and lemon on his farm, which he sells mostly to the Agriculture Office. He makes around NRs 200,000 a year, but expects to be able to increase this to NRs 500,000 a year. He has not gone to India since he started his own farm. He says, "I'm glad I went to India, earned money and learned skills. But, there are plenty of opportunities here as well."

enterprises, taking further loans from COs and projects like the Western Upland Poverty Alleviation Project. The typical investment and employment opportunities in the area included raising goats, setting up a shop (tailor's, mechanic's, electrical, cycle repair) or restaurant, high value farming (high value products, organic, vegetable, plant nursery) and construction work.

Most of the migrant workers in the areas studied migrated because they did not have sufficient income to sustain their family for the entire year and could not find enough opportunities to work in their village. Those who already have money or have managed to save money from migration prefer to stay in the mountains with their families, looking after their livestock and agricultural land.

### **Impacts of labour migration**

The positive impacts of labour migration include the financial benefits; acquisition of skills; increased entrepreneurship, exposure, and awareness; and in some cases the empowerment of women who become the de facto head of their households in the absence of men. Labour migration can also have negative impacts such as increased workload for women and exposure to health risks, and can lead to social malpractices.

Labour migrants brought back newly acquired skills and ideas in house construction, carpentry, and electrical work, which could be useful in the villages and provided the seeds of entrepreneurship. Most returned migrants build houses, which was creating a demand for construction workers. However, although opportunities existed, they had not been fully explored by the returnees. If the villagers were able to seize the opportunities and invest their acquired skills and remittances, migration could cease to be the only option for sustaining livelihoods.

In general, educational status was better in those households in which at least one member had migrated to work. The tendency to withdraw boys from school to migrate was also slowly changing as a result of increased awareness of the importance of education, and increased access to resources..

With male outmigration, women members of the family became the default heads of their household, although only temporarily. This had significantly empowered women in the study area, even though women were only allowed to make minor household decisions, leaving the major decisions to be taken by their husbands, brothers, and fathers upon their return. Women who live in joint families reported receiving small amounts of

### **Not all migrant workers can save**

Hari Bishta (34) of Dantola VDC in Bajhang worked in Nainital in India in a hotel for 13 years. He earned NRs 4,800 per month, NRs 750,000 in total. He took his family along and spent everything he earned on food and clothes. He also supported his other family members, brothers, and parents, with his earnings. He says that he didn't save any money, nor did he invest in anything, as he was supporting his family with his earnings. He said, "We don't have a habit of saving and we have no awareness of the importance of saving."

### **Some migrant workers can save a lot**

Tek Bahadur Thapa of Chandannath VDC in Jumla migrated to Malaysia in 1994 and stayed for 14 years. For the first eight years, he worked in a restaurant, but later he opened his own. He sent home NRs 150,000 per year, a total of NRs 1,400,000. When business was good, he made up to NRs 120,000 per month. With the money he sent, his family bought land, which they are now farming. He now has NRs 800,000 in savings and is looking for the right opportunity to invest in Jumla.

### **Labour migration not always a success**

Bogati Chand is from Chauratha VDC, Bajhang. Her husband took a loan of NRs 3000 to migrate to India. After working for sometime he returned by taking a further loan of NRs 7,000, which he spent on alcohol on the way home. Bogati had to sell her gagri (brass water containers) to pay off the loan. She says, "He has been drinking since then and he even beats me up sometimes. But at least, thank God, he is back, otherwise, he could have disappeared in India."

### **Bringing back skills**

Surendra Bahadur Nepali (22) from Khera VDC in Bajhang worked in Delhi in a garment factory where he quickly learned new skills from his colleagues. He bought a sewing machine for 5,000 Indian Rupees and came back to Bajhang to start a tailor's shop. Four years after starting, he now has three machines and has taught his brother and friends to sew. He makes a comfortable NRs 300 per day and does not have to migrate anymore.

money from their husbands, without their in-laws knowing about it. On the negative side, women in the study areas complained that male migration had increased their workload, and that they had less help in the field. Women in Chauratha VDC worked for 17 hours a day on average when their men were at home, which increased further when the men migrated.

### Health risks

Labour migrants are exposed to various health risks including accidents at the workplace and heatstroke. Nepalese migrants generally worked under challenging conditions, and did the most dangerous work, with substantial risk of accident. Nepalese migrants were also exposed to HIV/AIDS. A few cases of HIV/AIDS had been reported in the district hospitals in the study area.

In Bajhang, 15 people have been reported as having HIV/AIDS. In Melbisauna VDC in Bajhang, there had been five deaths from HIV/AIDS. According to the locals, when migrant workers found out that they were HIV positive, they came back to Nepal to die among their family members. Samir Chhetri of Nava Kiran Plus, an organisation working for HIV positive people in Bajhang, said that poverty was the main cause for the rapid spread of the disease. Many people did not know anything about HIV/AIDS, and did not want to know.

### Problems for women

Ritu Sarki is 40 years old and lives in Chheudi VDC in Dailekh. Her husband left for India five years ago, leaving her with three children to take care of. Her husband sold everything to migrate, and even took her Tilhari (marriage necklace). Now she works at other people's houses washing clothes and dishes. She took her son out of school when he was in class 7 (14 years old). Now he is in India and is managing on his own, but also does not send money. Ritu has a problem with her uterus, which is getting worse everyday due to her excessive workload. She still has to raise her remaining two daughters.

## Recommendations and Conclusions

### Recommendations

One of the main reasons for labour migration is the lack of opportunities in the villages. In theory, remittances could be invested in the villages to provide opportunities that would enable people to stay in their home area. Many returned migrants buy property in the cities, instead of investing in their villages. However, there is a potential for growth in the study locations in areas like high-tech farming and high value products, tourism, local services, livestock, and financial institutions.

### High-tech farming and high value products

Lack of modern technology and knowhow has meant that agricultural production in the villages has remained focused on subsistence. Agricultural productivity could increase significantly with proper irrigation, greenhouses, water harvesting, and water reservoirs. The agricultural produce of the region has good potential for sale in the large market centres like Nepalgunj. With the support of the Western Upland Poverty Alleviation Project and SNV (Netherlands Development Organisation), some people had already started selling seabuckthorn juice to suppliers in Kathmandu, which was now being sold in big retail stores.

There is also good potential for agricultural produce like red rice, which is rich in essential vitamins and minerals, local wine, potatoes, apple brandy, and dried fruit. There was a growing market for high value products like yarshagumba, both nationally and internationally. However, lack of market systems, fair trade, and organisation, had left the villagers with little bargaining power; they were being exploited by buyers who offer very low prices for the high risk and effort they invest.

### Tourism as an alternative industry

The Far Western and Mid Western region have remained isolated from mainstream development and have been less explored in terms of tourism. Tourism in Nepal has traditionally been focused on the Eastern and Central Development Regions. However, with its rich natural resources and biodiversity, the Far Western region has strong potential for tourism. Jumla is a transit area for tourists going to Dolpa, and has a sizeable number of tourists every year. Bajhang is famous for its Kaptad National Park, and Dailekh is known for its many historical and religious sites. However, lack of logistics and tourist facilities are a big hindrance to private agencies that wish to promote the region. There is potential for a good return

on investment in tourism infrastructure such as hotels, lodges, tea houses, tea shops, souvenir shops, handicraft outlets, and communication centres.

### Local service sector

The demand for local services has increased with increased cash income from remittances. There was a strong demand for communication facilities such as telephones and the internet at the district headquarters, as well as for electronics repair outlets and tailor's shops. Migrants were used to using electronic communication facilities in the destination countries, creating a potential market for such facilities in the villages. There was a growing demand for communication centres among non-migrant villagers because of the need to communicate with migrant family members. A few returned migrants had invested in tailor's shops after learning the required skills abroad, and these shops had been very successful. Capacity development programmes can be organised around such needs, including training in electronic repairs, tailoring, and design.

### Advanced livestock production

The market for livestock production was ever increasing. With proper technology and knowhow on animal husbandry, livestock can be a good source of income. Some villagers were already successfully involved in livestock production; with increased access to knowledge, training, and capital, the livestock sector could be very productive.

### Financial services

Financing migration was one of the biggest issues in the villages, due to limited access to banks. Informal financial services, such as moneylenders, existed and were popular despite the high rates of interest charged. Community organisations that promoted savings and credit schemes were emerging slowly, facilitated by projects like the Western Upland Poverty Alleviation Project. However, such schemes were not free from problems such as lack of accountability and bad debts. There is a strong need for a better financial solution, and thus a potential business opportunity.

Investment in cooperatives could be a very good use of remittances, as well as a good way of financing migration. A savings and credit cooperative run by women in Jumla was a good example of success. The Shree Kanjiroba Mahila Bachat was a cooperative started by 25 women. It had funds of NRs 2,500,000 in 2001 and loaned money to women at 14% interest and paid interest of 8% on deposits, which was higher than many banks. They also provided training on entrepreneurship and skill development in areas such as chip making, stitching, and vegetable farming. The cooperative did not require collateral, nevertheless their bad debt was low as they had a strong emphasis on the recovery of loans. They used strategies like social boycotting and seizing the houses of debtors. So far, they have helped 400 women.

### Conclusion

The Far Western Development Region is by far the poorest region in Nepal. Agriculture in the hills and mountains of the Far Western and Mid Western Development Regions is rainfed. It depends heavily on weather conditions and thus remains subsistence oriented and production is barely enough for own consumption. Typically there is a lack of cultivable land and landholdings are small. Large family size means that property is divided into ever smaller pieces, exerting pressure on the productive capacity of the land. Other challenges such as unemployment, lack of opportunities, and impacts of disasters (e.g. floods, excessive rainfall and landslides) further compound the vulnerabilities of the local communities.

Labour migration is a major livelihood option in these areas. It is one of the strategies people adopt to supplement their livelihood. Most of the migrant workers from the Far Western and Mid Western Development Regions migrate to India, and the greater part of the remittances to these areas are from India. However, the younger generation is increasingly migrating to countries in the Middle East, Southeast Asia, and the West. Remittances have a major impact on the welfare of recipient households, although the reliance on remittances varied between people depending on their wealth. Remittances were the main source of income for most people in the study areas. Remittances were spent on food, education, health and consumer goods. The opportunities for investment of both skills (e.g. driving, cooking, electrical repair) and money were limited, partly as a result of the lack of support infrastructure, capital or awareness.

The impact of labour migration on social, economic, and gender inequality and on community cohesion in origin communities was still rather ambiguous, and efforts to understand these need to be continued.

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BS = Bikram Sambat (Nepali Calendar)

US \$ 1 = 76.05 Nepalese rupees (NRs) in 2009



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The International Centre for Integrated Mountain Development, ICIMOD, is a regional knowledge development and learning centre serving the eight regional member countries of the Hindu Kush-Himalayas – Afghanistan, Bangladesh, Bhutan, China, India, Myanmar, Nepal, and Pakistan – and based in Kathmandu, Nepal. Globalisation and climate change have an increasing influence on the stability of fragile mountain ecosystems and the livelihoods of mountain people. ICIMOD aims to assist mountain people to understand these changes, adapt to them, and make the most of new opportunities, while addressing upstream-downstream issues. We support regional transboundary programmes through partnership with regional partner institutions, facilitate the exchange of experience, and serve as a regional knowledge hub. We strengthen networking among regional and global centres of excellence. Overall, we are working to develop an economically and environmentally sound mountain ecosystem to improve the living standards of mountain populations and to sustain vital ecosystem services for the billions of people living downstream – now, and for the future.





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