

Labour Migration for Development in the Western Hindu Kush-Himalayas

Understanding a livelihood strategy in the context
of socioeconomic and environmental change



Enabling poor rural people
to overcome poverty

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Executive Summary

Migration is a traditional phenomenon in the western Hindu Kush-Himalayas (HKH), but in recent years, global changes have led to a considerable increase in migration in the region. Migration generates financial and human capital (skills and knowledge) which, if leveraged for development, can help reduce poverty. However, the full benefits of labour migration have yet to be seen in the western HKH. Before developing strategies that can help people benefit more from the migration that is already 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. However, there is little information available on labour migration in this region. To address this lack of information, 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. Information was collected on the type, volume, and mode of transfer of remittances, the impact of remittances in terms of financial flows and the transfer of new skills, perceptions on poverty and development, and gender aspects.

This report provides a synthesis of the results of the three case studies. The major findings for the western HKH region were consistent with those in other parts of the developing world:

- Labour migration is an important livelihood strategy for mountain people in the western HKH and has a significant impact on reducing poverty in the region.
- Internal and south-south migration is predominant.
- Lack of employment and income generating opportunities in the place of origin, food insecurity due to low agricultural productivity, and poverty are the major reasons for migration.
- Lack of opportunities for skill development in the place of origin forces the majority of the unskilled mountain migrants into low paid jobs in the informal sector.
- The majority of migrants remit money through informal channels, mainly because of financial illiteracy and the limited outreach of formal credit institutions in remote mountain areas.
- The volume of remittances sent by the majority of individual migrants is low; but nevertheless, in many areas remittances make a significant contribution to household income.
- There is a lack of investment opportunities in remittance receiving areas due to lack of savings, entrepreneurship, infrastructure, and access to markets.
- Social remittances play a limited, yet positive, role in development in the region.
- Male outmigration has both positive and negative effects on the status, decision-making power, drudgery, and health of women.
- The poorer segments of mountain communities also migrate due to food insecurity.
- Moneylenders are the main source of credit for migration.

The study also identified reasons why labour migration has not yet been fully leveraged for poverty alleviation and development in the region and made the following recommendations as to how to address them.

1. Foster and manage skilled migration.
2. Make more financial services available in rural areas and build financial literacy.
3. Increase competition for remittance transfer and adopt new technologies.
4. Facilitate the investment of social and financial remittances in mountain areas.
5. Address the feminisation of mountain economies.

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