



Returnee Migrant Workers in Nepal Status of Employment, Skills and Access to Government Programmes

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SYNOPSIS

Using data from a sub-national survey of 1225 households, this brief discusses the status of Nepali returnee migrants' participation in local labour markets after their return, the relevance and utilisation of skills gained from overseas employment, and access to existing government programmes targeted at returnee migrants. It ends with a set of recommendations to better support returnee migrant workers.

BACKGROUND

Return migration is considered a crucial part of the migration-development nexus since returnees bring back to home communities human, social and financial capitals.¹ With hundreds of thousands of Nepalis participating in, as well as returning from, foreign labour migration every year, returnee migrants' reintegration into their communities and the labour market has gained significant attention lately. The Covid-19 pandemic pushed this issue in the spotlight as Nepal experienced a huge influx of returnee migrants with the onset of the pandemic.² The Government of Nepal considers the utilisation of 'the skills, technology, knowledge and capital generated from foreign employment in the productive sector in Nepal' to be a major chal-

lenge in the labour and employment sector.³ The federal and provincial governments have realised the high potential of the financial capital as well as skills, expertise and knowledge of returnee migrants in entrepreneurship and for the development of the nation.⁴

Various challenges are observed in effective reintegration and utilisation of skills, knowledge and expertise of returnee migrant workers in Nepal.⁵ Bereft of relevant skills and training, lack of information on employment opportunities, and absence of social networks have constrained migrant workers' access to wage employment.⁶ According to the Nepal Labour Force Survey 2017/18, 14.3 per cent of returnee in Nepal were unemployed.⁷ The



lack of both capital and relevant entrepreneurial skills and training are believed to have diminished returnee migrants' chances for self-employment. Returnee migrants have also underutilised their skills as many are engaged in occupations different from the ones they were involved in while abroad and many even opt to remain out of the labour force completely.⁸

In this context, this brief discusses the patterns and challenges of reintegration of Nepalis returning from abroad. It focuses on returnee migrants' utilisation of their skills and knowledge in Nepal as well as their access to the government programmes such as soft loans aimed at them.

METHOD

The brief draws from the findings of a sub-national survey conducted in March and April 2021 for a larger study on the status of migration in Koshi Province (Province 1).⁹ The data was collected from 1225 households in the province through multi-stage probability sampling and is generalisable at the province level with +/- 2.8 per cent margin of error at 95 per cent confidence level.

KEY FINDINGS

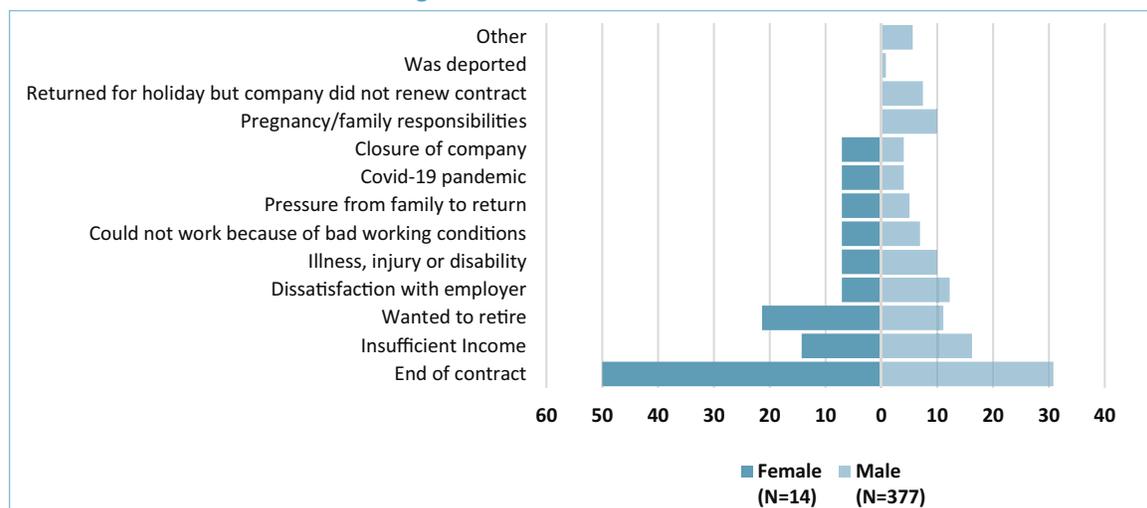
Reasons for return

Nepali migrant workers return home for a variety of reasons (Figure 1). Fewer than one-third of the male migrants (n=377) and half the female migrants (n=14) in the sample had returned due to the completion of their contract. Other major causes of return included insufficient income and dissatisfaction with the employer.

Reintegration of returnee migrants in the local labour market

Returnee migrants were engaged in different types of occupation after their return. Among the primary ones were self-employment in agriculture, self-employment in non-agriculture, and daily wage work in the non-agricultural sector (Figure 2). It is noteworthy that 7 per cent of the returnees were considering to re-migrate even though the study was conducted at a time when Covid-19 related fear and travel restrictions still existed.

Figure 1: Reasons for return



Employment sectors of migrants while abroad

The study shows that the international labour migration from Nepal is dominated by migration for work in occupations that are usually in the lower order in terms of skills and wages. Almost half of the male returnee migrants were engaged in labour work either in a factory or in construction during their employment abroad. Most of the female migrants were employed in domestic work (54.5 per cent) and as helpers/cleaners (18.2 per cent).

Utilisation of skills after return

Returnee migrant workers had acquired different kinds of skills from work experiences and/or training in Nepal and abroad. One-third of the male returnees had acquired skills in agriculture, 21.5 per cent in driving and 18.6 per cent in masonry. In the case of women workers, more than three quarters of female returnees had gained skills in domestic and care work, and 14.3 per cent in hotel work (Figure 3).

However, the skills/knowledge gained

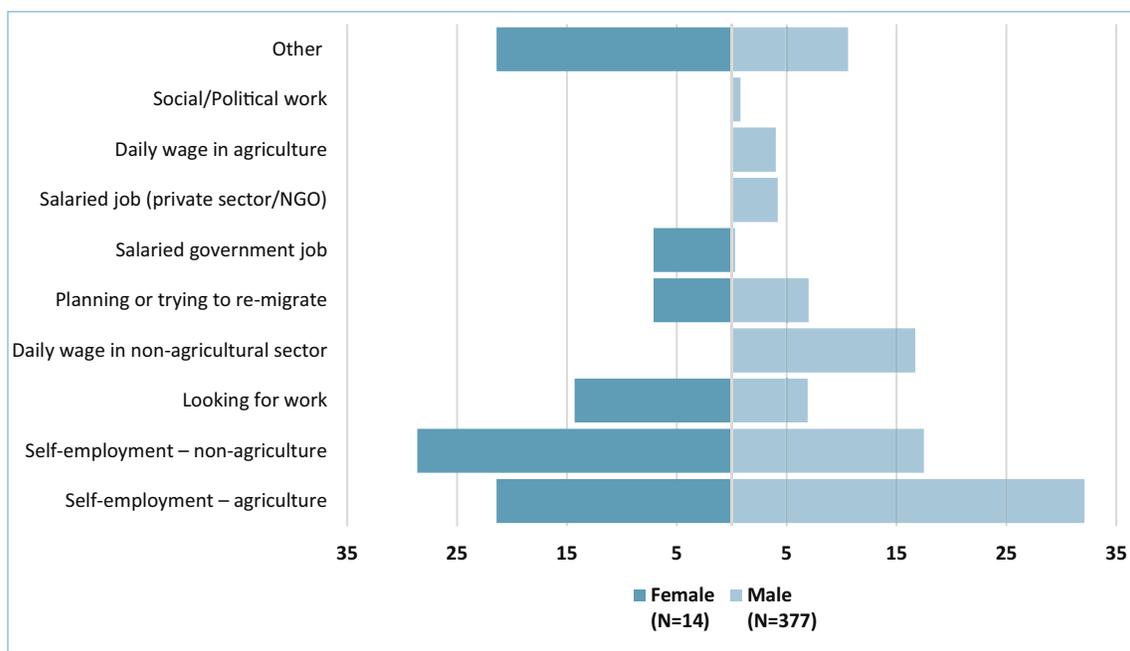
abroad helped only 16.2 per cent of the male returnees and 7.1 per cent of the female returnees find the current employment.

About 28 per cent of returnee migrants had documents attesting to their skills. Most of

Table 1: Occupation of returnee migrants in destination country

	Male	Female
Factory labour	29.9	9.1
Construction labour	18.8	-
Hotel services	10.8	9.1
Security guard	9.9	-
Driving	6.4	-
Helper/cleaner	3.8	18.2
Domestic work	0.6	54.5
Electrician	2.2	-
Salesman	2.2	-
Agriculture	1.9	-
Supermarket	0.6	-
Livestock/fisheries	0.3	-
Unknown to the family	7.3	9.1
Other	5.1	-

Figure 2: Status of employment of migrants after return





them (91.7 per cent) had received the skill certificate from the destination country while 6.4 per cent got it from a private company in Nepal and 3.7 per cent from the government's Council for Technical Education and Vocational Training (CTEVT).

Self-employment of returnee migrants

Twenty-eight per cent of returnee migrant workers said their preferred sector of work was self-employment in agriculture sector (Figure

4) such as goat farming, vegetable farming and dairy farming.

Among returnee migrants interested in self-employment in the non-agriculture sector, construction-based enterprises were the priority of a quarter of the returnees, who also happened to be all males. That was followed by hospitality services, considered a self-employment option by 17.9 per cent of returnee migrants (Figure 5).

Figure 3: Skill areas of returnee migrants

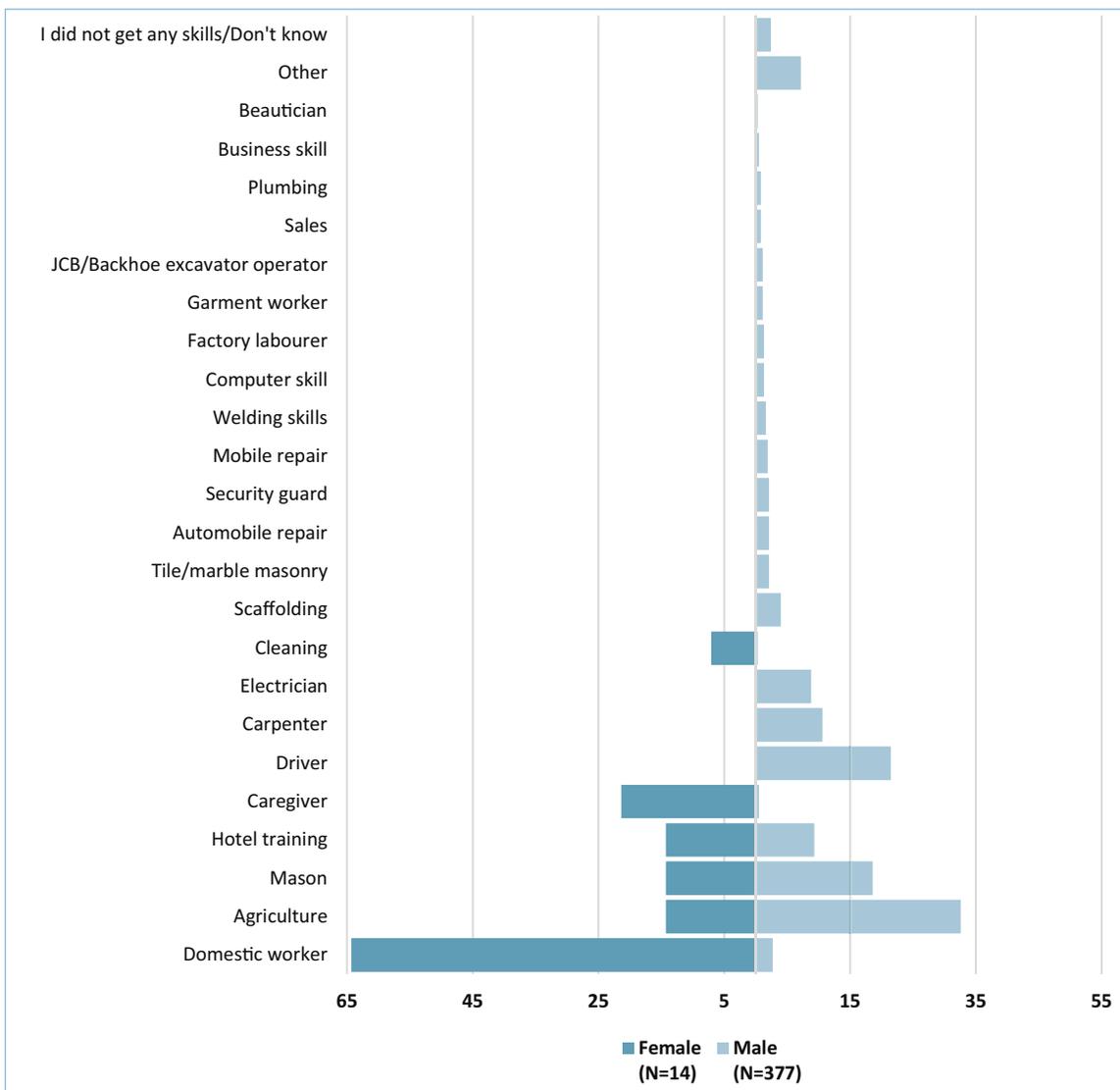
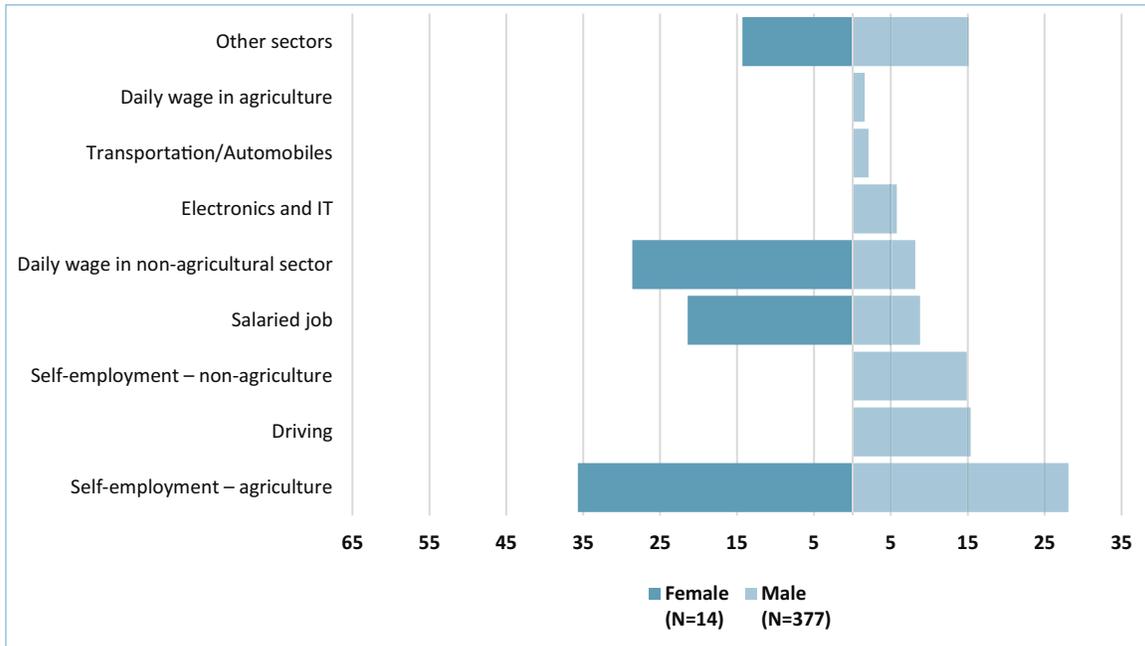


Figure 4: Preferred area of employment/self-employment of returnee migrants

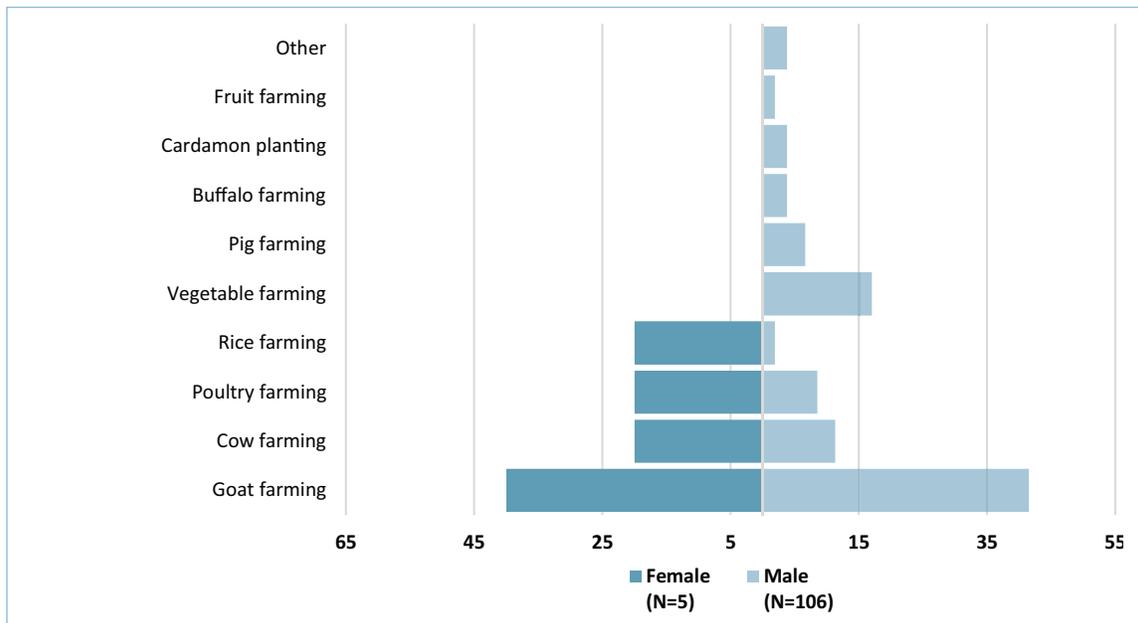


Utilisation of soft loan schemes by returnee migrants

The Government of Nepal has introduced soft loan schemes for targeted population,

with returnee migrant workers considered one of the major beneficiaries. The Unified Working Procedures on Interest Subsidy for Concessional Loans (2018) was introduced to

Figure 5: Preferred areas for self-employment within non-agriculture sector





provide low-interest loans to youths, returnee migrant workers, women entrepreneurs and marginalised groups to begin a business of their own or for pursuing technical and vocational education. There are also other soft loan schemes targeted at returnee migrant workers at the national and provincial levels. However, only 5.6 per cent of returnee migrant workers had taken any loans under these soft loan schemes for agriculture or other productive sectors.

RECOMMENDATIONS

The following recommendations are made to the concerned stakeholders based on the study:

- Collection of comprehensive data on returnee migrants and reintegration situation: This survey found many returnee migrants interested in self-employment in both agriculture and non-agricultural sectors. The provincial as well as local governments can play important roles in collecting comprehensive data on returnees and reintegration at the ward level. It would help the planning process at both levels to keep track of current and returnee migrants by building a comprehensive database on the skills and interest of returnees. The Employment Management Information System (EMIS) needs to be periodically updated towards that end and maintained in a manner to enable the information collected to be used by local governments.
- Skill training and upskilling opportunities for returnee migrants: The study finds only a small proportion of returnees utilising after return the skills/knowledge gained while abroad. The study identified the priority sectors of returnee migrants for self-employment. As such, all three tiers of government can support returnee migrants through skill development based on the skills they possess and also their preferences. The provincial government can also play an important role in connecting entrepreneurs with local and international markets to help them sell their products and services.
- Identification of prior learning: Lack of identification of skills of returnee migrants can create further challenges in their economic reintegration. Identification of skills learnt and qualifications acquired during their migration stint abroad by returnee migrant workers can be beneficial to both themselves and the country. To achieve this, existing tools and system for skill identification and certification must be expanded. Equally important is to ensure that returnee migrants are aware about the existence of such systems and ways to access them. Employers in Nepal need to be made aware about such systems as well so that they recognise and value such accreditation. Awareness campaigns targeting both returnee migrants and employers will be essential.
- Counselling about job opportunities: Provincial governments can support returnee migrant workers through financial and career counselling, making them aware of labour market demands, skill development and vocational training opportunities, supporting schemes that target returnee migrants and providing and facilitating job opportunities.
- Access to labour markets: Prior to conducting skill training and counselling for job opportunities it is necessary to understand the labour market scenario in Nepal and identify sectors with demand for human resources. For this, in addition to creating a comprehensive database of skills and interests of returnee migrants, research on local labour markets can be conducted through collaboration between relevant government and non-government agencies.
- Enhance returnee migrants' access to exist-

ing programmes: The study finds very few returnee migrants making use of government programmes such as subsidised loans. The relevant government bodies should work together to remove barriers in obtaining loans, together with effective dissemination of information about the plans and policies of the central, provincial and local governments, including existing employment and

loan schemes. Local languages can be used in this regard while making use of advocacy campaigns, posters and other means such as radio, television and social media platforms. Furthermore, it needs to be ensured that reintegration plans and programmes are developed through dialogue and consultation with workers, trade unions and civil society organisations, among others.

Endnotes

- 1 In this study, 'returnee migrants' are defined as individuals who have returned from employment or education abroad at any point preceding the survey and have decided to not migrate at least immediately.
- 2 Binay Jung Thapa, Jeevan Baniya, Sadikshya Bhattarai and Vibhav Pradhan, 'Rehabilitation and reintegration of Nepali migrant returnees amid the COVID-19 pandemic,' *International Journal of Innovation, Creativity and Change* 14, No. 6: 19-36.
- 3 National Planning Commission, *Fifteenth Plan: Fiscal Year 2076/77-2080/81* (Kathmandu: National Planning Commission, Government of Nepal, 2020).
- 4 Ministry of Labour, Employment and Social Security, *Nepal Labour Migration Report 2020*. (Kathmandu: Ministry of Labour, Employment and Social Security, Government of Nepal, 2020).
- 5 National Planning Commission, *Fifteenth Plan*.
- 6 National Planning Commission, *The Effects of COVID-19 Pandemic on Foreign Employment and its Impact on the Economy of Nepal* (Kathmandu: National Planning Commission, Government of Nepal, 2020); UN Women, *Returning Home: Challenges and Opportunities for Women Migrant Workers in the Nepali Labour Market* (Kathmandu: UN Women, 2019).
- 7 Ministry of Labour, Employment and Social Security, *Nepal Labour Migration Report 2020*.
- 8 Ministry of Labour, Employment and Social Security, *Nepal Labour Migration Report 2020*.
- 9 Arjun Kharel, Sadikshya Bhattarai, Dogendra Tumsa, Shalini Gupta and Pawan Sen, *Province 1 of Nepal: Migration Profile* (Kathmandu: SDC and CESLAM, 2022).



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