

**Nepal Journal of Multidisciplinary Research (NJMR)**

**Vol. 7, No. 3, September 2024. Pages: 42-58**

**ISSN: 2645-8470 (Print), ISSN: 2705-4691 (Online)**

**DOI: <https://doi.org/10.3126/njmr.v7i3.70867>**

## **Indirect Cost Burden as an Emerging Issue of Foreign Employment in Developing Nations**

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**Types of Research:** Original

Received: April 15, 2024; Revised & Accepted: September 25, 2024

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### **Abstract**

**Background:** The current migration patterns and shifts present significant challenges, including widespread human rights abuses, exploitation of migrant laborers, high indirect costs due to expensive travel, limited affordable credit options, scarce job opportunities for low-skilled workers, and inadequate domestic migration policies. This study aims to identify the additional financial burdens faced by Nepalese migrant workers in Gulf countries.

**Methodology:** A qualitative research design was used, with purposive sampling to select participants who had migrated to Gulf countries. In-depth interviews with 55 migrant laborers were conducted to gather data on cost burdens and employment conditions.

**Findings:** Results showed that the indirect cost burden increased significantly after 2015 due to extended processing periods and technical procedures. Respondents generally preferred regulations before 2015. Despite legal changes like the "Free Visa: Free Ticket" policy reducing direct expenses, intermediaries and other indirect costs have offset this reduction, increasing the financial burden on migrant workers.

**Conclusion:** The study provides valuable insights into Nepal's foreign employment complexities, urging more research and measures for migrant worker well-being. Findings reveal intermediaries exploiting workers by altering passport photos or obtaining counterfeit birth certificates. Additionally, 2% of surveyed workers migrated as young returnees before age 18. These insights are essential to empower recruitment agencies and improve their practices, ensuring safer, prompt, and more productive labor migration.

**Novelty:** This study uncovers the hidden financial burdens Nepalese migrant workers face in Gulf countries. It highlights the offsetting effect of intermediaries on legal reforms like the "Free Visa: Free Ticket" policy. It offers new insights into labor exploitation and emphasizes better regulation and worker protection.

**Keywords:** Foreign employment, indirect cost, employment agency, government regulation, Free Visa, Free ticket.

## **Introduction**

Much discussion has been on the relationship between foreign employment and development and the indirect cost burden among migrant workers in South Asia, including Nepal. However, due to the dynamic character of international migration, unanimity on this subject has not yet been reached. In both academic and policy spheres, there has been a growing focus on the topic of migration costs, particularly the fees associated with recruitment ([Afsar, 2009](#); [Amnesty International, 2011](#); [Crepeau, 2015](#); [Jones, 2015](#); [Jureidini, 2014](#)). Over the years, the number of people going for foreign employment, especially from low-income countries, towards emerging and developed economies has only increased ([Kunwer, 2019](#)). The global population of international migrants grew from 173 million in the year 2000 to 281 million in 2020, as reported by the United Nations Department of Economic and Social Affairs ([UNDESA, 2020](#)). The modern-day scale of overseas labor migration from Nepal is unprecedented, imparting an opportunity to thousands of youths who cannot locate satisfactory, or even any, employment inside the country ([Sijapati & Limbu, 2017](#)). Therefore, going abroad may be the reason for severe poverty, high unemployment rates, frequent natural disasters, lack of livelihood opportunities, and social and family expectations to contribute to the social status despite their preference to stay in Nepal.

Foreign labor migration is now an intrinsic part of ordinary existence for a majority of Nepalese, with its effect virtually seen in each sphere of society – social, economic, cultural,

or even political. [Bossavie and Denisova \(2018\)](#) suggest that migration is viewed as a source of income by the country of origin. Migration plays a crucial role in contributing to Nepal's economy ([Sijapati et al., 2017](#); [Sapkota, 2013](#); [Ratha et al., 2021](#)). It serves as a preferred and legitimate means for numerous households to secure their livelihoods, acting as a strategic measure that has effectively alleviated poverty for many families. Additionally, it is acknowledged as a fundamental right enshrined within various legislative frameworks ([Acharya, 2017](#); [Thapa & Acharya, 2017](#)). However, it also results in a scarcity of labor, a loss of skilled workers, and various socio-economic disparities. It has additionally grown to become a profitable commercial enterprise for those concerned with sending employees abroad. The nation has observed a rise in remittances and a surge in the migrant workforce. For instance, in 2021, Nepal received USD 8.2 billion (equivalent to approximately NPR 1.06 trillion) in remittances, which accounted for 23.8 percent of the country's GDP. This percentage was the tenth highest globally, indicating a significant impact of remittances on the economy ([Ratha et al., 2022](#)).

Remittance money has been directly responsible for more than half of Nepal's remarkable reductions in poverty over the previous two decades ([Jones & Basnett, 2013](#)). According to [Sijapati et al. \(2016\)](#), labor migration and remittances thus are strong drivers of inclusion and poverty reduction and the most realistic hope for inclusive growth in Nepal shortly. However, ongoing problems and challenges must be addressed, including the high migration costs and unrealized benefits of migration and remittances. There has always been a connection between migration and development ([De Haas, 2010](#); [Bakewell, 2007](#)). Numerous empirical studies have demonstrated the beneficial effects of foreign remittances on household welfare, food, nutrition, health, and living circumstances in the countries of origin ([Rahman et al., 2014](#); [Alpaslan et al., 2021](#); [Farooqe et al., 2020](#); [Inchauste & Stein, 2013](#); [Babatunde, 2018](#)). Remittances have a positive impact, leading to increased consumption, investment, and agricultural production while also reducing poverty and improving living standards. They also contribute to food security and nutrition. However, their effects on inequality and economic growth vary across studies.

Current migration patterns and trends present several significant challenges, including widespread human rights violations and labor exploitation of migrant workers, an increase in migrant worker's indirect cost as a result of high travel expenses and a lack of affordable credit options, a lack of employment opportunities for low-skilled migrant workers, and the absence of effective national migration policies ([Pecoud & Guchteneire, 2006](#); [Wickramasasekora, 2013](#); [Hamada, 2012](#)).

According to a report by the International Labor Organization (ILO) in 2020, Nepalese migrant workers utilize various means to secure employment and necessary documentation for overseas labor migration. However, the majority of overseas labor migration from Nepal is facilitated by private sector recruitment firms, also known as manpower agencies, which operate in partnership to send workers to Gulf countries. The 1985 Foreign Employment Act formalized labor export in Nepal, leading the private sector to hire Nepali youth for foreign employment.

Over the last three decades, Nepal's migrant population has grown over threefold, with remittances increasing substantially ([Adhikari & Vince, 2023](#)). In the field of labor recruitment, there is a growing awareness of the critical demand for cross-border labor and the intermediary role played by agencies in connecting Nepalese workers with employers in foreign countries. Recruitment agencies are responsible for sourcing approximately 70% of Nepalese migrant labor, excluding those headed to India ([NIDS, 2012](#); [Thieme & Ghimire, 2014](#)). These companies generally have contacts in those nations and with the applicable authorities' workplaces in Nepal. Private manpower companies are the principal channels through which employers in Gulf nations can procure overseas labor. Accordingly, only some people can get admission to the Gulf's labor marketplace illegally.

Estimates endorse that approximately 5% of laborers getting into Gulf nations achieve this illegally. The strict legal guidelines and merciless punishments related to Gulf nations are that migrant workers are reluctant to risk traveling and operating there illegally. It may be challenging to control and navigate the foreign employment industry, which is a complex and multi-layered institution. It consists of a variety of institutions, regulatory agencies, and non-institutional enterprises. To enhance the sector, the government has attempted to regulate each of these elements.

As of the middle of March 2022, 858 manpower firms had been granted permission to transfer employees to 110 different nations for international employment; 818 of these licensed organizations were currently operating, and 40 were dormant ([Economic Survey, 2022/23](#)). Out of the approximately 800 employment agencies functioning in Nepal, some deliberately create a confusing situation to help migrant workers. However, these cases, although present, have not been considered in the study. International migration is not just a factor in economic and cultural exchange but also a source of many problems. This makes it necessary to conduct a thorough examination of migration risks with a focus on social perspectives ([Kuzior et al., 2020](#)). Additionally, there is a need to address challenges such as high migration costs, unrealized benefits of migration, and the involvement of private manpower agencies in overseas labor migration. The complexity of the foreign employment sector and its multi-layered nature also necessitate more research to improve the sector.

Labor migration has a long history in Nepal, but it has recently experienced significant growth. The government was slow to recognize the potential advantages of international labor migration, and before the 1985 Act, arrangements for overseas work were primarily for technical training in engineering and agriculture, without laws to regulate foreign employment. However, the 2007 Foreign Employment Act acknowledges the rising number of Nepalese seeking work abroad.

In 2015, the Nepalese government enforced the "Free Visa: Free Ticket" policy, which restricted the fees charged to laborers who were relocating to Qatar to a maximum of Rs 10,000. Currently, the government has mandated that all agencies comply with the zero-cost principle and withdraw the Rs. 10,000 caps ([Kathmandu Post, July 2021](#)). This specific law indicates that lawful enterprises are receiving compensation from international clients rather than

migrant labor from foreign countries, which significantly reduces the financial burden of overseas employment for both the agencies and migrant laborers.

According to the preliminary census data from 2021, around 4.4 million Nepalese reside outside of the country in search of foreign employment. The Department of Foreign Employment (DoFE) has identified 110 countries as authorized destinations for Nepalese labor migration. However, it is believed that Nepalese workers are employed in as many as 172 countries, including some that are not officially recognized by the DoFE. However, the majority of Nepal's international employment is restricted to just a few nations: India, Qatar, Malaysia, the United Arab Emirates (UAE), Saudi Arabia, and Kuwait ([Mainali, 2020](#)). The movement of Nepali workers has increased dramatically over the past 20 years, driven by the oil boom in the Gulf Cooperation Council (GCC) nations and labor shortages in Malaysia, South Korea, and Japan, among other South East and East Asian nations.

According to the DoFE's trend in the issuing of work permits, Nepal's outward migration steadily increased during the 2000s. Before steadily declining in the years that followed, the number of labor permits issued peaked in 2013/14 at a high of 519,638. Furthermore, only 72,081 work permits were awarded in 2020/21 as a result of the COVID-19 outbreak and the ensuing restrictions on people's freedom of travel.

One of the leading causes of the decline in labor permit issuance after 2013/14 was the "Free Visa Free Ticket" policy, which was implemented in June 2015. Under this policy, the employer in the destination country was responsible for covering all recruitment costs, airfare, visa fees, and medical examination costs for migrant workers. Due to Malaysian companies' reluctance to cover the costs of hiring Nepali employees, this regulation specifically hurt migration to Malaysia the most ([Sijapati et al., 2016](#)). As of mid-March 2021, the number of migrant workers from Nepal has reached 4,466,973, of which 4,248,547 are males and 218,426 are females ([Nepal Economic Survey, 2020-21](#)).

Labor migration in Nepal has grown significantly over the years. The government's policies, such as the "Free Visa: Free Ticket," influenced the movement of Nepali workers to various countries. However, due to the COVID-19 pandemic, the issuance of work permits declined. The COVID-19 epidemic significantly slowed down the flow of migrant labor. The government of Nepal entirely halted the granting of work licenses until July 2020 after the lockdown was put into effect in March 2020. This completely stopped the recruiting of migrant employees. Despite a rise in the demand for labor from nations including Malaysia, the United Arab Emirates, Saudi Arabia, Romania, Jordan, and Hong Kong, employees could not be deployed since international flights were grounded and the issue of labor permits had been suspended. The COVID-19 pandemic has caused a considerable number of job losses and triggered the large-scale return of Nepali migrant workers. The Nepal Association of Foreign Employment Agencies (NAFEA) estimated that, in 2020, approximately 600,000 Nepali migrant workers, excluding those in India, would have to return to their home country due to unemployment issues. This figure accounted for 25% of Nepali migrant workers who were



working in destination countries. However, labor migration returned to pre-COVID-19 levels once COVID-19 restrictions were relaxed and foreign flights started up again.

While foreign employment can provide economic benefits for both the migrant workers and the country of origin, it is also associated with various indirect costs that can negatively impact the well-being of migrant workers and their families ([Robert, 2005](#)). The study aims to investigate the nature and extent of indirect costs borne by Nepalese migrant workers in Qatar, including but not limited to social, psychological, and financial costs. By examining the indirect expenses of foreign employment, the study aims to raise awareness among policymakers, employers, and the general public about the challenges faced by migrant workers in Qatar, Saudi Arabia, and the United Arab Emirates. Ultimately, the findings of this study could inform the development of policies and interventions to mitigate the adverse effects of foreign employment on the well-being of Nepalese migrant workers in the Gulf; therefore, the COVID-19 pandemic halted migrant labor flow, causing job losses and returns to Nepal. The study aims to investigate indirect costs borne by Nepalese migrant workers in the Gulf nations and inform policy interventions.

## Methodology

### *Design*

The study used a qualitative research design to gain insight into the actual experiences of Nepalese migrant workers during the foreign employment process. This approach examines the participants' backgrounds, beliefs, experiences, and life stories ([Burnaby & Sun, 1989](#); [Simon-Maeda, 2004](#); [Barkuizen, 2009](#)).

### *Population and sample*

The study included all Nepalese workers who migrated to Gulf countries for employment. 55 respondents were chosen based on the criteria of having traveled to Gulf nations for work before or after 2015. [Adhikari et al. \(2023\)](#) conducted their research, specifically targeting the United Arab Emirates (UAE), Qatar, and Saudi Arabia - the critical destinations for Nepali migrant workers in the Gulf. Their findings highlighted Qatar as the primary destination, hosting 32% of Nepali migrants, with the UAE and Saudi Arabia drawing significant numbers, each accounting for 17% of the Nepali migrant population. The non-probability sampling technique has been employed, as it is proven to be more effective and appropriate for field survey research ([Bryman & Bell, 2015](#)). A purposive sampling technique has been adopted to reach the target population, one of the most representative methods, and it is used cautiously. This method is commonly utilized in qualitative research and is an effective strategy ([Dornyei, 2007](#)). The use of purposive sampling is supported by [Devers and Frankel \(2000\)](#), who explained that this strategy is more commonly utilized than other sampling methods.

### *Data collection procedure*

Direct interviews were conducted with 55 migrant laborers at the Qatar Visa Center (QVC), UAE Embassy Nepal, Embassy of Saudi Arabia Nepal, and Tribhuvan International Airport in Kathmandu from November 2023 to January 2024. The purpose of these interviews was to

collect data regarding the cost burden of migrant workers. The selection of respondents encompassed a variety of migrant workers, regardless of the organizations aiding their international relocation. Before administering the questions to the respondents, the structure of the interview was established through a preliminary investigation involving a pilot study comprising seven individuals. The purpose of such a pilot study is to assess the viability of the proposed research methodology and its alignment with cultural and political considerations within the local setting (Perry, 2001). The participants in the pilot study displayed a reluctance to share or consent to the disclosure of their details. Consequently, the implementation of anonymity ensured that participants freely provided information without any reservations. Given the participants' diverse backgrounds, experiences, and language proficiencies, the interviews were carried out in an informal and open-ended manner. Additionally, insights garnered from the pilot study highlighted the necessity of addressing language barriers and variations in participant experiences. This led to using three translators, each representing Maithili, Bhojpuri and Tharu, Tamang and Gurung, and Doteli, during the actual interviews, with unstructured interview techniques yielding the most accurate and dependable data.

## Results and Analysis

### *Demographic profile of the respondents*

According to the study, a large portion of the workforce comprises male employees who are unskilled and poorly paid. Of the 55 respondents, 5% were skilled workers, 27% were semi-skilled, and 68% were unskilled. The research also revealed that most workers, i.e., 80%, were 20-30 years old. Furthermore, it was found that 2% of the surveyed workers were young migrants who had returned to their home country and had migrated before they turned 18 years old. The interviews conducted in the study revealed that brokers used two methods to send young workers. The first method involves a "photo change" approach, in which a young worker is sent using someone else's passport by altering the photo. The second method consists in obtaining a counterfeit birth registration certificate from local authorities and using this fraudulent document to apply for a passport. This latter method is prevalent among individuals from rural areas where obtaining birth certificates during birth is not commonly followed.

After the participant's experiences have been gathered, the researcher aims to confirm them. The information collected from the unstructured interviews is carefully documented and analyzed to reflect the participants' opinions precisely. From these viewpoints, six main themes such as the reason for choosing to go abroad, Convenience of regulations- "Free ticket free visa," Experience in the destination country, Current practice of foreign employment, Role of Brokers and recruitment agencies, and Social and family expectations and cost have been identified and are outlined below.

#### **1. Reason for choosing to go abroad**

When asked how domestic opportunities impact the appeal of foreign employment, most respondents stated that unemployment, limited seasonal work, or insufficient job opportunities in Nepal are the primary reasons individuals seek employment abroad. Furthermore, societal

stigma towards specific jobs creates a challenging environment in Nepal. This leaves foreign migrant workers with the difficult choice of either accepting low-paying and undesirable jobs in a disapproving society or seeking work abroad, with many opting for the latter.

*"Going abroad is not a luxury, but a necessity."*

*After completing high school, he enrolled in a bachelor's program at TU. Frustrated by the outdated syllabus and delays in results of up to 2 years, he watched as a friend who had gone abroad after +2 earned a reasonable sum. He managed to pass his bachelor's degree by any means necessary and tried to secure employment by attending five interviews but faced rejection due to nepotism and favoritism. Feeling disheartened, he decided to take a loan from the bank at high interest rates for agro farming. However, he encountered challenges such as not receiving fertilizer on time and lacking proper market access. Meanwhile, the uneducated society criticized him, stating that an educated man shouldn't engage in farming. Unable to repay the bank loan, he lost his property. Feeling hopeless, he decided to go through the cumbersome bureaucratic process to obtain a passport and pursue foreign employment abroad.*

## **2. Convenience of regulations- "Free ticket, free visa"**

Before 2015, companies in the Gulf hired migrant workers directly. Workers would undergo a simple medical check during work hours and receive compensation. The process typically took eight days, costing between Rs. 45,000 and 50,000.

However, after the rule change, the process became more complicated. Candidates are now responsible for local travel expenses to attend interviews, undergo a Channot process, and apply for visas at the Qatar Visa Center (QVC) and embassies. This has led to significant increases in both time and costs, with an average expenditure of Rs. 7,000 per QVC session.

The COVID-19 pandemic has further complicated the hiring process for migrant workers in the Gulf. Candidates are now required to obtain a vaccine card or book a 14-day quarantine hotel, adding to the average cost and extending the earliest departure time. The average price has increased to Rs. 38,408, and the earliest departure time has been extended to 88 days, reflecting the current challenges in the process.

Despite the average direct cost decreasing to Rs. 38,408 after the regulation change, migrant workers report paying an average of Rs. 85,000 before 2015 and Rs. 160,000 (USD 1,350) from 2015 to 2024 during the interview process.

After implementing the free visa and free-ticket policy for migrant workers, they were only required to pay for pre-departure orientation training, medical examinations, and contributions to the migrant workers' welfare fund. Additionally, if their employers did not pay the service fees to recruiting firms, employees had to pay Rs 10,000. However, even after eight years since the policy was implemented, little has changed. According to the respondents, workers are still being charged high recruitment fees. Despite Nepal's "Free Visa, Free Ticket" policy, many workers pay fees exceeding the legal cap.

Based on the feedback received, the interviewees generally preferred the regulations that were in place before 2015 to the current regulatory period. The previous regulations offered more



convenience, quicker departure times, and lower agent costs. Although the government has reduced the direct cost of foreign employment, the indirect cost has nullified this decrease. As a result, the financial burden of foreign employment has increased due to the rise in agent fees.

### **3. Experience in the destination country**

Many Nepalese workers are lured by promises of good pay and decent working conditions, but unfortunately, they often end up being trapped in debt bondage. They are forced to work in difficult, harsh conditions for long hours without any or meager wages. The recruiters charge extremely high placement fees, putting them in a debt cycle. The speakers also emphasized the role of middlemen and agents in perpetuating this exploitation. They exploit the workers' vulnerability and helplessness and profit from it. Workers employed by "labor supply" or "manpower" companies in the Gulf are often left in unstable situations without long-term contracts. Wage theft is common, and workers may not receive written contracts in languages they understand.

### **4. The current practice of foreign employment**

Hiring migrant workers for jobs in the Gulf starts with the candidates paying for their travel expenses to the interview location. Once selected, they undergo a medical examination, which costs around Rs. 2,940 for male workers and Rs. 3,100 for female workers. After passing the medical requirements, they can apply for a visa. Upon obtaining the visa, they go through the Shram and orientation procedures, which cost Rs. 3708 and Rs. 2800, respectively. Once these steps are completed, they can book their flight to their destination countries, which on average costs around Rs. 41500, including ticket fare, agency fees, and travel and accommodation expenses.

The participants in the study discuss the involvement of recruitment agencies and brokers in trafficking Nepalese migrants and exploiting them through forced labor. Workers are frequently deceived about their job conditions and charged high recruitment fees, sometimes absurd. By the time they realize the truth, it's often too late, and they find themselves trapped in situations they did not consent to. The speaker mentions specific individuals and facilities, although the context remains unclear. The research findings suggest that these recruitment agencies and brokers are complicit in the trafficking and exploitation of Nepalese migrant workers. Many workers are unaware of their rights to file complaints against recruiters and seek compensation, and they lack confidence in their government's ability to deliver justice.

The workers who were interviewed reported that they were aware of the Nepalese government's free method and that it is illegal to use intermediaries. However, they expressed that it would be easier to understand the government procedures and connect with employment agencies and institutions with the help of agents. Additionally, due to the complex nature of the process for foreign employment, these agents have been charging an average of more than 65,000 Rupees. During the interviews, a common complaint was the extended waiting period to secure employment following the regulatory change. The interviewees reported that they had to quit their current jobs because they might have to travel to Kathmandu multiple times after applying for a job abroad.

### **5. Role of Brokers and Recruitment Agency**

Nepali workers seeking Gulf jobs face a complex process with multiple intermediaries who extract money from them. Government-to-government recruitment is absent, leaving private agencies in Nepal to control access to Gulf jobs. Employers prefer to work with Nepali agencies and Gulf-based agencies, which negotiate unfair terms, driving up recruitment fees and sometimes even paying kickbacks. Most job opportunities in Nepal are advertised through licensed recruitment agents. Workers require labor permits issued by the Department of Foreign Employment (DOFE). Nepal has numerous licensed agencies that can handle this process. Aspiring migrants rely on local "sub-agents" services to connect with licensed agencies. However, most of these sub-agents operate illegally. In 2018, the government banned agencies from using sub-agent services. Unlicensed sub-agents still play a crucial role in people's decision-making process regarding labor migration. Nepalis seeking work in the Gulf face a flawed recruitment process that leaves them vulnerable. While it's possible to migrate without recruitment agents, most job opportunities are only advertised through them. This leaves workers with little choice but to engage a recruitment agent, often taking out high-interest loans or selling land. Sub-agents and agencies may use fraudulent tactics to convince workers to commit to these fees, leaving workers at risk of exploitation.

After investigating, it was found that most of the participants reported that a fee was being collected by intermediaries known as "agents" who acted as a middleman between the individuals and the workforce agency. Although these intermediaries are not legally authorized, 89% of the individuals interviewed claimed their presence. However, the remaining 11% were directly hired by the same company and only worked with an agency for scheduling purposes. The interviewees disclosed that the staff members of the agency collect a substantial amount of money in their office through intermediaries or multiple intermediaries. These intermediaries charge an inflated amount, which is not the actual fee charged by the organization. Out of the 89% of individuals who acknowledged the presence of intermediaries, 50% reported having multiple layers of intermediaries, including an agent and a sub-agent.

### **6. Social and family expectations and cost**

Foreign employment in Nepal plays a crucial role in the country's economy, as remittances from abroad significantly improve the financial well-being of families. These funds are often used to enhance living standards, invest in education, and support businesses or property. As a result, families left behind experience notable improvements in lifestyle, including better access to education, healthcare, and consumer goods. However, this can lead to disparities between households with and without migrant workers. Many respondents have noted that the financial benefits of foreign employment often result in changes to housing, with families investing in renovations or new homes to improve their living conditions. This transition to modern housing is especially prominent in rural areas where traditional housing is prevalent. Foreign employment, despite its economic benefits, can strain family ties and lead to emotional distance and fragmentation. With more family members seeking opportunities abroad, traditional joint families are becoming less common, leaving behind elderly parents and young

children. This absence disrupts family dynamics and traditions, potentially leaving children without parental guidance and elderly relatives feeling isolated. While the economic gains are significant, there are social costs associated with foreign employment. The absence of family members can disrupt familial relationships and traditions. Returning migrants may face considerable challenges when reintegrating into their communities due to social expectations and pressures to maintain their elevated status. This may include difficulties finding suitable employment and facing stigma if they fail to meet community expectations.

Furthermore, it has been revealed that the emotional toll of separation and the uncertainties of living in a foreign land can impact both migrant workers and their families. Mental health issues such as anxiety, depression, and loneliness are common among both parties, highlighting the need for adequate support systems.

### **Discussion and Conclusion**

The research findings underscore several significant issues related to foreign employment in Nepal. Despite societal stigma for pursuing alternative career paths, such as farming, and encountering challenges, many individuals demonstrate remarkable resilience and consider foreign employment a last resort. They choose to work abroad due to dissatisfaction with Nepal's educational opportunities and job prospects, high unemployment rates, nepotism, and favoritism in hiring processes.

Nepal's "Free Visa, Free Ticket" policy was implemented to reduce the financial strain on migrant workers. However, despite the policy, many recruitment agencies still impose exorbitant fees on the workers, well beyond the legal limits. These excessive charges have created a significant financial burden for the migrant workers, undermining the policy's intended benefits.

Many Nepalese workers are promised good pay and working conditions but often end up in situations of debt bondage and exploitation. They face harsh working conditions, long hours, and low wages, while recruiters profit from high placement fees. Recruitment agencies and brokers play a significant role in perpetuating exploitation by misleading workers about job conditions and charging high recruitment fees. Workers are trapped in situations that are against their will, with little knowledge of their rights and confidence in government intervention.

The recruitment process for Gulf jobs is complex, with private agencies controlling access to opportunities. Government-to-government recruitment is absent, leaving workers reliant on often unlicensed sub-agents despite government attempts to ban their services.

While foreign employment uplifts families financially, it can also lead to fragmentation. Joint families are becoming rare as migrants' families relocate to cities, leaving behind traditional support structures. Moreover, a significant portion of the workforce consists of young, unskilled individuals, some of whom migrate before reaching adulthood through fraudulent means.

This study sheds light on the complex relationship between foreign employment, migrant laborers, and development in Nepal. The study highlights the impact of regulatory changes,

particularly the "Free Visa: Free Ticket" policy, on the cost burden faced by Nepalese migrant workers. The findings indicate that while the direct costs of foreign employment have decreased, the presence of intermediaries and other indirect expenses have offset this reduction, leading to an increased financial burden for migrant workers. This aligns with the findings of [Rai \(2022\)](#), who highlighted that the policy has not effectively reduced migration costs for Nepali labor migrants, leading to exploitation and fraud. The COVID-19 pandemic further exacerbated the challenges faced by migrant workers, causing job losses and disruptions in the migration process. Despite these challenges, labor migration remains a crucial driver of Nepal's economy, with remittances playing a significant role in poverty reduction and economic growth.

All of the migrant workers interviewed agreed that they were motivated to work abroad due to financial difficulties and the lack of job opportunities in Nepal that could support their families. Additionally, the interviewees stated that they often go abroad every two years, except for important family events such as births, marriages, or deaths. This is consistent with the findings of [\(Sapkota, 2013\)](#), stating that in the least developed countries like Nepal, where there are limited job opportunities at home, overseas migration has become a significant source of employment, leading to an unprecedented inflow of remittances.

The study discovered that the presence of intermediaries as recruitment agencies has resulted in the increment of costs with prolonged time duration till the departure of the workers, which aligns with the findings of [\(Robert, 2005; Chammartin, 2005\)](#), who reported that recruitment companies often charge higher fees, specifically for low-skilled migrants, leaving them in debt, receiving low wages than promised, enduring long hours, and facing unsafe working conditions. The result of the study also showed that a substantial amount of money from migrant workers is not collected by the staff member of an agency in the office but by using other intermediaries who are not legally allowed in this regard. As discussed by UNDP in 2009, facilitating migration through safe and legal channels will help protect the rights of migrants and combat exploitation [\(Klugmann, 2009\)](#).

The research also reveals that a majority of migrant workers are driven to seek employment abroad due to limited job opportunities and financial constraints in their home country, which is consistent with the study of [Ahmad \(2023\)](#), which states that individuals from less developed nations migrate in pursuit of improved prospects, primarily driven by factors such as unemployment and inadequate wages in their home countries. The preference for foreign employment is influenced by societal stigma towards specific jobs and the perception of better economic prospects overseas.

The study pinpointed the challenges experienced by migrant laborers, including labor exploitation, human rights violations, and high migration costs, particularly in light of challenges such as joblessness, wage theft, lack of access to healthcare, violence, and ill-treatment, which is echoed by [Biswas \(2022\)](#) stating that Nepali foreign labor migrants face similar challenges despite the 'free visa, free ticket' policy. It also underscores the importance of raising awareness among policymakers, employers, and the general public about the

challenges faced by migrant workers and the potential negative impact of foreign employment on their well-being. Therefore, in summary, the study underscores the urgent need for comprehensive reforms to protect the rights and well-being of Nepalese migrant workers. The challenges they face, including exploitative practices, inadequate policy implementation, and social implications for families, are not just issues but urgent problems that require immediate attention.

### **Implications and Limitations**

Overall, the research contributes valuable insights into the complexities of foreign employment in Nepal and calls for further study and action to improve the well-being and protection of Nepalese migrant workers. By understanding the dynamics of labor migration and its implications, policymakers can develop more informed and practical strategies to enhance the benefits of foreign employment while mitigating its negative consequences. The research highlights the necessity for impactful policies and actions to tackle the challenges encountered by migrant laborers. Encouraging safe and legal migration while improving oversight of recruitment and fostering bilateral cooperation can safeguard migrant rights and combat exploitation and trafficking. Additionally, offering information on migration procedures and the host country's language can promote integration and facilitate migrants' adjustment to the new job market more swiftly.

In the effort to address the exploitation and extortion of migrants by intermediaries and informal agents in Nepal, directly shutting down these activities would likely be ineffective due to the significant financial transactions involved. Instead, there's potential for progress by integrating a portion of these informal systems into the formal sector. This could lead to benefits such as legitimizing earnings for agents while promoting better practices, monitoring, and professional standards.

Access to information is a significant problem, especially for Nepalese migrant workers who contribute significantly to Nepal's economy. Their remittances make up 20% of the country's GDP, which is crucial for their families' daily needs and future plans. However, the process of migration is often unsafe, and the workers face poor living conditions. The speaker urges the government to ensure the safety and fair treatment of Nepalese migrant workers. The federal, provincial, and local governments should provide easy loans, grant training programs, and other essential support to entrepreneurs, unemployed youths, differently-abled persons, and recent migrant workers who have returned to start their businesses or re-habilitation in society. Using information and communication technologies (ICTs) to connect aspiring migrants with job opportunities has the potential to reduce exploitation substantially. By bridging the geographical and logistical gaps between migrants and employment, ICTs can decrease the influence of corrupt intermediaries who exploit vulnerable migrants. This, in turn, could lead to a significant reduction in exploitation and abuse within the migration process.

The study has been conducted among migrant laborers traveling to three GCC countries (Saudi Arabia, Qatar, and the United Arab Emirates) only. Still, data and various reports indicate a substantial number of migrant laborers going to other nations in the Gulf, such as Kuwait,



Bahrain, and South Korea in East Asia, along with Malaysia in southeast Asia, opening avenues for future researchers to include these areas in similar studies. Additionally, future researchers could explore the experiences and viewpoints of other uncovered stakeholders in foreign employment besides the migrant workers, such as Manpower agencies, intermediaries/ agents, and Government personnel authorized to deal with such issues. Furthermore, other issues such as labor exploitation in the destination countries, health and insurance-related issues, remittances contribution, labor shortages in the home country and their impact on the development, and family-related issues of migrant workers in the home country, could be the areas of exploration for other researchers. Some methodological improvement could be made by employing the mixed method, as this study used only the qualitative approach.

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# Nepal Journal of Multidisciplinary Research (NJMR)

Vol. 7, No. 3, September 2024. Pages: 42-58

ISSN: 2645-8470 (Print), ISSN: 2705-4691 (Online)

DOI: <https://doi.org/10.3126/njmr.v7i3.70867>

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