

**LABOUR MIGRATION, POLICIES AND SKILLS DEVELOPMENT**

Sangita Pudasaini  
Department of Political Science  
[sangitakat35@gmail.com](mailto:sangitakat35@gmail.com)

Received: January 2, 2025    Revised: February 7, 2025    Accepted: May 6, 2025

**ABSTRACT**

The Nepal Labour Force Survey 2017-18 indicates that approximately half a million young individuals join the workforce in Nepal annually. Socio-economic factors, gender discrimination, the effects of climate change, and the limited availability of domestic employment opportunities contribute significantly to the growing trend of labor migration in search of better job prospects. However, many migrants encounter challenges in their destination countries due to a lack of relevant skills. This report seeks to examine and analyze the policy frameworks related to migration governance, the conditions of migrants, and the development of skills. The analysis is based on secondary data sources.

**INTRODUCTION**

Labour migration has become an integral aspect of Nepali society, impacting nearly every household, as a considerable number of Nepali individuals participate in transnational migration, primarily for employment and educational opportunities (IOM 2019a; Sharma et al., 2014). Due to the scarcity of domestic job opportunities, foreign employment has emerged as a viable and sustainable alternative for Nepal's youth.

The 2021 Census reveals that over 2.1 million Nepali citizens live abroad, representing 7.4 percent of the national population, with 81.3 percent of these migrants being men (CBS 2022). Since 2008/09, the Department of Foreign Employment (DoFE) has granted more than 4.7 million 'new entry' labour approvals for Nepali workers seeking foreign employment and has renewed over 1.8 million labour approvals since 2011/12 (Nepal Labour Migration Report 2022, p. 3). According to DoFE's annual report, a total of 741,297 labour approvals were issued in 2023/24, with 145,547 migrants leaving without any formal skills. Labour migration and the inflow of remittances have significantly contributed to the socio-economic development of Nepali households. In 2023/24, Nepal received NPR 445.32 billion in remittances, according to the Nepal Rastra Bank Report, which accounts for approximately 26.3 percent of the nation's GDP. A significant number of Nepali students also pursue higher education abroad. Between 2008/09 and 2020/21, the Ministry of Education, Science, and Technology (MoEST) issued 'No Objection Certificates' (NOCs) to 416,364 Nepali students seeking to study overseas.

While migration for work has a long and varied history in Nepal, recent years have witnessed a marked increase in the number of Nepali individuals migrating to different countries for employment opportunities. Labour migration from Nepal saw a sharp rise following the liberalization of migration policies in the 1990s (Sharma et al., 2014), with the decade-long conflict between 1996 and 2006 further accelerating this trend. This shift coincided with increasing demand and labor shortages in the Gulf Cooperation Council (GCC) countries, including Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. Together, these six GCC

countries, along with Malaysia, remain the most popular destinations for Nepali migrant workers, accounting for over 85 percent of those migrating from Nepal (MoLESS 2020a). Recently, however, migration has expanded to new destinations, with countries such as Albania, Croatia, Cyprus, the Maldives, Malta, Poland, Romania, Turkey, and the UK emerging as popular new choices for Nepali migrants (Nepal Labour Migration Report 2022).

## **OBJECTIVE OF THE STUDY**

This objective aims to undertake a comprehensive examination of the existing policies governing labour migration in Nepal, with a particular focus on the status and challenges faced for skilled migrants' development.

## **REVIEW OF RELATED LITERATURE AND LEGAL FRAMEWORK**

The Constitution of Nepal acknowledges the right to work and the freedom of movement as fundamental human rights. To safeguard the rights of migrant workers, regulate the sector, and develop a skilled workforce capable of competing in the global labor market, the government has enacted various laws, policies, and legal frameworks, including the Foreign Employment Act (2007), the Foreign Employment Regulation (2008), and the Foreign Employment Policy (2012). The Foreign Employment Act of 2007 (Nepal) governs the process by which Nepali citizens seek employment abroad. Its primary objective is to ensure the welfare and protection of workers, safeguard their rights, and prevent exploitation during the migration cycle inside the country and at the country of destination. The Act defines the roles and responsibilities of the government, recruitment agencies, and employers in facilitating foreign employment, including the establishment of guidelines for work permits, contracts, and welfare measures. It also includes provisions for workers' compensation, insurance, and dispute resolution to protect Nepali workers overseas. Furthermore, the Act highlights the importance of proper training and awareness programs for migrant workers to ensure safe and equitable working conditions (The Foreign Employment Act, Section 6, and p.17).

The Foreign Employment Regulation of 2008 complements the Foreign Employment Act of 2007 by providing comprehensive guidelines for the recruitment and management of Nepali workers seeking employment abroad. It details the operational procedures for recruiting agents, the registration and licensing requirements for recruitment agencies, and the respective responsibilities of employers and employees. The regulation also establishes protective measures for workers, including the provision of proper contracts, medical check-ups, insurance, and pre-departure orientation. Additionally, it sets forth standards for the monitoring and management of the welfare of Nepali migrant workers, with the aim of preventing exploitation and ensuring safe working conditions in destination countries.

The Foreign Employment Policy of 2012 seeks to promote safe, legal, and dignified foreign employment for Nepali workers while safeguarding their rights and welfare. The policy emphasizes enhancing the recruitment process, ensuring proper training and skill development, and increasing workers' awareness prior to migration. It also prioritizes the strengthening of government monitoring and support systems to prevent exploitation and human trafficking. Additionally, the policy aims to improve the financial and social well-being of migrant workers and their families through measures such as insurance, legal assistance, and social security.

Ultimately, the policy strives to cultivate a competitive, skilled workforce aligned with the needs of the global market, thereby maximizing the benefits of foreign employment (The Foreign Employment Policy 2012, Section 9.2, p.7).

The Government of Nepal has established the Migrant Resource Centre (Operation and Management) Directive, 2020 to regulate and oversee the operation of Migrant Resource Centers (MRCs). These centers aim to provide information on safe migration practices and maintain records of prospective migrants who visit the MRCs. Located within the District Administration Offices across all districts; the MRCs operate under the supervision of the Ministry of Labour, Employment, and Social Security (MOLESS) and Foreign Employment Boards (FEBs). Additionally, the Directive for Re-Integration of Returnee Migrants has been developed to recognize and streamline the skills, knowledge, technology, and remittances brought back by migrants. This program, which will be implemented and facilitated by FEB, focuses on three key areas of reintegration: social reintegration, employment reintegration, and entrepreneurship reintegration.

To protect and safeguard Nepali migrants within the global supply chain, Nepal has actively engaged with various regional and international networks and has signed several key conventions. These include membership in the Colombo Process, the Abu Dhabi Dialogue, the South Asian Association for Regional Cooperation (SAARC), and the Global Compact for Migration (GCM). Nepal is also a signatory to ILO Conventions No. 97 (Migration for Employment), No. 143 (Migrant Workers - Supplementary Provisions), and No. 181 (Private Employment Agencies). As a member of the Global Compact for Migration, Nepal focuses on promoting safe, orderly, and regular migration, ensuring the protection of migrant workers, and improving the welfare of Nepali migrants abroad through active engagement with the global community. Additionally, Nepal has developed a dedicated implementation strategy for the Global Compact for Migration.

The Government of Nepal has developed the National Action Plan for Business and Human Rights, which outlines clear provisions for protecting migrant workers in destination countries. The plan emphasizes the importance of effective labor diplomacy to ensure the rights and welfare of Nepali workers abroad is upheld. Additionally, it focuses on the implementation of legal frameworks that facilitate the sending of skilled and trained workers for foreign employment. By strengthening these provisions, the government aims to ensure that migrant workers are not only protected in terms of their rights but also prepared to meet the demands of foreign labor markets, contributing to their overall well-being and reducing the risk of exploitation (NAP on Business and Human Rights, p. 25).

## **INSTITUTIONAL ARRANGEMENTS**

The Ministry of Labour, Employment, and Social Security (MoLESS) is the primary government agency responsible for overseeing labor migration in Nepal, ensuring that the process is safe, dignified, and systematic. MoLESS plays a key role in formulating and implementing laws and policies related to foreign employment, as well as participating in regional and international dialogues on migration. The ministry is tasked with executing these laws, policies, and standards, while also engaging in labor diplomacy to protect the rights of Nepali migrant workers abroad. Additionally, MoLESS provides essential support to other relevant government agencies to ensure that foreign employment is safe, decent, orderly, and effectively managed. Through these efforts, MoLESS aims to promote a well-regulated migration system that benefits both the workers and the nation as a whole (<https://moless.gov.np> - Introduction).

**DEPARTMENT OF FOREIGN EMPLOYMENT (DOFE)**

The Department of Foreign Employment (DoFE) is the primary authority responsible for managing and regulating labor migration in Nepal. It plays a critical role in formulating and implementing policies related to foreign employment, as well as collecting and sharing labor migration data to support informed decision-making. DoFE is responsible for issuing licenses to recruitment agencies and private sector organizations, monitoring their operations, and ensuring that recruitment practices comply with established standards. The department also issues labor permits to prospective migrants and conducts research to identify new employment opportunities and emerging destinations for Nepali workers. Additionally, DoFE addresses migrant workers' grievances by receiving, investigating, and resolving complaints, ensuring that workers' concerns are properly managed and their rights upheld.

To further safeguard the interests of Nepali migrant workers, the government has signed bilateral agreements with destination countries, focusing on the promotion and protection of workers' rights. Furthermore, the Foreign Employment Tribunal (FET), a judicial body established under the Foreign Employment Act of 2007 (FEA), provides a legal framework for resolving disputes related to foreign employment, offering an accessible channel for workers to seek justice and protection (Government of Nepal 2007a, s. 64).

**THE FOREIGN EMPLOYMENT BOARD (FEB)**

The Foreign Employment Board (FEB) is an autonomous entity operating under the Ministry of Labour, Employment, and Social Security (MoLESS), established by the Foreign Employment Act (FEA) of 2007 to oversee the welfare of migrant workers. In collaboration with the Department of Foreign Employment (DoFE), the FEB shares responsibility for managing the mandatory pre-departure orientation training (PDOT) for migrant workers. The FEB is also tasked with administering the Foreign Employment Welfare Fund (FEWF), which provides financial support to migrant workers and their families in cases of worker fatalities or injuries. Additionally, the FEB conducts social and economic reintegration programs for returnee migrant workers, determines the curricula and fees for skills training, and oversees activities related to skill testing and monitoring of training programs. Furthermore, the FEB is responsible for publishing and broadcasting awareness campaigns on foreign employment through various media outlets (Government of Nepal 2007a, s. 39; Government of Nepal 2008a, r. 29).

**VOCATIONAL AND SKILL DEVELOPMENT TRAINING CENTRE (VSDTC)**

The Vocational Skills Development Training Center (VSDTC) plays a significant role in organizing a variety of skills development programs and related initiatives designed to enhance the abilities and competitiveness of Nepali youth in both domestic and international labor markets. The center's mandate includes the creation of skilled human resources that align with current market demands, ensuring that training programs are relevant and targeted. It is responsible for developing curricula across various sectors, catering to a wide range of vocational and technical skills training. By offering specialized training programs, the VSDTC aims to equip young individuals with the necessary skills to thrive in diverse industries, ultimately boosting their

employability and helping meet the needs of the labor market, both locally and globally (MoEST 2018).

### **THE COUNCIL FOR TECHNICAL EDUCATION AND VOCATIONAL TRAINING (CTEVT)**

The Council for Technical Education and Vocational Training (CTEVT) is the central government agency tasked with overseeing and managing vocational education and skills training across Nepal. Operating under the Ministry of Education, Science, and Technology (MoEST), CTEVT maintains a presence in all seven provinces, ensuring widespread access to its services. It is the sole authority responsible for administering technical and long-term vocational programs, specifically at the Technical School Leaving Certificate (TSLC) and diploma levels, thereby playing a pivotal role in the nation's vocational education framework.

By the conclusion of the 2020/21 fiscal year, CTEVT reported the existence of 1,100 technical and vocational education and training (TVET) institutions. These institutions are integral to Nepal's efforts to foster skill development and provide upskilling opportunities for a wide range of individuals, including aspiring workers, migrant laborers, and returnees. Through its extensive network of institutions, CTEVT supports the enhancement of vocational skills, ultimately equipping individuals with the qualifications and competencies necessary to access improved employment opportunities, both within Nepal and abroad. This strategic focus on skill development not only addresses the evolving needs of the domestic labor market but also strengthens the employability of Nepali workers in global labor markets, contributing significantly to the country's socio-economic development.

### **SKILLS AND MIGRATION**

The skills of migrant workers play a critical role in securing improved opportunities, higher wages, benefits, job security, and enhanced bargaining power within the global labor market. In contrast, lower skill levels are often associated with reduced pay and more precarious working conditions (MoLE 2018). The value of skills is not only relevant to prospective migrant workers but also to returning migrants (MoLESS and IOM 2022). Skilled workers who return home after gaining international experience can contribute significantly to the local economy by introducing new skills and innovative business models (Nepal Labour Migration Report 2022, p. 77).

The International Standard Classification of Occupations defines skill as "the ability to carry out the tasks and duties of a given job" (ILO, n.d.-a). Skill levels are generally evaluated through education, training, qualifications, and soft skills such as communication, teamwork, and other interpersonal competencies. In Nepal, workers are categorized into skilled, semi-skilled, professional, and highly skilled groups based on the classification provided in the demand letter. However, this system does not align with any international skill classification standards (MoLE 2018). These skills can be acquired through formal channels such as the education system or vocational training, or informally through on-the-job experience in the labor market (Taylor et al., 2012).

According to the annual report from the Department of Foreign Employment (DoFE), while the number of skilled migrants is increasing, high-skilled migration remains relatively low compared to unskilled migration. In the 2021/2022 period, out of 603,090 total migrants, only 0.2% were classified as high-skilled, while 44.93% were unskilled. In 2023/2024, among 741,297 migrants,

only 0.10% was high-skilled. Although the skilled category continues to dominate, indicating a shift from unskilled to skilled migration, the proportion of highly skilled and professional workers has seen minimal change (DOFE Annual reports 2021/22, 2022/23, 2023/24).

Table 1: Skills category with labour permits issued			
Skill category	2021/22	2022/23	2023/24
High skilled	0.02	0.03	0.10
Professional	0.11	0.15	0.37
Semiskilled	8.62	7.85	8.11
Skilled	46.32	65.70	71.78
Unskilled	44.93	26.27	19.63
<b>Total number</b>	<b>630,090</b>	<b>771,327</b>	<b>741,297</b>

## POLICY GAPS AND CHALLENGES

Nepali youth, driven by poverty, inequality, lack of employment opportunities and a lack of fundamental rights, often seek better economic opportunities abroad. This migration trend underscores the pressing need for skills development, which plays a pivotal role in enhancing labor productivity, reducing poverty, securing migrants' livelihoods, and stimulating overall economic growth.

In alignment with the principles and objectives of the Sustainable Development Goals (SDGs), the National Planning Commission (NPC) of Nepal has introduced a comprehensive roadmap, Nepal Sustainable Development Goals: Status and Roadmap: 2016-2030, to guide the country towards achieving these global goals. However, despite this ambitious agenda, labor and migration issues have not been afforded the necessary priority in the roadmap, as well as in subsequent periodic plans and annual budgets.

According to the Ministry of Labour, Employment, and Social Security's (MOLESS) annual report, the lack of an integrated national policy for vocational and skills training, along with delays in the certification of these trainings, represents a significant challenge for migrant workers seeking to improve their qualifications. Moreover, challenges at the policy level, such as weak political and administrative commitment, insufficient priority in policy formulation and implementation, and the absence of a robust coordination mechanism and data validation system, have emerged as key obstacles.

Critical policy issues and challenges also include the lack of effective coordination and cooperation among the three levels of government—federal, provincial, and local. Additionally, there is a need to more effectively utilize and localize the skills acquired by returnee migrants, leveraging migration as a tool to forge global connections that can contribute to the national economy.

Equally important is the need to upgrade the legal framework governing skills training, standardize curricula and certification processes, regulate private training institutions, and ensure that training programs meet both the demands of destination countries and local labor markets. Addressing these issues will be crucial in building a more skilled and competitive workforce (National Policy Brief 2022-IOM, p. 2).

Furthermore, it is essential to involve the private sector in the process, integrate various policies into a unified framework, strengthen local government bodies with enhanced monitoring systems,

and make skill training more practical and demand-driven to ensure its relevance in today's fast-evolving labor market. These actions represent critical priorities to ensure that skills development policies are both effective and sustainable in the long term.

## METHODOLOGY

The research adopts an integrated methodology, combining a rigorous review of relevant policies, guidelines, and frameworks with a comprehensive analysis of secondary data. This dual approach allows for a detailed exploration of the subject, offering valuable insights into the underlying trends and dynamics. By synthesizing both primary regulatory documents and empirical data, the study provides a robust and well-rounded analysis, contributing to a more profound understanding of the topic and supporting the development of informed, evidence-based conclusions and recommendations.

## CONCLUSION AND RECOMMENDATION

In the context of federalism, there has been a notable lack of clear delineation between the roles and responsibilities of provincial and local governments concerning skills training and assessment. This ambiguity is significantly impeding the efficient implementation of skill development programs and the evaluation of migrant workers at the provincial level. There is a pressing need for policy reforms that explicitly define the mandates of federal, provincial, and local authorities, ensuring a streamlined and coordinated approach to skills training and testing.

Additionally, the international recognition of skills testing plays a critical role in determining the pay and benefits that migrant workers receive in their destination countries. Currently, there is no mutual recognition framework for the skills assessments conducted in Nepal, which limits the recognition of Nepali-trained workers abroad. The implementation of the newly introduced National Vocational Qualification Framework (NVQF) could serve as a transformative tool to facilitate the mutual recognition of skills across various countries of destination (CoDs), thereby enhancing the mobility and prospects of Nepali migrant workers.

The Local Government Operational Act 2074 (Article 11, Section P21) mandates local governments to provide skill development training for prospective migrants. This provision is a critical step toward equipping individuals with the necessary skills at the local level, ensuring safe and skilled migration. It is essential to raise awareness about the importance of skill training and the long-term benefits of migrating with recognized competencies. Furthermore, the government's initiative to establish Migrant Resource Centers has proven to be an impactful strategy. However, it is crucial to focus on the effective management and sustained operation of these centers to ensure that they continue to provide valuable services to migrant workers, thereby strengthening the overall migration framework.

## REFERENCES

1. The Ministry of Labour Employment and Social Security:  
<https://moless.gov.np/category/1963/>
2. Department of Foreign Employment: <https://dofe.gov.np/>
3. Nepal Labour Migration Report 2022

4. Policy Brief: Migration and Skill Development IOM 2022:  
<https://nepal.iom.int/publications>
5. Local Government Operational Act 2074: <https://mofaga.gov.np/detail/1697>
6. Foreign Employment Act 2007: <https://moless.gov.np/content/11105/11105>
7. National Action Plan on Business and Human Rights Nepal
8. Migrant Resource Centre (Operation and Management) Directive, 2020
9. Directive for Re-Integration of Returnee Migrants.