**Literature Review :**

Every year, an estimated more than 4 million Nepalis travel abroad for work, equivalent to one-third of the working male population (World Bank, 2011a), and around 7.2% of the population is estimated to be absent at any one time (NIDS and NCCR, 2012). India is the most common destination, with around 72% of migrants: 2 million undertake seasonal migration and 867,000 go there for more permanent work. Of the 1.2 million remaining who travel to countries apart from India (28% of the total), 64% go to Gulf countries, 19% to Malaysia and 15% to other developed countries (Australia, Japan, the UK and the US) (ibid.). These figures suggest that only 21% of those travelling somewhere apart from India do so through formal, registered channels; the remaining migrants use informal channels and transit through India.6 Migrants abroad are mostly employed in manufacturing (32%), construction (16%) and the hotel/catering industry (16%). Labour migration increased at an annual average rate of 47% between 1999 and 2009, using the figures on formal, registered migrants (Nepal, 2010a). The roots of this lie in the 18th century, when Nepalis joined the army of a Sikh ruler in Lahore (the colloquial term Lahure is still used today for all labour migrants), and from the early 19th century the country exported Ghurkha soldiers to the British army (Seddon et al., 2001). Since then, households have employed circular, labour out-migration largely to India, with typically 3% of the population absent. The large expansion and beginning of migration to Malaysia and the Gulf began in the 1990s promoted by more liberal travel policies and the growth of those countries. These trends were further accelerated by the Nepali conflict (World Bank, 2011a), with just one small dip in 2008/09 related to the global financial crisis (NIDS and NCCR, 2012).

Official remittances in 2011 were at NRs. 346 billion ($4.01 billion), equivalent to 21% of gross domestic product (GDP). The real total is likely to be considerably higher, as this excludes remittances from India and informal flows (the Nepal Migration Survey (NMS) estimated that the real figure probably far exceeds 25% of GDP (World Bank, 2011), while extrapolating from other robust figures the total could be $6.3 billion, over 33% of GDP). 8 It is estimated that about half the remittances from abroad come from the Gulf countries, 21% from the ‘other developed countries’ listed above, 19% from India and 10% from Malaysia (World Bank, 2011). Official remittances have grown by an average of 24% over the past 10 years; continuing at present rates, remittances would exceed the total GDP of Nepal in 2020.

**High costs of migration**

Migrants typically find work through agents and travel through informal channels, but registered manpower agencies are also key players. Legislation designed to protect workers is poorly implemented, and migrants find themselves extorted for large fees to secure placements, deceived over various issues, exploited, and subjected to forced labour. The enabling force behind poor conditions for migrants is a demand for unskilled and semi-skilled labour that is far outstripped by supply. The structure of the migratory process, primarily the challenges associated with the large distance between employers and potential employees, creates opportunities for malpractice by middlemen. The protection of Nepali workers is hampered by a lack of jurisdiction, especially by the open border with India, and, crucially, the fact that exploitation is lucrative creates and fuels well-organised constituencies against reform. At home, corruption and political ties hinder enforcement of regulations, and abroad there is limited interest in protecting the rights of migrant workers and sending countries face a ‘race to the bottom’ for wages and rights. Migrants are in a poor position to demand fair treatment, in competition with one another and separated from support networks, and there is low awareness and a lack of information. There is, however, a growing civil society presence on the issue, as well as some assistance from international agencies, and, despite prevailing incentives, recent years have seen increasing political will to seriously tackle the issues. Action is facilitated by a relatively strong knowledge base on many aspects of the issue.

Labour migration as an economic activity is highly ‘inclusive’, on many dimensions. In terms of participation of ethnic groups and people’s geographical origin, labour migration is ubiquitous. Significant numbers participate from the Mountains, the Hills and the Terai, and from all five development regions; migrants are much more likely to come from rural areas than urban, and the Hills are slightly better represented than the Terai proportional to the population, but overall geographic participation is fairly even (World Bank, 2011a). All ethnic groups are also fairly strongly represented, with the lowest probability being Newars (21%) but above average probability for Muslims, Hill Dalits, Hill Janajatis and Brahman/Chhetri