

2015 EARTHQUAKE as a driver of migration

Nepal quake was a push factor driving migration for people living in the earthquake-affected districts.

Nepal has a long history of migration of its labour to seek jobs in foreign countries. The trend has become a socio-economic reality and a vital livelihood option for many people in Nepal. Emigration for jobs abroad is considered to be an important path to an improved socio-economic status of individual migrants and their families and it has contributed in creating prosperity for the society at large.

The outflow of migrants started to increase after Nepal adopted the policy of economic liberalization in the early 1990s, which also coincided with the restoration of multiparty democracy. Similarly, the Maoist insurgency that lasted from 1996-2006 caused turmoil in the political environment of both rural and urban areas. This too propelled the unemployed youth to leave the country to preserve their lives and livelihoods.



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One in four households migrate

The 2011 Census reported that in every four households at least one member was absent or living out of the country. In 2015, Nepal ranked 23rd among remittance-receiving countries in the world. However, in terms of remittance as the percentage of Gross Domestic Product (GDP), Nepal ranked second in 2016. With remittance equivalent to almost one-third of the country's GDP, its important role in the national economy is obvious.

Most Nepali emigrants are unskilled or semi-skilled, involved mostly in the construction and manufacturing sectors. They receive relatively low salaries and live under poor conditions. On average, the salary of Nepali migrant workers ranges from US\$190 to US\$900 per month, while the country's average per capita income is US\$742.

The Government of Nepal formally allows Nepali nationals to work in 110 countries. However, the majority of migrants are concentrated in the Gulf Cooperation Council countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates) and Malaysia. The lack of employment opportunities in Nepal is considered to be the major push factor for the increased volume of labour migration. The total number of labour emigrants has increased significantly, from 198,120 in 1952/54 to 1,921,494 in 2011. According to the 2011 Census, 7.1 per cent of the population migrated overseas. They are otherwise known as "absentee population". This figure reflects the bleak economic condition of Nepal and a lack of appropriate human resource management policy.

Nepal is in Stage Three of demographic transition. This stage is characterized by higher birth rate and lower death rate. With more than 40 per cent of the population considered as youth by the 2011 Census, Nepal has an opportunity to utilize this demographic dividend. Such an opportunity comes only once in a millennium for any country of the world and, that too, for a very short time. According to the 2011 Census report, Nepal has a large economically-active population (57 per cent of the population). Such a large working population

can contribute to rapid economic development, if there are appropriate plans and policies in the economic development arena to ensure their active participation.

Given the scale of destruction and the ensuing reconstruction activities, Nepal needed a large number of skilled and unskilled manpower to fuel the rebuilding. The Post Disaster Needs Assessment (PDNA) report had identified meeting the demand for skilled construction workers as a main challenge for the government. The same report estimated that the housing sector would need 17,500 masons. The increased demand was supposed to create new employment opportunities and push the wages up. Furthermore, the Post Disaster Recovery Framework (PDRF), prepared in 2016, also pointed out that housing reconstruction was likely to generate 322 million workdays of employment over the following five years.

Disaster and migration

Natural disasters can trigger both internal and external migration. The devastating earthquake of April 25 2015 too played a crucial role in such migration. Quite a few families in the affected areas shifted their permanent place of residence, that is, to another Village Development Committee (VDC), or another place in the same VDC or even district. On the other hand, many Nepali migrants working abroad also returned to their families immediately after the earthquake.

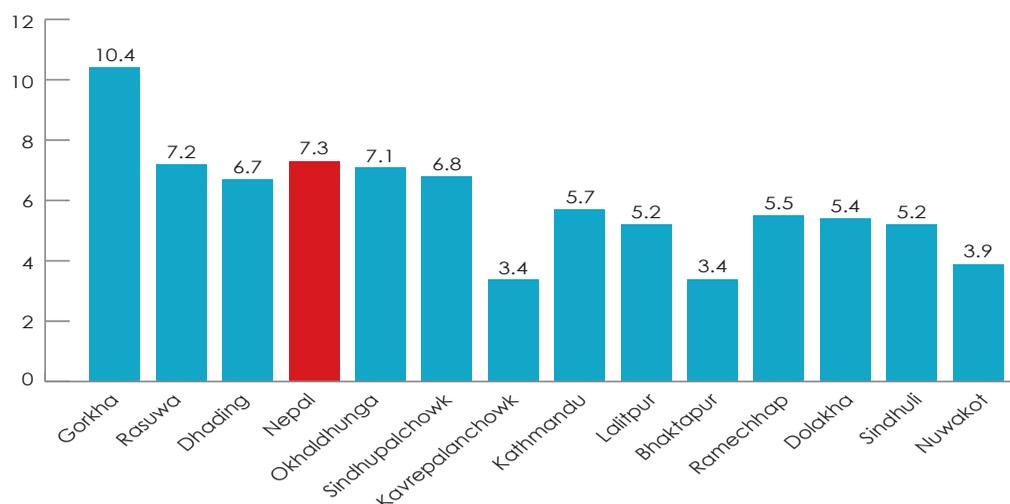
The absentee population percentage is seen varying among the earthquake-affected districts for various reasons. Among the most earthquake-affected districts, the highest percentage of absentees was recorded in Gorkha (10.4 per cent) and the lowest in Kavrepalanchowk and Bhaktapur (3.4 per cent). (Figure 1)

In the immediate aftermath of the earthquake, the number of labour migrants from Nepal to foreign employment destinations decreased sharply. The reason was attributed to resettlement and financial needs of their homes. Many prospective workers decided to stay and take care of their families. However, this reduced emigration was not seen to translate itself into an increased domestic labour supply. One of the prominent reasons cited for slow progress in reconstruction is shortage of able human resources.

About 56 per cent of Nepali households receive remittances. The average income transfer in the form of remittance is NPR 80,436 per recipient household.

Number of labour migrants from Nepal decreased sharply in the immediate aftermath of the earthquake.

Figure 1 Absentee Population (per cent of total population)



Source: Asian Development Bank.

There is a huge disparity in the average remittances transfer between the urban areas and the rural areas. During the earthquake, Nepal had asked the migrant destination countries to pay Nepali workers' salaries in advance, including paid leave. This played a positive role in reconstruction of the earthquake-affected areas.

According to the 2011 Census report, the absentee population size in the earthquake-affected districts was 300,435, or about six per cent of their total population. The proportion of emigrants from rural areas comprised 81.2 per cent against the urban figure of 18.8 per cent.

According to a study by Central Department of Population Studies of Tribhuvan University, the earthquake displaced 2.9 per cent of households in the affected districts. It not only affected migration but also brought some changes in employment patterns. Regarding occupation changes in the earthquake-affected districts, 3.4 per cent of the population in rural and 1.6 per cent of urban areas did so. The earthquake also affected the traditional occupations of about 19.5 per cent of the population in rural and 10.5 per cent in urban areas. Such a change of traditional occupation plays a crucial role in their aspiration to be migrant workers. Migration appears to be the most lucrative path people choose to break their vicious cycle of poverty.

The havoc wreaked by the quake also pushed many youths to migrate within the country to revive their lost livelihood, contributing to the volume

of internal migration. Similarly, it increased the internal migration of children and elderly. Another side of the story is that the earthquake-affected areas also saw an increase in the number of returnee migrant workers who came back to rebuild their destroyed households. So, migration streams and counter streams were noted in the affected areas. The result was that, immediately after the earthquake, the inflow of remittance dramatically increased, but after some period, the inflow began to decelerate.

On the one hand, the earthquake can be said to have increased the out-migration from the fourteen most affected districts. On the other hand, it also decreased labour emigration abroad, ultimately lowering the volume of remittances in the first year. Many returnees opting to stay back to support family members in recovery and reconstruction could be attributed to the reduced remittance growth. There is no quantitative data on the number of those returnees to the affected districts. Anecdotal evidence through interviews with locals and some returnees, suggests that a large number of emigrants were present to help rebuild their houses and restore a sense of normalcy and psychological safety for their family members.

At the same time, the Nepal quake was a push factor driving migration for people living in the fourteen earthquake-affected districts. It displaced people due to explicit and perceived threats to their safety. The direct causes include damage and destruction of households, the resultant landslides burying houses

and the death of family members. Perceived and indirect causes of displacement occur when people are afraid and shift places to avoid the quake's impact they observe in others' lives.

Reconstruction has even shifted the migration pattern. Due to local labour shortage, contractors are seen sourcing workers from Far- and Mid-Western Hills, who would otherwise be seasonal migrants to India. Similarly, earlier, women labourers hardly ventured into skilled works, such as masonry or carpentry, but the labour crunch has prompted them to take up these jobs as well. These fetch higher earnings for them. Hence, reconstruction appears to have changed the labour composition in rural areas.

Remittance in reconstruction

Studies show that in the immediate aftermath of disasters, remittances act as a safety net for the affected households. In Nepal too, remittance inflow surged in the weeks following the earthquake providing an essential means of support to the concerned families.

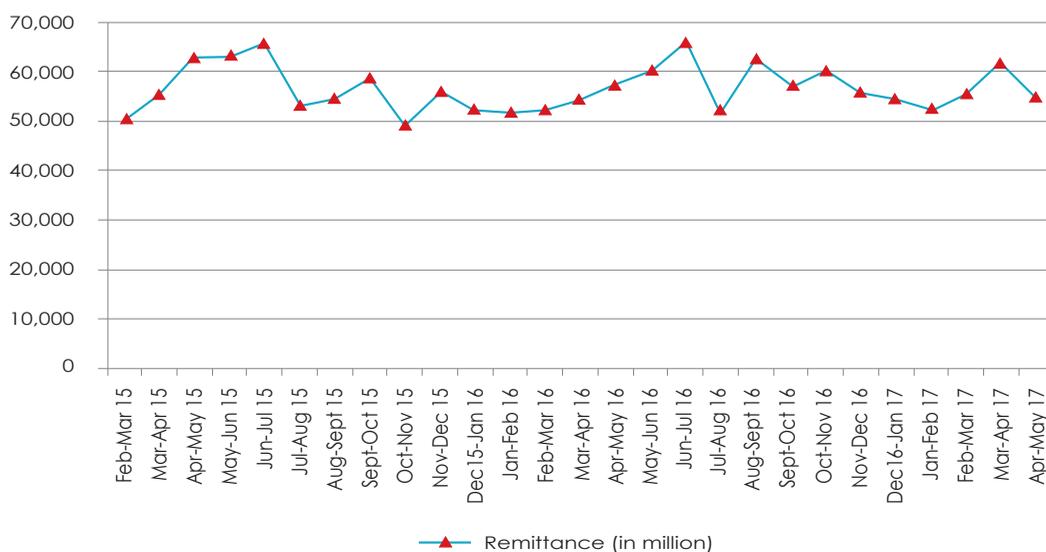
The volume of remittances to Nepal increased from NPR 434.6 billion in FY 2011/12 to NPR 665.3 billion in FY 2015/16. In the subsequent fiscal year it was NPR 695 billion, up by 4.6 per cent. Remittance receipt has reached one-third of Nepal's GDP. It was one-fourth, five years back, thus

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indicating an upward trajectory. However, this trajectory was expected to decrease, not only due to the earthquake, but also because of decreased demand for Nepali labour at the destination countries.

The post-quake increase in remittances could be observed to some extent in the months following the earthquake, that is Jyestha, 2072 (May-June, 2015) and Ashad, 2072 (June-July, 2015). Then, in the consecutive months, remittance started to decline, according to official figures (Figure 2). The swell in remittance could be attributed to migrant workers sending money to support their earthquake-affected families. In the immediate aftermath of the disaster, informal money transfer service providers, such as *hundi* operators, were incapacitated for a short period, while many formal transfer operators waived their service fees. This could have encouraged the workers to send money through formal banking channels. Moreover, many individuals from all over the world were transferring money to Nepal for earthquake relief activities, which could have also inflated the remittance inflow.

Figure 2 Remittance Inflow (in million)



Source: Nepal Rastra Bank

Reconstruction is not supposed to be limited to construction of the destroyed structures, but is also expected to create an army of skilled labour force.

The government grant of NPR 300,000 is insufficient to construct a house and almost impossible for non-migrant worker households without alternative sources of income or credit facilities. The role of remittances in the affected districts becomes obvious here.

Returnee migrant workers in Kavrepalanchowk and Bhaktapur said that their first priority in spending their remittance money was reconstruction of damaged and cracked houses.

Data show that the volume and flow of external migration has decreased after the devastating earthquake, whereas the number of Indian immigrants has increased to fill the construction job vacancies in the earthquake-affected districts, including in Kathmandu Valley. According to the Department of Foreign Employment figures, the number of both men and women receiving labour permits for foreign employment decreased drastically from 52,210 in the month of Chaitra,

2071 to 31,375 in Baisakh, 2072 (April-May, 2015) and, again, to 26,600 in the month of Asadh, 2072 (June-July, 2015) (Figure 3). The main reason cited for the decline was that these potential migrants decided to stay home to support reconstruction and their families.

The number of Nepalis seeking jobs abroad has plummeted since the earthquake as seen from Figure 3. A back of the envelope calculation, based on the demographic trend of Nepal, and given the unemployment rate, also shows that there are 1.1 million youths not engaged in income generating activities or enrolled in educational institutions. Thus, it is paradoxical that reconstruction works have been delayed due to lack of labour. To fill the skills gap, about 42,000 masons have been provided with long-term and short-term training, according to National Reconstruction Authority (NRA) data. Moreover, many international organisations working in Nepal are also active in imparting skills to aid the reconstruction. Despite these efforts, labour availability is still a major issue.

Reconstruction is not supposed to be limited to construction of the destroyed structures, but is also expected to create an army of skilled labour. The new skills, learned by the workers, could prompt sustained job creation. This would help gainful employment long after the reconstruction is over.

Figure 3 Labour permit obtained for foreign employment (Before, during and after the earthquake)



Source: Department of Foreign Employment, 2016.



Impart, use labour skills

The mismatch between the demand for and supply of labour is to blame for the shortage of labour in affected areas, despite rampant youth unemployment. The reconstruction activities were considered to be an opportunity to create gainful employment and skill development for the youth in the country. A slowdown of labour migration and the increased demand for labourers for reconstruction were expected to not only address this issue through greater use of domestic labour, but also expedite reconstruction. Things do not seem to have moved in that direction.

The government job portals, in the form of Employment Service Centres, do not appear to be effective in removing the reconstruction labour paradox. Thus, a more efficient mechanism should be in place to help coordinate job seekers and employers. Introducing a mechanism for guaranteed paid work for the members of the affected population in reconstruction activities could have not only addressed the problem of labour shortage but could also have provided gainful

employment for those affected. Such a provision could be implemented with the help of a binding contract between the NRA and the local person selected for the construction training and eventual participation in the rebuilding process. This would guarantee them a job for a certain number of months and ensure income for those trained, not to mention certainty in the supply of labour for the reconstruction process. The binding contract should also include a provision of repercussion for the breach of the contract. Such a programme should try to include at least one member of each affected families of the area. This would not only provide a source of income for the trained beneficiaries, it would also impart them with skills that would prepare them for similar employment opportunities later at home or abroad. Cash-for-Work programmes implemented by humanitarian agencies and some non-governmental organizations have also been successful.

Additionally, the government could also exploit the skills of the returnee migrants who have worked and acquired skills in the construction jobs at destination countries, in building back better. ■

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