

# CHAPTER I

## INTRODUCTION

### 1. Background

The home of the biggest mountain in the world “Mount Everest” and the birthplace of Lord Buddha is the brief introduction of Nepal. Despite being enormously beautiful, having perfect climate and lots of potentials, recent period witnesses the steady inflow of skilled human resources to developed nation. Brain drain is the migration of highly skilled manpower from the country of origin to somewhere else. In the present scenario, brain drain occurs due to the continuous increase in number of people, who seek for better opportunities either to earn more or to make a better career. The study by Docquier & Marfouk (2006) reveals that the magnitude of brain drain flow seems to be extraordinarily large in recent years; for example, in 2000 more than 50 percent of the skilled migrant stock from Africa, 41 percent from Asia and 34 percent from Latin America left their country. Addition to that brain drain rate is higher in developing countries rather than developed countries. Brain drain is the loss of young and skilled professionals who are providing their skilled service to another country. When the national market cannot fully take care of the growing needs of educated individuals of the society, exploring international market seems to be the best option for those individuals. Nepal has been a land of knowledge. Learning foundation started to develop in ancient age. Since then Nepalese people have been following the same ancient basis for learning. Despite all these, Nepal is now in the verge to lose its potential youth every now and then. Hence, this is the study of such brain drain scenario in Nepalese context. In addition, the most common causes and impacts to brain drain on sending economy are analyzed in the study

In this globalized world people are migrating across countries in search of better opportunities. The emigration pattern, in general, subsists in developing to developed countries dimension and among professionals. Brain Drain refers to substantial emigration or migration of individuals. Furthermore, such individuals possess the advantage of higher training at home. Moreover, Brain Drain shows the net loss for the sending country. One reason for Brain Drain could be turmoil within a nation. Another reason could be better pay in other countries/organizations. Most

noteworthy, Brain Drain is the mass departure of individuals of talents and skills from a country.

Though the migration of skilled manpower is common all over the world, it has created serious problem and huge loss to least developed countries like Nepal. Most of the skilled manpower's are attracted toward developed countries through better incentives, scholarships and better services and facilities. Although remittance has significant and high contribution to national gross domestic product but in long term, it reduces human welfare and economic growth of the nation. Nowadays, migration of agriculture and veterinary graduates is increasing day by day resulting in scarcity of skilled manpower in this sector. This paper aimed to assess the magnitude and determinants of the brain drain of Nepali agriculture and veterinary graduates to abroad, showing that brain drain (or high-skill migration) is becoming dominant pattern of international migration and a major aspect of globalization.

The migration of skilled manpower from least developed countries to developed countries is a global phenomenon and this has helped developed countries to be more stable and prosperous, whereas least developed countries are losing their pillars for the development of the nation. Most of the people migrate from poor and least developed countries to rich and developed countries those are advanced in industrialization and mechanization. Educated skilled graduates are attracted toward developed countries in the form of incentives, scholarships, better living standard and political stability, better job opportunities, etc. It is generally argued that this outflow is compensated through remittances and brain circulation. But this has created a lack of educated and skilled graduates in the respective field which has created a huge gap in the economic development of the country. Brain drain refers to the migration of skilled and educated labor, rooted precariously in the least developed and developing countries since many years. The causes of brain drain can be well justified by pull and push factors like unemployment, liberty, topographical challenge, salary and better opportunities. The development of any country is based on the development of the industrial sector. The shortage of a qualified skilled worker in the country slows the pace of development.

The various pull factors of developed countries are attracting a number of skilled manpower from developing countries. The imbalance in population and economic growth has resulted in migration. This has created good source of skilled manpower

for developed countries and situation of underemployment and scarce of the educated population (skilled manpower) in LDCs and developing countries. Nepal is also exporting substantial human capital either in the form of labor or in the form of skilled manpower. About more than thousand youths migrate abroad specially gulf countries and then European and American countries for various purposes. Te remittance is becoming the major source of the national economy contributing around 28% to national GDP Better education opportunities and better facilities at abroad are major pull factors for the migration from Nepal. Migrations have positive effects such as inflow of huge money and transfer of technology. But, larger migration of skilled and educated people has created scarcity of skilled human resources in the country. Economic growth rate and existing situation of the country is crucial and has high influence on the migration rate of graduates and skilled manpower. High emigration has helped in reducing the poverty due to high remittance flow inside the country. The increase in remittances has reduced the poverty from 49 to 25% in Nepal. Although remittance, skills and entrepreneurship have brought economic benefits, in long term, it reduces the human welfare and economic growth in the least developed countries. A similar threat is felt in Nepal. The problem of brain drain in agriculture and veterinary graduates is prominent. Many of the graduates migrate abroad for further study but they do not return to their home country which has created severe brain drain problem in Nepal. Te status of skilled brain drain has brought negative growth effects due to loss of productive resources from the country. Many graduates go abroad and learn new, high and improved technologies who can contribute directly for the economic development of their country. Some emigrants are using the knowledge and skills gained in abroad to uplift the local economic situation and for better living standard in their own country.

**Geographical Brain Drain-** This refers to the emigration of individuals of high-skills and high-brilliance to other nations. Furthermore, this departure takes place in search of better-paying jobs. Also, these better-paying jobs will lead to a higher standard of living. Most noteworthy, geographical Brain Drain creates a negative impact on the home country's economic development.

Brain drain can be defined as the mass emigration of technically skilled people from one country to another country. In other words, it is the movement of highly skilled

and qualified people towards a country where they can work in better conditions and earn more money. It is also termed as “human capital flight” because it resembles the case of capital flight. Nowadays brain drain is the burning issues of every household in developing countries. Brain drain can occur either when individuals who study abroad and complete their education do not return to their home country, or when individuals educated in their home country emigrate for higher wages or better opportunities (Faini, 2003). Brain drain is the migration of skilled human resources for employment, trade, education, etc. The majority of migration is from developing to developed countries. This is of growing concern worldwide because of its impact on the developing countries. This translates into a loss of considerable resources as well as the talent pool when these people migrate, with the direct benefit accruing to the recipient states who have not worked out the cost of educating them. Nepal is a landlocked country surrounded by India on three sides; East, West and South, and China to its North. The geographical position has been making it a melting ground for people and cultures from both north and south of its borders. In the ancient times, Nepalese migrated from one place to another in search of food and shelter. Likewise, they have been traveling to foreign countries for education throughout history. Nepalese people used to go to Kashi (India) to study. Now, Nepalese people go abroad expecting to get a better and higher quality education and employment. Every middle class family dreams about sending their children to foreign countries for further education. The recent flux of students to USA is evidence to this fact. Besides, many students go to India, China, Bangladesh, Singapore, Russia, Australia, Canada, Germany, U.K. and many other countries around the globe. However, the problem is not about students going abroad, rather, the crux of the problem is that most of the students who go abroad tend to settle in the foreign lands and work there

**Organizational Brain Drain** – This refers to the departure of individuals of skill, talent, and experience from one organization to another. Furthermore, organizational Brain Drain is very harmful for the organization in which this exodus occurs.

**Industrial Brain Drain** – This type involves the movement of skillful workers from one industry to another. Furthermore, industrial Brain Drain is the departure of individuals from one industry to another for better pay. Consequently, this causes a deficiency of talent in the industry which loses its workers to other industries.

## 1.2 Statement of the Problem

In Nepal common trend of migration is outflow of international labor and educational migration which is being crucial issues of Nepal and brain drain challenges for the government. Migration affects the country, and the migrant workers contribute greatly to development, both in countries of origin and countries of destination. Migration can be an effective strategy for livelihood adaptation and important component of the Nepalese economy with receiving remittance. On the one hand, migration increases the remittance rate and improving the livelihood of the people at large number. Generally people are more benefitted but the society and government has been in losses.

Migration has been changing the size of population both at the places of origin and destination. Economically active population is migrated day by day at large numbers despite they have interested in the contribution of economy and social development of the country. Youth and active age population is the pillar of the country's economy and the leaders of the country. Government should provide the employment opportunities in the country for all different skilled types of people but it proves the only dreams of the Nepalese people who want to do work in own country. Because of the poverty, unemployment, and food insecurity active age people are migrated in different countries of the world to fulfill their dreams on the one hand, and on the other hand, country has been losses in development sector and challenging for the political leaders.

The outflow of international labor and educational migration is being crucial issues of Nepal and Brain Drain challenges for the government. It has many positive & negative impacts in socio economic development of the country. Remittance is a major source of foreign currency and contributes positively to recipient country in micro and macro level. Only productive utilization of remittance can magnified in the long run for the better prosperity of the country. So this research finds out the answer to the following questions:

1. What is the present status of the migration in the study area?
2. What are the pulling and pushing factors of migration in this area?
3. How the remittance impact on community to utilize their income in productive sector or not?

4. What is the negative impact of migration in community development?
5. Why they are migrating? What are the consequences?
6. What could be the practical solutions?

### **1.3 Objectives of the Study**

The following are the objectives of this study.

- To analyze the status of education and brain drain in the study area.
- To identify the alternative of employment opportunities.
- To explore the pushing and pulling factors of migration in study area.

### **1.4 Significance of the Study**

Migration is the burning issues in Nepal from very time and all around the world. Remittance has become a major income source of national economy in Nepal. But it is not easy to determine the exact impact of this flow at the household and community level. This study signified in providing the current status of migrated person for different purposes and its impact on changing socio economic development of the society in positive and negative way. It can be helpful for the researcher and development activist to minimize the negative impact or challenges for the future. It could be helpful for the government, policy makers, researchers, planner, social and development activist to mitigate the impact of the migration (reduce the brain drain) for the development of the country.

### **1.5 Limitation of the Study**

As the research has been conducted for the purpose of practical fulfillment of the requirements for the degree of master in rural development, sufficient time and resources were not available during research. So, this study concentrated on a one so, conclusion or generalization of this study may or may not be applicable in other parts of the nation. This study only concerns the outflow of migration, not include domestic migration flow and out migrant of India also not included in this study. This study focused on the population age group of (15-59) only. Similarly this study have others limitations about respondent selection, time, resource and money.

## **1.6 Organization of the study**

This study was organized with five chapters. The first chapter concerns with introduction of the study dealing with the statement of the problem, objectives, significance, limitation of the study. The relevant literatures were reviewed in second chapter for this study. The third chapter deals with the methodology used in this study. The fourth chapter deals with the social, economic, and demographic characteristics of sample population. The fifth chapter were analyses the summary, , conclusion and recommendation of the study area.

## **1.7. Migration and conflict of Nepal**

The historical and socio-economic process of the ten-year armed conflict of Nepal shows that there are many hidden and neglected factors that fostered the contemporary flow of migrants. David Sedan and Karim Hussein argue that the failure of good governance during the armed conflict time has been created pre-conditions such as poverty, inequality, social discrimination and lack of social justice and democracy. (Sedan and Hussein, 2002, p. 8). There are other social-economic and political reasons of the armed conflict of Nepal, such as the joblessness, insecurity and feudal structure that dominated the socio-economically poor people (Bhattarai, 2006, p.11) However, Khatiwada (2012) argues that the migration patterns of Nepal are a mixed of the voluntary and the forced dichotomy, particularly in the post-conflict period. Some people are migrating for seeking better economic opportunities and some others are migrating because of the aftermath of the armed conflict. He further explains that internal conflict- 16 induced migrants who forced to migrate from rural areas could not return in their home town in post-conflict time. They lost their previous job and struggled to find new jobs in newly settled areas. It is because of the weak management of post-conflict reintegration processes of the government of Nepal. The armed conflict of Nepal is the result of a mismatched process of development that gave a foundation for social and economic inequality and exclusion of a large portion of the population, particularly from remote and rural areas wherefrom the conflict originated (Bhattarai, 2006) Previous studies explain the causes of the armed conflict of Nepal and migration independently. However, those causes are interrelated and closely associated with each other in several ways. The rooted initiations of the armed conflict are also the

causes of migration. Upreti, Bishnu Raj et al. (2006) summarize that the economic and political reasons for the armed conflict of Nepal are the subsisting poverty, widespread unemployment and powerbiased corrupt governing system. The abandon to have an access over the production of resources such as agriculture lands and forest, and essential services to poor and remote people are other minor causes of the armed conflict. These causes of the armed conflict are closely similar to the roots of contemporary migration. Prakash Bhattarai (2005) explains that the causes of migration of Nepalese people are poverty, unemployment, political instability and insecurity. In this regard, the causes of the armed conflict and the causes of migration are similar. Now, Nepal is at relative peace, but economy, politics and development progress of the country are influencing continuously by the outcomes of the conflict even in post-conflict time. It took six years to manage combaters who fought in the armed conflict and nine years to formulate a new constitution. This slow process of post-conflict does not address people's expectations. It created many tensions and marginalized groups are fighting to have more equal rights at a practical level, which has been already included in the new constitution. Therefore, the transitional post-conflict status of the country has been continually ignoring the 17 voice of marginalized people. This situation led to the several political demos and strikes inside the country even after the end of the armed conflict, for example, “Madesh Movement” launched by ethnic people of the southern part of Nepal.

### **1.8 Theories of migration**

There are various theories proposed by different scholars to explain the consequences of migration. Scholars like Christina Boswell (2002) divide migration theories into three main types' macro, meso, and micro theories. The macro theory is about push and pull factors of migration. The push factors are mainly war, conflict and the weak economy of the home country, and the pull factors are the demand for labor, better employment opportunities and the easy immigration policies of migrant-receiving countries. The concept of push and pull factors are similar to the “Laws of Migration” derived by the earliest migration theorist Ravenstein Ernest in 1889. The meso theory is related to the system and networks where people want to migrate in those countries linked with similar economic, political and cultural patterns of their home countries. The micro theory deals with the factors influencing individual decisions to migrate, such as the cost and benefits of migration, the



purpose and process to migrate. There are other scholars, such as Douglas S. Massey et al. (1993) who explain different types of international migration theories. The Neo-classical (macroeconomic) theory argues that migration caused by wage differences in labor-abundant or capital-poor and labor-scarce or capital-rich countries. After their migration, the labor wage increases in capital-poor countries and the wage decreases in capital-rich countries. It leads towards the equilibrium in wages and thus migrants intend to return in the home country. However, this wage equilibrium does not affect the skilled migrants, for example, technician and manager. The New Economics of Labor Migration (NELM) theory of Edward J. Taylor (1999) criticizes the conclusion of the neoclassical theory. The wage differences in capital-rich and capital-poor countries and an individual decision is not the main factor to decide to migrate. There are many other factors, such as families and households collectively play the role of the decision of migration. He explores the different socio-economic factors in developing countries such as risk-bearing insecurity, lack of governmental and other support for insurance, credit and loans. The Segmented labor-market theory (Michael J. Piore, 1979) argues that the causes of migration are permanent demand for labor, which supports the economic structure of developing nations. He further explains that the migration is not an outcome of push-factors such as low wages and high unemployment of the developing countries, but it is the outcome of pull-factors of the destination countries facing a massive shortage of labor. This theory suggests that migrants-receiving-countries' economies are dualistic; they have a primary market of secure, well-salaried work and a secondary market of blue-collar or low-wage work. Also, the immigrants are recruited to fill these jobs that are necessary for the overall economy to function but are avoided by the native-born population because of the poor working conditions associated with the secondary labor market. The World system theory (Saskira Sassen, 1988) advocates that international migration is the result of the consequences of globalization and capitalism and it is natural. In the World system theory, capitalism expands towards peripheral regions of capital-rich countries. The raw materials, lands and labors were influenced under the control of the market and people begin to move from those regions. The Network theory (Ivan Light et al., 1989) emphasizes the frequent communication of migrants with friends, relatives and family who are in their home countries support for further migration. Migrants share the information, availability of opportunities and the situation of the

10 destination countries, which reduces the risk and the cost of migration for their relatives and friends. The institutional theory R. P. W. Jennissen (2004) argues that profit-based recruiting agencies and private entrepreneurs arise when there is an imbalance between the vast numbers of people from capital-poor countries, who wanted to migrate and the limited immigration visa to enter in capital-rich countries. Those recruiting agencies and private entrepreneurs provide services related to laborers and employer's contract, arranged marriages between migrants and legal residents, and smuggling and support for international transport. This argument is relevant in the current case of illegal immigrants' problems of the United States of America and the increasing refugee application of Japan.

The central problem in migration research is the absence of a central body of theories that summarises, generalises and systematises the accumulated insights of a vast amount of empirical research, that can serve as a common frame of reference within which to examine, interpret, understand and explain 'facts' and 'findings' from various disciplinary and paradigmatic perspectives, and that can guide future research. Several factors contribute to this lack of progress in our generalised understanding of migration, including:

- the 'receiving country bias' and the concomitant ignorance of the causes, consequences and experiences of migration from an origin-area perspective, leading to one-sided, biased understandings of migration;

the dominance of government perspectives, 'methodological nationalism' (see Wimmer and Glick Schiller [2002](#)) and the related tendency to uncritically adopt state categories to classify migrants and migration, which often sustain distorted, ideological views on migration;

disciplinary and methodological divides, particularly between quantitative (positivist) and qualitative (interpretative) approaches;

the divide between the study of 'forced' and that of 'voluntary' migration; and  
the divide between the study of international and that of internal migration.

Researchers have frequently argued that a comprehensive or universal migration theory will never arise because migration is too complex and diverse a phenomenon (see Castles and Miller [2009](#); Salt [1987](#)). However, this argument is not convincing for two main reasons. First, it would be misleading to suggest that the goal of social

theory is to develop all-explaining, *universal* theories because social phenomena always need to be understood within the specific historical and social contexts in which they occur and can therefore never be captured by a simple set of formulas, ‘laws’, models or regression equations. Second, complexity can never be a reason to abandon efforts to build better social theories. After all, social phenomena are complex by nature and complexity has not stood in the way of theoretical advancement in other fields of social inquiry. In fact, we need to turn the argument upside down: the complexity which is so characteristic of social processes is the very reason why we need social theories, as they help us to make sense of and to discern patterns amidst the sometimes dazzling diversity – and the apparently random, chaotic and non-systemic nature – of human experiences and social interactions. In other words, social theories help us to see the wood for the (empirical) trees.

Importantly, the notion of complexity does not imply that social phenomena and social processes are chaotic or devoid of regularities, patterns or structure. Rather, complexity implies that they consist of many parts in elaborate, multi-layered arrangements. From a micro-perspective, the diversity of migration experiences may seem bewildering but, once we start to zoom out, regularities and patterns tend to emerge. This reflects the very purpose of social theory: to discern patterns in order to make sense of what is happening around us. For instance, as Ravenstein ([1885](#), particularly for the case of Britain) and Mabogunje ([1970](#), particularly for the case of Africa) have already shown, migration is anything but a random phenomenon. In different geographical and historical settings, they both observed that most migrants move along spatially clustered pathways between very particular communities in origin and destination areas. Similarly, at a macro level, Zelinsky ([1971](#)), Skeldon ([1990](#)) and Hatton and Williamson ([1998](#)) observed clear long-term regularities between demographic, economic and social transitions on the one hand and the sequenced emergence and decline of particular forms of internal and international human mobility on the other.

## CHAPTER - II

### LITERATURE REVIEW

#### .2.1 Theoretical Review

The dependency theorists were of the view that remittance never contributes to the development of underdeveloped countries mainly for the reason that international migration encourages brain drain from the developing countries depriving them of the human capital that they desperately need to meet their development goals. Prior to the dependency and structural views, however, the development list and neoclassical thinkers during 1960s and 1970s had maintained optimistic views on remittances believing that capital and knowledge transfers by migrants would help achieve development needs of least developed countries in the world.

ILO(2009) in its publication has shown that the migrant moves in search of employment, taking their families with them is estimated 214 million in the world in 2010. Migration is the result of individual and household weighing the utility that is attainable under different migration regime with the utility from origin place. Migration regimes defined as combination of place (the village of origin in the case of no migration, internal/external migration destination) and sector of employment. There are five potential regime such a non migration, two destination types(internal and international), and two employment sector in each (farm and nonfarm).

Lipton (1980) has focused on migration increases rural inequality, both within and among villages, because pull migration allows the better off migrants to advance in better jobs, while push migration weakens the poor. Positive remittances are disproportionately to the better off *town ward* migrants; international remitters who send back big sums are seldom from the poorest village groups. Remittances are thus unlikely to do much to reduce rural poverty.

Sheathe (2010) in his article, “Women's remittance an upcoming issue for financial discourage” focused on the remittances have been a boon to development and have had significant macro -economic effects in several countries of origin like Nepal. It

is stated that remittance now contributes to 23.6 percent of the GDP, which is the highest in South Asia. According to Nepal Living survey 2004, poverty has been reduced to 31 percent from 42 percent and remittance contributed major role on.

According to Dahal (2014) increasing inflows of remittance in Nepal had positive association with financial development and human capital accumulation, but negative association with international trade. In terms of factors of production it showed positive association with entrepreneurship but negative association with manufacturing. Overall the study showed mixed impact of remittance inflows in the economic growth of Nepal.

National Planning Commission (2007) concluded that out of the total population, 31 percent are living below the poverty line in Nepal. Although, absolute poverty has been reduced from 42 percent to 31 percent during the period from 1996/97 to 2003/04 in total the main reason behind reduction of poverty by 11 percentage points were the faster growth in urbanization, increase in remittance from foreign employment, increase in wage rates in the agriculture sector increase in employment and wage rates in then on-in these anchor man in factories remittance.

Ghost (2009) analyzed that migration also shapes values and attitude towards gender roles within the household. When women move their roles as caregivers changes, admen have been found to be more likely to engage in reproductive activities such as caring for the children and the elderly (King & Vullnetari, 2006). When they emigrate, women are empowered to take more prominent part of community decision making, control their own income, and expand the role in the domestic sphere. (Deshingkar & Grimon, 2005, p.39.).

Khatri (2007) try to examine the remittances impact on poverty reduction in a small country like Nepal can be even higher than the average impact for 74 countries indicated by the UNFPA study. There are two reasons why this can happen: first the country is poor and the per capita income is low; and second productivity is also low. For example, a study done by Nepal Living Standard Survey on the contribution of remittances in reducing poverty between 1996 and 2003 was 11 percent. The other contributors were the increase in agricultural wage, increase in non-farm activities and some decline in the dependency ratio. Butte

major contribution was from remittances sent from abroad. In the same period, the household receiving remittances increased from 23 to 33 percent in the same period, and the share of remittance in total household income increased from 26 to 35 percent during the same period.

Gurung (2006) has mentioned the history of formal labor administration in Nepal is about 70 years old. Its origin can be traced to the start of organized industry in the 1930's, but national structures took form only after the outbreak of the 1947 labor movement in Biratnagar. With the installation of a democratic government in 1951, the labor administration underwent a process of reform to cope with increasing labor problems and to undertake labor welfare measures. The establishment of regional labor offices in the 1960s began with the creation of the first labor office at Biratnagar under the Department of Industry. A Department of Labor was established in 1971, followed in 1981 by Ministry of Labor.

In the past, the Government of Nepal has adopted no specific policies to deal with foreign employment. In the 1740's, the process of unifying Nepal provoked large-scale foreign migrations. Unification brought hardship to peasants and the poor in the form of corvee labor, over taxation, and exploitation from state agencies and their functionaries. As a consequence mass numbers of people migrated to India, where newly established tea states and the opening of land in Assam, Sikkim and Nagaland had made work available. While British rule in India was encouraging such migrations, the Government of Nepal faced as hard a labor condition as it could manage to discourage laborers from seeking work abroad. However, as political relations with the British government in India changed, the Nepali government began to encourage large numbers of Nepalese to migrate for work in what was then the British-Indian army. By World War II, around 20% of Nepal's economically active males were employed by the British-Indian army. Their employment brought the Nepali administration tremendous material benefits and was highly organized and well managed. The process was regulated by bilateral agreements between the respective governments, and did not require any specific policy framework in Nepal.

Shedden, (2005) in his book, "Nepal's Dependence On Exporting Labor" show the history of foreign employment in Nepal dates back almost 200 years, when Britain

began recruiting men from the hillsides of Nepal, known as Gorkhas into the British armed forces. After India's independence in 1947, the Indian military also began enlisting Nepali men. Currently, about 3,500 Nepali soldiers serve in the British army and more than 50,000 Nepalese are enlisted in the Indian military. India was the first country to attract civilian migrants from Nepal. The inflow of working migrants to India has increased sharply since the 1950s and 1960s, and India now represents the largest market for migration to foreign countries in Nepal.

## **2.2 Causes of Foreign Migration**

Shrestha, B. (2004), in her article “Foreign Employment and the Remittance Economy of Nepal” has identified the major factors attributing to large scale out migration from Nepal which are high growth of labor force, high rate of unemployment, limited employment opportunities outside the arm sector, low salary structure in the economy and in security in the rural areas because of insurgency.

Kshetry, D.(2004)in his article “Emigrating Workers in National Perspectives”identified the causes of Nepalese emigration as limited employment opportunities in government and private sector. Under development of industries and rudimentary services sector provides limited number of jobs to ever increasing labor force. In the farm sector which conventionally used to absorb almost all the work force failed to do so because of low motivation for farm sector work. The entrepreneurs in this sector are not enthused to invest more either due to lower returns risking value in this sector. Such events and lure of making quick money at least from legal means by going overseas as for menial work prompted to exit large number of workers from rural Nepal.

## **2.3 Causes and consequences**

Nepal has been facing the problem of a lack of employment opportunities, which is why Nepali young people are willing to go abroad in search of better employment opportunities, personal growth, high-quality accommodation or globalization and search for advanced technology.

For a developing country like Nepal, unemployment has become the major cause of emigration. According to a report, the net migration rate in 2022 is 4.353 per 1,000

population, which is a 19.72 per cent increase from 2021.

Most of the migrants concur on the fact there is a vast wage difference for the same profession in Nepal and abroad. The person with a certain level of qualification working in Nepal and the person with the same qualification working abroad have a huge earning gap. Both invest similar time and money to achieve higher education, but it is not the same for both when it comes to earning, job opportunities and living standards.

It is obvious that people begin to compare and then seek to match the same level of earning. This education-job-wage mismatch ultimately results in brain drain. Brain drain is when competent human resources leave their home country believing their human capital gets appreciated and expect better returns. Looking at the drastic increment in the trend of the past 10 years of foreign employment in Nepal and students taking NOCs (no objection certificates) from the Ministry of Education, the change in policy for improvement seems to be in dire need. Post-Covid, along with the reopening of borders, the Ministry of Education, Science and Technology is issuing around 1,200 NOCs daily to Nepali students for foreign study.

It is undeniable that the flow of remittance has reduced poverty and supported the economy of every family back home. As per last year's data, remittance is equal to more than a quarter of the GDP of Nepal. Despite these perks of remittances, if the government does not proactively address the brain drain, the country will lose its qualified skilled human resources in the critical sectors of the country like education, health, science, technology, and business. Nepal's 15th five-year plan (FY2020-FY2024) aims to achieve national strategies of rapid, sustainable and employment-oriented economic growth. But, the dubiety is whether the country can progress with minimal skilled human assets in the envisaged time.

In an effort to improve the accessibility and quality of higher education, in the last couple of decades, the government of Nepal has initiated the establishment of higher education institutions in different regions of the country. Similarly, other various efforts have been made to improve the curriculum, academic policies, and practices in higher education. However, much is needed to be done to improve the quality of



higher education in Nepal. The fact is that Tribhuvan University, the major higher institution, has been facing various problems including but not limited to the lack of quality education, politicization, and insufficient funding (Mathema, 2007). Mathema, furthermore, suggests that political instability and frequent government intervention are considered to be the most important factors that hinder that improvement in higher education and implementation of educational reform in higher education in Nepal. Gaulee (2014) further suggest that unnecessary political intervention and interference in higher education is one of the major issues in higher education system in Nepal. The lack of quality education in Nepal has prompted many young people to look beyond the country's higher education institutions for better realizing their intellectual potentials and to create the best social and economic opportunities in their careers. Gaulee (2014) further stated that various problems such as lack of quality assurance and success, lack of skilled manpower, political instability in the country have been resulted poor quality in higher education. In contrast, the developed countries offer quality higher education with better job opportunities after graduation. Thus, each year many graduates, including agriculture and veterinary have been migrating from Nepal to developed countries for the quality education (Katel & Sapkota, 2018). As a result, students' migration rate to the developed countries such as United States of America, Australia, European countries etc., have been growing each year. For example, Nepalese students in U.S. colleges and universities was increased by 14.3% in the year 2018 compared to the previous year (US Embassy, Nepal). Katel and Sapkota (2018) further reported that most of the students did not return to Nepal after graduation resulting brain drain. Brain drain has been growing in Nepal in the last couple of decades and also seemed to grow in the years to come. This chapter examines the causes and effects of brain drain particularly in higher education in Nepal.

The concept of brain drain emerged as early as in the beginning of the 20 th century when people around the world, in particular from Europe, began to migrate to distant places in search of better opportunities and the well-being of their lives. Scholars share a common definition of brain drain despite some variations. Brain drain is an international flow of skilled individuals from developing countries especially to North America (Glavan, 2008). Brain drain basically is a process in

which most skilled agents from one economy migrate to live and work in another economy hoping to improve their personal living quality (Brassington, 2012). It also refers to the emigration of highly educated individuals and professionals from developing countries to developed countries (Sahay, 2009). The brain effect refers to return of human capital, skill, technology, and advanced education to the home country; whereas drain effect indicates the loss of skilled professionals that follows emigration. In the context of Nepal, brain drain refers to the flow of (semi)skilled individuals from Nepal to various countries around the world seeking better opportunities and well-being of their lives. A literature review on brain drain yielded no general consensus as it relates to the negative and positive effects for the overall development of home countries in particular for the higher education. Beine et al. (2001) explain brain and drain as two opposite effects: a brain effect and a drain effect. Several studies suggested that brain drain has negative effects for the source country's economy as well as for higher education (Ha, Yi, J. & Zhang, 2016; Lee, 1976; McKenzie, 2006; Sofa Dei & Asgharzadeh, 2002).

The adverse effects of brain drain equally across on teaching, research, and quality of graduate in higher education (Shumba & Mawere, 2012). While several other studies contend that brain drain has positive effects for the source country (Beine, Docquier, & Rapoport, 2008; Carman, 2011; Haupt, Krieger, & Lange, 2010; Miyagiwa, 1991; Mountford, 1997; Romero, 2013; Sahay, 2009). Brain drain, for example, can raise the education as well as income levels of emigrants' country (Miyagiwa (1991). Brain drain has positive effects for both home country and foreign country (Sahay, 2009) and it creates new transitional resources at home country, which foster economic growth including higher education (Mock & Han, 2016). Prior studies with brain drain primarily focus on the economic aspect of source countries as well as foreign countries. Only fewer studies investigated the effects of brain drain in the higher education system of the emigrants' countries. Katel and Sapkota (2018) reported there was a big loss in investment in higher education in Nepal because of brain drain and it is a serious issue in higher education system, particularly in agriculture and veterinary sectors. Apparently, no studies have investigated the effects of brain drain in higher education in Nepal. In this regard, this study sought to investigate the effects of brain drain in higher education system in Nepal. The main reason for brain drain were a) lack of

work/education opportunities, (b) political instability, and (c) less competitive wages. There were more negative effects than positive effects of brain drain for higher education in Nepal. Despite more negative effects, it is in the best interest of the country to utilize brain drain people's knowledge and skill as much as possible for the economic growth and improvement of higher education system in Nepal. However, in the long run Nepal government certainly endeavors to decrease, if not stop, the rate of brain drain for the prosperity of the nation.

In the last couple of decades, the unemployment rate in Nepal rose dramatically. Each year, thousands of college and university graduates entered the labor market seeking jobs; however, there was a huge gap between job seekers and the actual available job openings in the market. Similar to the findings reported by Archery (2013), this study also corroborated that lack of job opportunities in Nepal promoted to the brain drain. Furthermore, if Nepal's economy was not able to absorb the number of graduates, then emigration can be seen as a logical consequence. Additionally, the higher education system has been expanded with newly established higher education institutions, which ultimately produced more graduates each year than ever before. A similar trend has also been noted in other countries, for example in India and China. A growing supply of university graduates in China was one of the main causes of immigration to Canada (Li, 2008). The fact is that if skilled individuals are underemployed or unemployed, the brain drain is simply a symptom of the economic problem of the home countries (Hatton & Williamson, 2005). This trend, however, is not a unique to Asian countries; similar trends are also noted globally. For example, in many African countries unemployment rate is high with little opportunities at the governmental agency, so individuals need to look for alternative options (Lewis, 2011). Emigrating into developed countries seemed to be a good alternative option for many graduates. Low salary was one of the main reasons for brain drain in Nepal, which corroborated the findings reported by Hunter (2013).

He suggested that the causes of the brain drain were associated with non-competitive pay rates, poor resources, and lack of skilled professionals in the field. The findings of this study also concurred with findings of Ngoma (2013) and Romero (2012), where they reported that higher wages was the main reason for the

brain drain. In the globalized world, underemployed or unemployed skilled individual could easily explore alternative options, which likely promote brain drain in Nepal. The widespread corruption that existed in a country was also another factor of brain drain in Nepal similar to the result reported by Okay (2016). He reported that countries with higher level of corruption experiences higher rates of emigrants in particular doctors. Furthermore, the corrupted government does not care about the skilled manpower nor encourage them to stay in the home country. For example, most young doctors in Nepal feel that government or concerning authority did not care about their skill, so the skilled individual believe that it does not matter whether they stay or leave the country (Pokhrel, 2017). The fact is that corruption severally impact educational sector by blocking the institutional reform and corroding innovation and integrity in education (Nguyen et, al.,2016). Apparently, without appropriate reform in higher education system in Nepal, Nepalese people believe that it is difficult to improve the quality of higher education, which likely play the role to increase the rate of brain drain in Nepal. There might be some external reasons for brain drain, which are not associated with Nepal's economic and political condition; rather, they are related to the migration policy adopted by various developed countries. The fact is that there are a growing number of developed countries that have adopted immigration policies particularly aimed at selecting and attracting highly skilled workers (Boeri, Hanson, & McCormick, 2002). For example, Australia, Canada, and New Zealand introduced a point-based system (PBS) to attract high-skilled manpower. Therefore, emigration-friendly policy adopted by various developed countries might also have motivated them to look opportunities elsewhere, leading to brain drain in Nepal.

Migration of youth to other countries to resides, look for employment, study, etc., has bring about a rigid life for most people especially the migrants in where they reside outside their country based on their thinking and beliefs about their stay would be and how things will be going on where they are migrating to. Mostly, what is bothering me and more concern to me is about what influence the youths to migrate and study outside their home country. According to the United Nations (2013), it is said that half of the world population (7 billion) are youth (3, 383, 500, 000  $\approx$  3.3 billion). There are 42% international youth who migrate among the 214 million people worldwide (UN, 2010). They migrate out of their home country to

reside or get knowledge (in more developed area than theirs) because of reasons best known to them. But most of them do say it because of their country's low development, ignorance, infrastructure, the state of their parent's job, education problem or undeveloped structure for learning, strikes, rioting in schools, cultism, fighting among students, etc, which brings about a reduction in the growth rate of the nation because the wheel of development of any country lies on the shoulders of a productive, creative and youthful population.

Youth are also the engine of growth and development which provides the labor force for production of goods and services to increase the per capital level of their country. But by the act of them (youths) moving to other countries as a result of the fault their beliefs, some of them end up being worse persons than to what they thought and fail to achieve their desire of changing residence.

Youths are also often referred to as the leaders of tomorrow. Therefore, the roles of youth are very important to the development of any country.

According to Choudaha and Chang (2012) some 4.1 million people worldwide were studying at colleges or universities outside their home country. Most student migrants come from poorer countries, where the demand for higher education outstrips its supply. China and India, the world's largest developing countries, are also the largest sources of international students (15.8% and 5.6% respectively). The global demand for higher education is expanding. In developed countries, educational institutions look to international students, who are often charged higher tuition fees, to ease budgetary constraints following negative demographic trends and financial disengagement from the state.

In developing countries, rising incomes are driving the demand for higher education but lacks of supply and concerns about quality have pushed locals to look abroad for educational opportunities. As a result, the number of international students grew by one-third between 2005 and 2010, with China accounting for a large share of that growth (Choudaha and Chang, 2012).

According to Bimal Gosh (2000), the reasons why people migrate are diverse. The "traditional" factors include geographical contiguity, historical ties cultural affinity and are still important but accompanied with some new ones. Such as progress in

communication which has brought about an expansion of social networking accompanied with a fall of transport costs and multi-country operations of migrant traffickers. The widening number of sending countries has increased the number of migrants than in the past and most of the migrants are unfamiliar with the culture and the way of life in the receiving country.

According to Meegan (2015), making an institution attractive to international students can be hard work. International students require support as they adapt to the culture of the new countries. They need support academically, and potentially linguistically. So, is it worthwhile to invest valuable resources to students that will be collecting an education and potentially going home? The answer is becoming an increasingly resounding ‘YES!’ International students provide institutions with important cultural and economic connections to the students’ home countries. As of 2012-2013, U.S. institutions hosted 819,644 international students – a record number.

The study shown that most foreign students come from some of the most rapidly growing cities in emerging markets. Further, foreign students study the crucial STEM (science, technology, engineering, and mathematics) in far greater numbers than U.S. students as a whole. According to the Brookings Institution, 45% of foreign students extend their visas and continue to work in the same metropolitan area as their college or university (Meegan, 2015). Not only do foreign students provide the valuable service of creating an increasing international community on campus. They also contribute substantially to the economies of their host communities (Meegan, 2015). There are several ways a University can market itself to the international students; such as:

### **Social Media**

Social media are computer-mediated tools that allow people to create, share or exchange information, ideas, and pictures or videos in virtual communities and networks. Therefore, international students can be influenced by an institution’s Website, Face book page, Twitter, and other web design for that institution, i.e. this can work out for a student seeking to migrate to another country to continue his or her studies. Thus, by checking different institutions on the Web and how their page

are designed (such as the school environment, library, computer laboratories, and other gallery of that institution) gives or attracts a student more to that particular university and he or she goes for it.

### **Recruitment Fairs**

This as well attracts students nationally and internationally around the globe and is more or less of an events (Open days) that brings up together different people from different background and countries. This event especially brings together young graduate of high school students who were seeking for an higher institution to enroll in. Therefore, if an institution comes up with this and to walk students around the school compound, library, computer laboratory, and show them other to know about the school and the program(s) offered in the school, can attract many to join.

### **Partnerships with Organizations with an International Brand**

These help institutions to become an international school by influencing students migrating to other countries, through means of connection via organizations to the students in their country. This is more or less an organization or intermediary which serves as a link to share information between students and other institution outside that country. Through connecting with students in other countries, students become aware of institution outside their country. According to (Meegan, 2015), connecting with international students will help an institution raise its profile. Additionally, international students can provide both fellow students and host universities with important global connections. Also, creating a truly international community on campus can be another way to enrich campus life.

## **2.4 Brain Drain In The Context Of Nepal**

Brain drain is phenomenon in which people of a high level of skills, qualifications and competence leave their countries and emigrate which inhibits the innovation and dynamism leading further loss of local governance capacity.

Our best minds are draining away from many years and its number is increasing day by day. Unlike Nepalese people going for overseas employment, the history of study migration is more. Quality education, part time job, international work experiences

and new culture traditions are attracting them.

These days even small children says that they will get good academic results and will go abroad for happy and secured life .Even financially weak and non-eligible students aim to g abroad by legal or by illegal process . These students are more curious about part time job option and PR processing rather than education. Furthermore permanent residency is offered by countries. Now, even most guardians even suggest to settle them in foreign.

The dramatic increase in remittance due to emigration was responsible for overall reduction in the headcount poverty rate in Nepal. But the emigration of qualified people means loss of human capital which damages long term growth prospect in our country.

Instead of creating employment opportunities and using those brains in our nation building the state itself hire Nepali workers. Here our fertile agriculture fields' remains barren while there Nepali works at 50 degree temperature in golf .The result is that our country has to import everything from neighboring countries.

Nepal government invest so much to produce manpower, only to see them go out ,often permanently .The problem is that many government officers , doctors and other experts go abroad on government allowance. They complete their study and quit the job to settle in host country.

Concerned authorities governmental and non-government al organization is sleeping over problem. I believe it is most dangerous threat for the developing country like Nepal. If this problem is not checked, one day Nepal population will consist old people, small, children and untrained youth.

Crush (2009) defines brain drain as a process of the emigration of skilled and educated individuals from their country of origin to some other country, mainly due to economic, political and social factors. His study assess brain drain as a process in which poor countries lose valuable human capital and rich ones gain needed skills. Developing countries have to face lots of loss when the people who are supposed to



bring the change leave the country for self-growth. Brain drain is simply the emigration of highly trained or intelligent people from a particular country. It is the movement of skilled human resource in search of the improved living and better quality of life, higher income, access to technological advancement and political stability in different places worldwide. In the pursuit of higher education and economic improvement, young, well-educated, healthy individuals are most likely to migrate. In 2000 almost 175 million people, or 2.9% of the world's population, were living outside their country of birth for more than a year (Dodani & LaPorte, 2005). In between 1960 to 2005, the number of international migrants increased from 75 million to 190 million (Docquier & Rapoport, 2012).

Companies and governments in industrialized countries recruit and retain skilled individuals from all over the world to face up to the shortage of specialized human resources. This transfer of skilled labor has consequences on the welfare and growth of sending economies that should be investigated. The concern about skilled migration arose for the first time during the late sixties when a large number of scientists and engineers moved from developing to developed countries. Such reallocation of skilled labor was seen as damaging to sending economies; on the one hand, it reduced the productivity of workers left behind, and on the other, it entailed negative fiscal consequences (Groizard & Llull, 2007). When the skilled human resources leave their country, it is harmed in two ways. First, skilled human resource is lost with each migrant, decreasing experts of the particular profession. In the case of geographic brain drain, the country's economy is harmed because each professional represents surplus spending units. Professionals often earn large salaries, so their departure reduces consumer spending in that country. However, Gibson & McKenzie (2012) have used data for New Zealand, Papua New Guinea and Tonga to examine the determinants of migration and return migration. Their analysis revealed that the migration decisions to be affected by preference variables such as family and lifestyle reasons and risk preferences, and not related to the income opportunities available.

## **2.5 Education policies and Causes of brain drain in Nepal**

Shrestha et al. (2007) provide light in the fact that the higher education in Nepal was not in place until the establishment of democracy in 1950s. After which, Tribhuwan

University (TU) was established with the sole purpose of providing education all over the country. Now slowly the responsibility has been divided among several other universities. Nepalese education system is based more on theories rather than practical knowledge which is declared to be damaging for the students since they cannot perform well in the professional world, one of the reasons why people are leaving the country (Phuyal, 2018). Education system in Nepal has not been able to set the standard education as the education abroad. This is the main reason for the increasing number of students every day. But they are not able to finance their education abroad which forces them to seek for part time job. As they start earning, they get used to the better life style abroad. Due to the degrading quality of Nepalese education sector, it has not been able to generate quality education to the international level. Despite being technologically backward and least developed country, Nepalese people still realize the positive relation between education and economic development of a country. Furthermore, the opportunities of earning while learning has been providing support to the students abroad. Hence, the numbers of people leaving remittance, the most promising segments of human skill are being wasted because of a lack of opportunities within Nepal to build livelihoods and to serve their communities simultaneously (Chen, 2017).

## **2.6 Trade and Foreign Direct Investments**

After remittances, the most powerful source of external finance is trade and FDI. High skilled emigrants provide economic benefits for their home countries through their involvement in trade and foreign direct investment. Based on the experience of several countries, it has been identified that a highly skilled manpower can use the knowledge of the destination country to lower the costs of transacting across countries. High skilled IT workers are seen transferring their skills to their home countries. Even though such investment seems to be small, it is making a huge impact on the developing economies (Gibson & McKenzie, 2012). If a country has more migration opportunities, it means that there is more investment opportunities not only for migrants but also for people who are staying in their own country. Benefits do not only come in the form of remittance, migrants are also involved in boosting FDI back to their country of origin (Sandefur, 2016). Despite the negative welfare on growth and development, brain drain is still helping the sending

economy to generate gains through worker remittances, trade and FDI and human capital. . Furthermore, migrant returnees seem to enhance the welfare by using their accumulated knowledge and experience in professional and entrepreneurial activities, they learned abroad in their home country. The literature suggests several potential channels through which skilled migration can affect welfare and growth in sending countries (Groizard& Llull,2007).The brain drain in Asian countries seems to be the prevailing issues these days because of the rapid increase in the number of people leaving their country.

Political instability, poor quality of life, limited health care access, and a lack of economic opportunities are some of the main causes of brain drain on a geographic scale. These factors cause skilled and talented workers to relocate from source countries for better opportunities.

‘Brain Drain,’ which is a phenomenon in which highly educated, skilled, and talented people from less prosperous countries relocate to more prosperous countries, occurs on a large scale. All over the world, an increasing number of employees are experiencing Brain Drain in order to improve their working conditions. I want to explain the main attractions towards the developed world and why do talented brains leave their countries? Since the beginning of the 1960s, there has been an increased focus on brain drain and its effect on the brain. Agglomerate is opening up a large number of doors for the human capital as a result of globalization, allowing the brain to extract and reap rewards from a large number of high-income and advanced countries. What policies can be implemented to stem such movements from LDCs to DCs? Policy making is lacking in both the academic and governmental worlds.

In general, there are five types of brain drain: Brain Gain, Brain Circulation, Brain Waste, and so on. Intellectuals and skilled personnel or emigrants who move from their home country are referred to as PUSH FACTORS when moving to a new location. Brain drain may have a positive and negative impact on source countries. The developed and rich countries become wealthier and more developed, while the poor and developing countries become poorer and less developed. The effects of remittances and transmittals on family decisions such as professional choice, labor supply, education, investment migration, and fertility are numerous. The legal

system is attempting to force foreign workers to perform illegal work by utilizing the legal system. Those with a background in bio-medicine, education, or health care, as well as those with a master's degree or higher, are among the skilled and qualified individuals on the labor visa list in France, the United Kingdom, Denmark, and other countries.

Brain drain has an impact on the sending region as well. It can lead to higher public costs, a reduction in human capital, a reduction in innovation, a reduction in economic growth, demographic shifts, and a reduction in economic growth. Brain drain benefits both returnees and Diasporas abroad, in addition to stimulating education, increasing remittance flows, lowering international transaction costs, and generating benefits for both returnees and Diasporas.

Governments and non-governmental organizations must collaborate to create a more welcoming environment for brain drain and to make migration easier for migrants and their families.

According to the World Bank, there is a global problem of brain drain. The consequences are severe for the countries involved and for the entire world. The loss of human resources is not only a problem for the countries that are losing them, but it also has a negative impact on the countries that house the migrants.

One of the primary reasons for brain drain is the high salaries that skilled professionals in developed countries can earn. This is often the reason why these professionals decide to leave their home countries. Talented individuals who are unable to work are also prone to brain drain. Because there are so many people leaving, many developed countries are having difficulty finding skilled workers. This is especially concerning in fields such as technology and engineering, where demand is high. Furthermore, the exodus of talented people has a negative impact on the development of new ideas. People born and raised in developed countries are responsible for much of the world's most inventive ideas, but the talent pool that exists to invent new things is becoming thinner as people leave.

Furthermore, skilled workers are a significant source of employment in a country, and the loss of skilled workers can have a negative impact on its economy. Many people prefer to leave rather than stay when they feel their confidence in the

economy has been eroded. Fortunately, there are various ways for countries to combat brain drain. To increase education funding, it is a good idea to develop a long-term education budget. It is critical to allocate funds wisely, prioritize education, and make the most of each dollar spent. Another option is to encourage distance learning. Students can learn from a variety of sources, including online providers, using this type of education. It is especially beneficial for people who are unable to travel to school. Finally, it is critical to empower the academic sector. Training, education, and research opportunities for employees in this field are all part of the program. As a result, the talent pool in developed countries will remain strong.

There are many causes of brain drain in Nepal. One of the primary causes is the lack of opportunities for skilled workers. Nepal has a very low rate of employment for skilled workers, and many Nepalese have to leave the country in order to find work. Additionally, the wage gap between Nepal and developed countries is quite large, meaning that Nepalese workers often earn much less than their counterparts in developed countries. This often leads to skilled workers leaving Nepal in search of higher-paying jobs. Additionally, political instability and the lack of development in Nepal also contribute to brain drain. Many skilled workers leave Nepal because they feel that they cannot make a difference in the country or because they are worried about the stability of the country.

There are several causes for brain drain, but the causes vary depending on where it occurs. The brain drain, the money invested abroad, and the lack of care for aging family members are some of the problems Nepal is concerned about in the midst of this trend. A brain drain occurs when a large proportion of the population migrates from a more developed country to a less developed country. Conservatism, or remittances, can be used by migrants to develop skills that can be useful back home. With a high concentration of tertiary-educated people migrating to the United States, Guyana has the highest brain drain in South America.

## **2.6 What is the “Brain Drain” and why is it important today?**

The idea of a “Brain Drain” suggests that there is an unequal distribution of the advantages and disadvantages of global migration. The source countries seem to

bear most of the losses and in their estimation, have yet to be adequately compensated for the net contributions their natives have made to the receiving countries. The term “Brain Drain” is not without controversy and there are some scholars, such as David Hart (2006), who prefer to use the term “High Skill Migration” as opposed to “Brain Drain.” According to Hart, High Skill Migration (HSM) is the migration of persons with increased levels of skill and education who, if they stayed could contribute significantly to the development of the country. But problems arise when we try and differentiate between high skill migration and general migration or low skill migration. There is no universal standard applicable to every country with regard to who should be considered highly skilled. The reality is that not all migrants provoke an equal level of loss of human capital. The only separating factor (and a very subjective one at that) between general migration and HSM or “Brain Drain” is that in the “Brain Drain,” there is human capital, skill and expertise that move with the migrant (Grubel and Scott 1977). Furthermore, those that leave are likely to be from the middle and professional classes and tend to be educators, health care workers, scientists, engineers, professors and political reformers (Dugger 2005). In the source country, high skilled migrant workers are also distinguished from less skilled migrant laborers by the higher salaries they receive.

As I stated previously, the source countries need these skilled, educated workers in order to develop. At the most extreme end of the analysis we could say that the working classes in these countries devote time, energy and resources into educating these people who in turn migrate and leave them to fend for themselves. As such, it becomes evident that some people’s freedom to travel and obtain financial well-being is obtained at the expense of their countrymen’s freedom from hunger, homelessness, poverty and preventable diseases. Smaller, less developed and poorer countries are most likely to experience this flight of human capital. For example, many of the High Skilled Migrants going to the U.S. are not from countries affiliated with the Organization for Economic Cooperation and Development (OECD). According to the National Science Foundation, approximately 70% of the U.S. science and engineering workforce are from non-OEDC developing countries (Hart 1).

The countries in the global North that benefit the most from the “Brain Drain” do not have a problem acknowledging that it exists, but they do very little to correct it. Let it be clear that the “Brain Drain” phenomenon is not very new. As early as 1973, the U.N. General Assembly requested that the Secretary General prepare a report on how the world could deal with this problem of the outflow of trained or skilled personnel from developing to developed countries (Grubel and Scott 1977). However, the discourse of the “Brain Drain” phenomenon seemed to disappear following the Vietnam War and has only re-emerged in the last two decades, but noticeably on a larger scale. The problem in the past was that this international flow of human capital was often overlooked due to migration that was attributed to voluntary exile, political and religious conflict, or involuntary flight from persecution (Grubel and Scott 1977).

In order to understand how the “Brain Drain” happens, we must spend some time discussing migration and the reasons people leave their home countries in the first place. The reasons many Caribbean natives go abroad and fail to return home fall within two categories often referred to as pull and push factors. Push factors are circumstances or events in the home countries that result in persons leaving. Examples of push factors are the structural adjustment programs enforced by the International Monetary Fund and the World Bank on developing countries that increased unemployment and reduced government funding on social programs in these countries which then led to increased migration. Pull factors are the incentives in the receiving countries that encourage persons to seek employment opportunities there. Examples of pull factors are the immigration incentive policies of the receiving countries that tend to attract higher educated, skilled and trained personnel. For example, the H-1B visa system in the U.S. is often used as a stepping stone by immigrants who want to acquire employment-based permanent residence there. The current immigration policy in the U.S. enables those applying for the H-1B visa to have the dual intent of attaining temporary work status but intending to apply for permanent residency (Kapur and McHale 2005).

Other developed countries have similar immigration policies that continue to attract highly skilled workers from developing countries. Currently in Australia, employers of immigrants are not required to prove that domestic workers will be adversely

affected by the employment of foreign employees, in fact, all they need to show is that employing the immigrant will be, in some manner, beneficial to Australia (Kapur and McHale 2005). It is expected that this flight of human capital from developing countries is likely to worsen since developed countries appear to spend less time investing in their own health care and education sectors. Because of this underinvestment, developed countries constantly find themselves in a state of crisis where they rely on less developed countries to fill the professional gaps in these essential sectors. With the current trends in globalization and trade policies, it can be expected that the demand for skilled workers and professionals will increase in the coming years and global companies and industries will continue to lobby for more flexible immigration policies. We can therefore prepare for an international competition for skilled labor in the future as the more developed countries that experienced the “baby boom” following the Second World War will now be aging.

These countries will be looking for more workers, both skilled and unskilled, to help with the social security costs and will also be looking to acquire better health care service providers. They will try their best to attract the higher-earning foreign workers to help pay for pension costs and health care. However, the problem with this philosophy is that although initially the immigrants will help to cover the health costs of the aging population, they too will eventually turn into an aging population. In the end, the country will need an even larger immigrant population to cover the costs of this new aging population. In this sense, bringing in immigrants will only be a temporary fix to a permanent problem.

The “Brain Drain” is not a phenomenon that only concerns developing countries. In many developed countries, skilled workers are beginning to feel threatened by the large amounts of skilled labor force entering their country because they now have to compete for jobs with migrants (Kapur and McHale 2005). Indeed, it could be argued that they have good reason to worry because, as has already been stated, developed countries are moving towards immigration policies that specifically recruit and attract a higher skilled and more educated workforce. Also, many promising students go to these developed countries to study, assimilate into the culture and lifestyle, find employment and never return to their home countries. Globalization, with its focus on production and trade has led to an increased



international demand for skilled labor. Currently, in the media, there is an evident scare concerning the implications of a worldwide “Brain Drain.” Discussions and debates have emerged regarding the fading economic and cultural control of nation-states within their own borders. As a result, nationalism and nationhood are beginning to become important topics of discussion once more. Whenever chants of nationalism are revitalized we can expect that any kind of migration (skilled or unskilled) will be considered a hindrance to the source country’s maximum economic output (Grubeland Scott 1977).

In this way, the countries that are most concerned with the “Brain Drain” tend to be developing countries that are in need of serious reforms; such as many Caribbean countries. Reforms are especially needed in health care, environmental policies, education and politics. Unfortunately, those most suitable and most likely to bring about such reforms tend to be the people who are also most likely to be internationally marketable (Kapur and McHale 2005). In his article entitled “Brain Drain Compensation” on BBC’s Caribbean website, Sir Ronald Sanders, the former Caribbean diplomat states, “The Caribbean has been losing its highly educated people to industrialized nations at an alarming rate” (Sanders 1). He concludes that the tendency for industrialized nations to “take the cream of the skills” from developing countries is an issue that will only worsen in the coming decades. These kinds of statements in today’s media are further cause of scare, fright and panic for many developing nations. Furthermore, the European Commission announced in October 2007 that the European Union was planning to implement a “Blue Card” system, much like the American “Green Card.” This “Blue Card” would attract highly skilled immigrants to work in the European Union. The driving force behind this proposal was that by the year 2030, the European Union is expected to experience a shortfall of approximately 20 million skilled workers. This is further demonstration that more developed countries are using immigration policies and international mobile human capital to compete economically with each other (Kapur and McHale 2005). If the U.S. “Green Card” system is any indicator, there is an increased likelihood that many Caribbean natives will continue to migrate, making best use of this opportunity.

## **CHAPTER -III**

### **RESEARCH METHODOLOGY**

Research methodology is an overall action plan for research. It is a systematic process adapted in the research. It describes the methods and process applied in the research. This chapter focuses about the methodology of the research applied in the study. This is purely academic research based on social science. Mainly it covers research design, rationale of the site selection, nature and sources of data, study population and sample selection, data collection techniques and tools, variables and operation alizarin, conceptual frame work for analysis and method of data analysis.

#### **3.1 Research Design**

This study is carried out on the basis of descriptive research design. It is because the information collected from the field were organized and explained in a descriptive way and it also investigates the impact of economically active population migration in socioeconomic development of the study area.

As this study requires both qualitative and quantitative data. The information which are related to the present status of the out migration, socio economic changes and utilization pattern of the remittance is based on quantitative way while the major pull and push factors of migration and negative impact or challenges faced by the society is presented in qualitative way.

#### **3.2 Nature and Sources of Data**

Qualitative and quantitative data were used for this research. The primary data were collected in the field through various data collection methods. The primary data were enough to explain comparatively presentation. It was necessary as well as helpful to take secondary data for the perfect presentation. Hence, the useful data were collected from secondary sources like government and non-government officer, published and unpublished booklets, paper, C.B. S., RMC records research and relevant books etc.

### **3.3 Sampling Procedure**

In Phidim Municipality there are 14 wards. All these wards 7 ward is the large number of household according to my preliminary study. This is the universe of my study population of out migrant in which 60 HH is selected in ward no. 7 through simple random sampling. Target population are threat least one out migrant/family of 25 household were selected for the further study..

### **3.4 Data Collection Techniques**

The study demands verification of data ranging from qualitative and quantities and primary to secondary hence following were applied to pick the data from the field.

#### **3.4.1 Interview**

The structured interview are provided to the respondents to know their family type, family size, income sources, socio-cultural norms, values and traits, way of life and other things that are related to socio-cultural practices.

#### **3.4.2 Observation**

Direct observations method was used to get the relevant information for the study. It was conducted to observe food proposition and consumption and patterns. Direct observation used to observe the settlement pattern, agricultural practices, dressing patterns, live stock and their various activities related to socio-cultural behaviors.

#### **3.4.3 Key Information Interview**

The knowledgeable people within the settlement will be taken as key informants. Here knowledgeable person refer soothe persons who have owned at least graduate degree many discipline of education.

#### **3.4.4 Household Survey**

The household survey was conducted as technique for which structured questionnaire was developed stool. The questionnaire will mainly covered to collect the information related to the household profile of migrated family, present status of economically active population migration, major pull and push factors of migration. Finally utilization pattern of remittance i. e. how there pittance changing socio-economic condition of the community people. The information generated by the tools is largely quantitative in nature.

#### **3.4.5 Case Study**

One case study was conducted by taking specific case about productive use of remittance after returns their own country and positive impact on socio economic development.

## CHAPTER IV

### DATA PRESENTATION AND ANALYSIS

#### 4.1 Population Composition by Sexed Age

The populations the major component of the study. The biological difference tweed male and female is called sex. So sex and age are important parameters which have been playing a vital role in every aspects of social life. Population distribution of migrated person house hold under different age groups where economically active and economically inactive population presented below in the table.

Table no. 4.1 Population by Age and Sex

Age group	Male	Female	Total	Percent
Below14	1	2	3	12
15-59	7	5	12	48
Above 60	7	3	10	40
Total	15	10	25	

*Source: Field Survey, 2023*

The table no, 4.1 shows that the majority of respondents were male i.e. 60% and female were 40%. Similarly, it is observed that highest number of respondents was found to be between 15 to 59 years group i.e. 48 percent. Very few respondents fallen the category of between 30 to35 year's group i.e.10 percent. Male and female respondents in category 15 to59 year's group were similar.

## 4.2 Gender and Education Wise Respondents

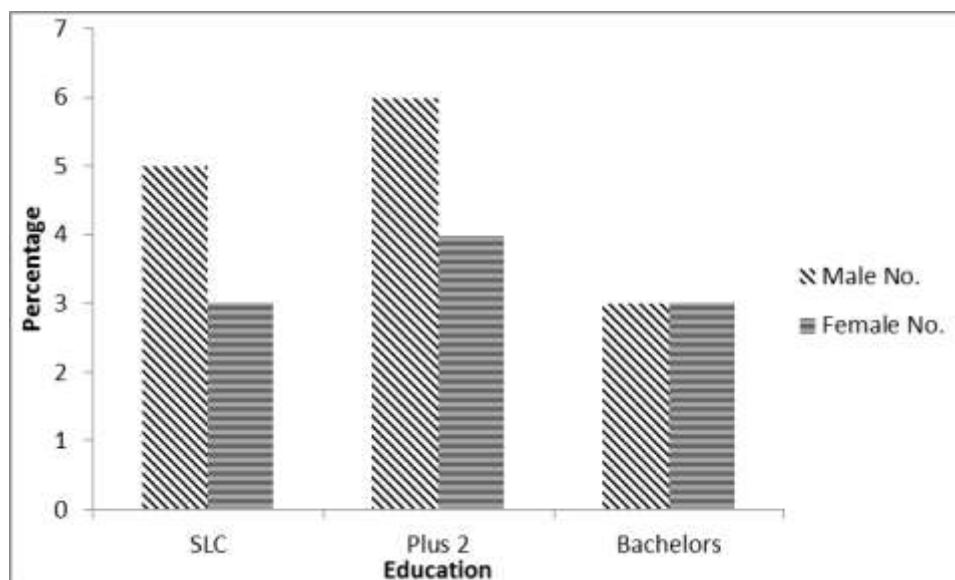
Table no. 4.2 Gender and Education Wise Respondents

Educations	Male No.	Female No.	Total No.	Percentage
SLC	5	3	8	32
Plus 2	6	4	10	40
Bachelors	3	3	6	24
Masters	1	-	1	4
Total	15	10	25	100

Source: Field Survey, 2023

The table no. 4.2 shows that the majority of respondents were found in Plus 2 and Bachelors Livelier. 40 and 24 respectively out of 25. Very few respondents fallen the category of Masters Level.i.e.4 percent. Male and female respondents in the SLC Level were 15 and 10 out of 25 respectively.

Fig. no. 4.1 Gender and Education Wise Respondents



### 4.3 Purpose of Migration

People are migrated for different purposes. This study shows the only two purposes, for study and employment. Purpose determined their skill, education, working sector, level of work, period of stay, income level and saving. Whatever the purpose of the migration, ultimate goal of migration of the Nepalese people is to earn more money in destination countries.

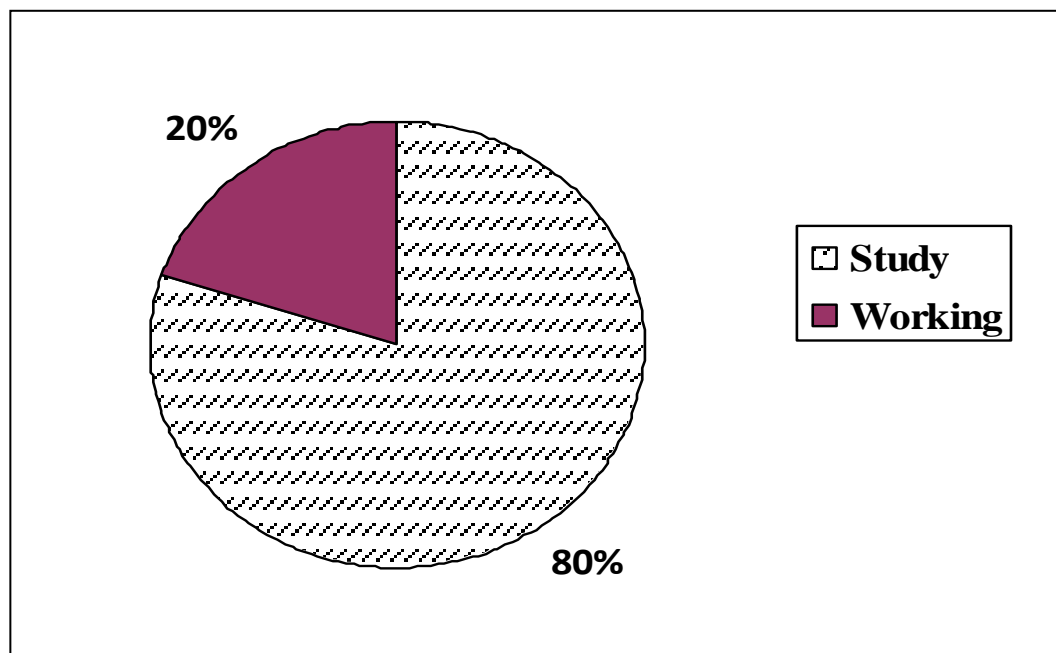
**Table no. 4.3 Purpose of Migration**

Purpose of Migration	No. of Respondents	Percentage
Study	5	80
Working	20	20
Total	25	100

*Source: Field Survey, 2023*

The table no. 4.3 shows that 80 percent out migrated people are going to the purpose of working (student visa). 20 percent people are going to the purpose of studying visa. In conclusion, whatever the purpose of the migration, ultimate goal of migration of the Nepalese people is to earn more money for socio economic prosperity

Figure no. 4.2: Purpose of migration



#### 4.4 Channel of Migration

Channel refers to the medium when person choose for the migration. The main purpose to include the migration channel in this study is which channel them choose for destination country. It helps to know about are they safe or danger in their working sector.

Table4.4 Channel of migration

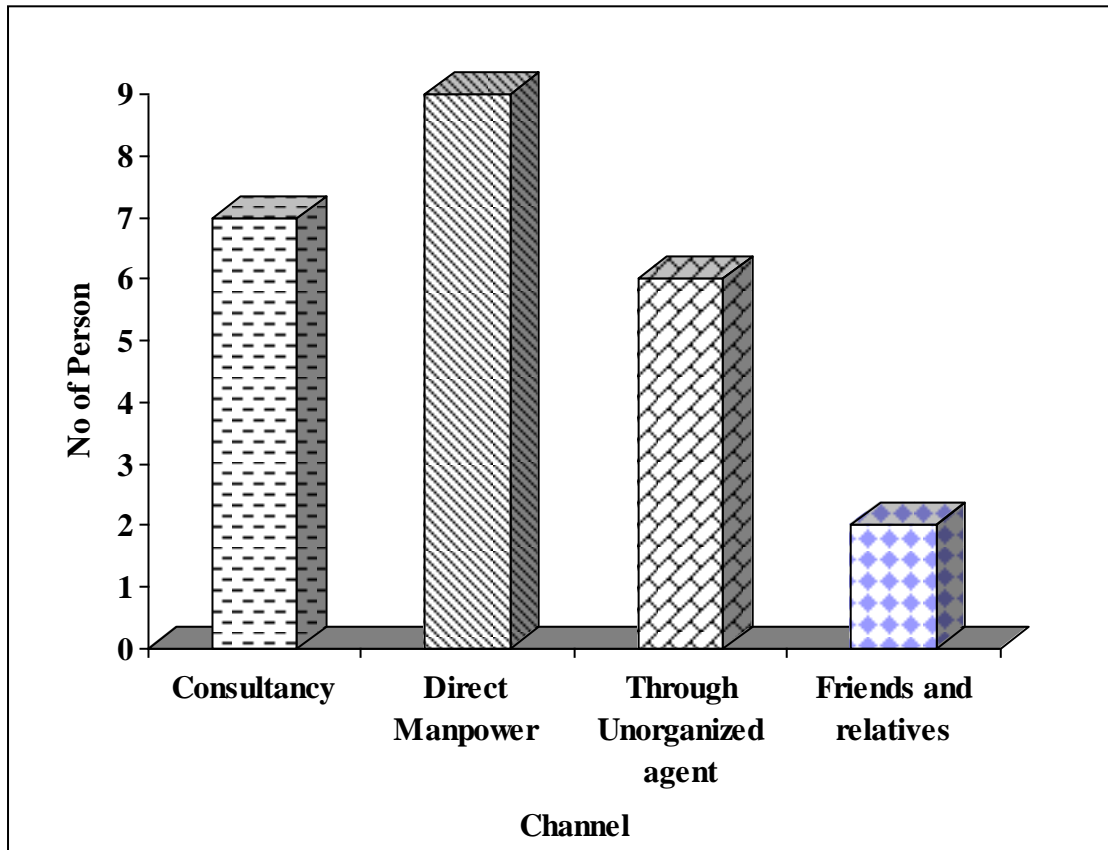
SN	Channel	No. of Person	Percent
1	Consultancy	7	28
2	Direct Manpower	9	36
3	Through Unorganized Agent	6	24
4	Friends and relatives	3	12
<b>Total</b>		<b>25</b>	<b>100</b>

Source: Field survey, 2023



The tableno.4.4 shows that out of total number of migrated person 36 percent went for foreign employment through registered manpower agencies, 28 percent went through consultancy, 24 percent people went through agent and 12 percent people managed through their own contacts with the help of friends and relatives.

**Fig no. 4.3 Channel of Migration**



#### 4.6 Respondent's Plan to Study Abroad

Table no. 4.5 Respondent's Plan to Study Abroad

Response	No. of Respondents	Percentage
Positive	20	80
Negative	5	20
Total	25	100

Source: Field Survey, 2023

The table 4.6 shows that the it is cleared that out of the total respondents 80 percent of students have a plan to study abroad and 20 percent of the students are staying in Nepal to continue their studies.

#### 4.7 Respondent's in Favor of Brain Drain

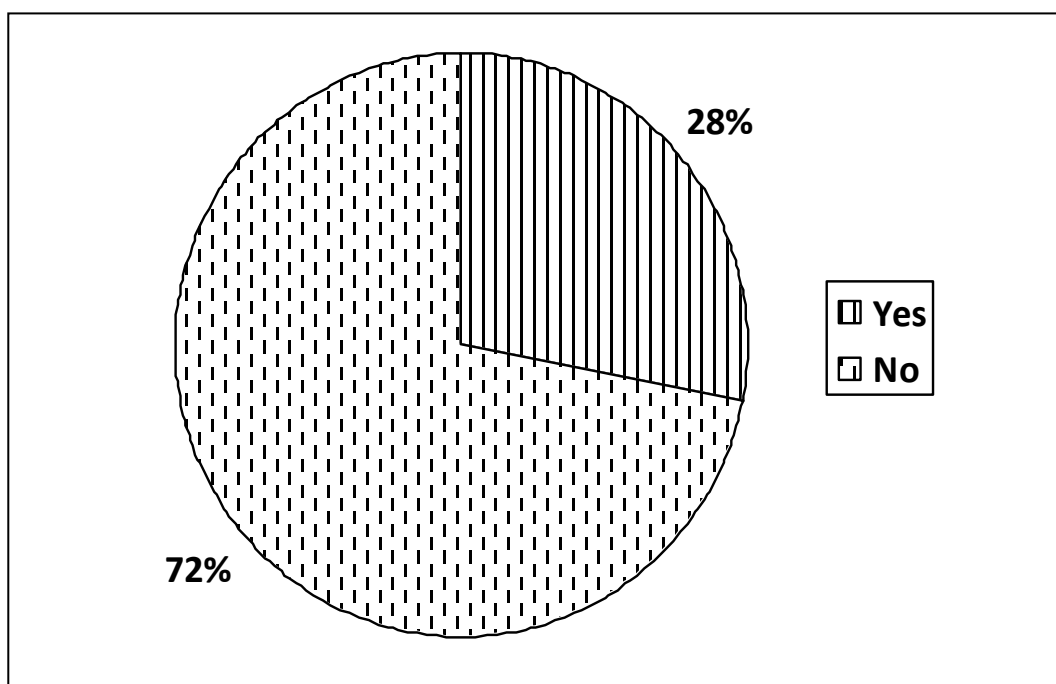
Table no. 4.6 Respondent's in Favor of Brain Drain

Response	No. of Respondents	Percentage
Yes	7	28
No	18	72
Total	25	100

Source: Field Survey, 2023

The table no. 4.7 showed that out of total respondent's 72 percent of students have in favor of brain drain and 28 of the students are not support of brain drain.

Fig. no. 4.4 Respondent's in Favor of Brain Drain



#### 4.8 Factor Responsible for Growing Brain Drain

Table no. 4.7 Factor Responsible for Growing Brain Drain

<b>Factors</b>	<b>No. of Students</b>	<b>Percentage</b>
Political Instability	8	32
For Career/Employment Opportunities	12	48
For Better Future/Livelihood	5	20
Total	25	100

Source: *Field Survey, 2023*

The table no. 4.8 clearly explained that 48 percent of the respondents (which is the highest percentage) have strongly agreed the statement that brain drain is increasing because of lack of career/employees opportunities. Similarly, 32 percent of students have desire to study in foreign county for political instability and 20 percent of student shaves summed for better future and livelihood.

#### 4.9 Skills of Foreign Workers

Skill is one of the most important factors which determined the proper job, income level and increases the bargaining power of labor. Anybody who is trained can earn more money and get better job than skilled labor people.

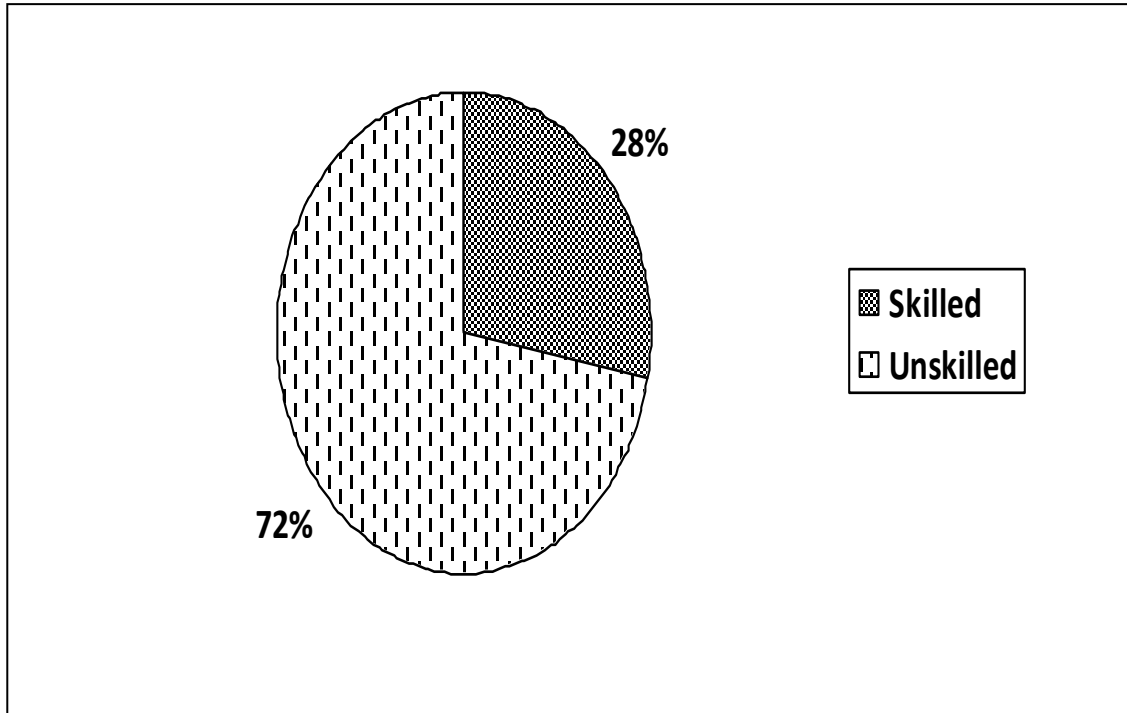
Table no. 4.8: Condition of Skill & utilization pattern in Destination

<b>Type</b>	<b>No. of Person</b>	<b>Percent</b>
Skilled	7	28
Unskilled	18	72
Total	25	100

Source: *Field Survey, 2023*

The table no. 4.8 shows that 72 percent of job seekers considered themselves as unskilled. Out of remaining 28 percent were skilled before getting foreign employment.

**Fig. no. 4.5 Skills of Foreign Workers**



#### **4.10 Causes for Searching Foreign Employment**

Most of the people of study area were found to be motivated for foreign employment. Unemployment has found the main cause of migration. The survey of study area has found an interesting thing that each and every household contains minimum one to maximum four person migration for foreign employment. There arise verbal reasons of out migration. To find out the causes of migration, the respondents were asked why their family members desired to go for foreign employment. The causes are found their poor economic condition, lack of employment opportunity, family debt and social or political situation.

**Table no. 4.9 Push Factor of Migration**

<b>Push factors of Migration</b>	<b>No. of persons</b>	<b>Percent</b>
Lack of proper employment	10	40
Low wage rate	5	20
In security of job	3	12
Political conflict/instability	5	20
Lack of proper higher education	2	8
Total	25	100

Source: *Field Survey, 2023*

The table no. 4.9 shows that lack of employment opportunity is the main cause of migration. Among the entire migrated person about 40 percent stated that Lack of employment opportunity is the major push factor of migration. Likewise 20 percent low wage rate, 12 percent insecurity of job and finally lack of proper higher education consist of 8 percent.

#### **4.11 Pull Factors of Migration**

Pull factor is that types of attracting factor where the people attracted towards the destination to searching the different opportunity despite accepting he many challenge sand finally decided to left the home country.

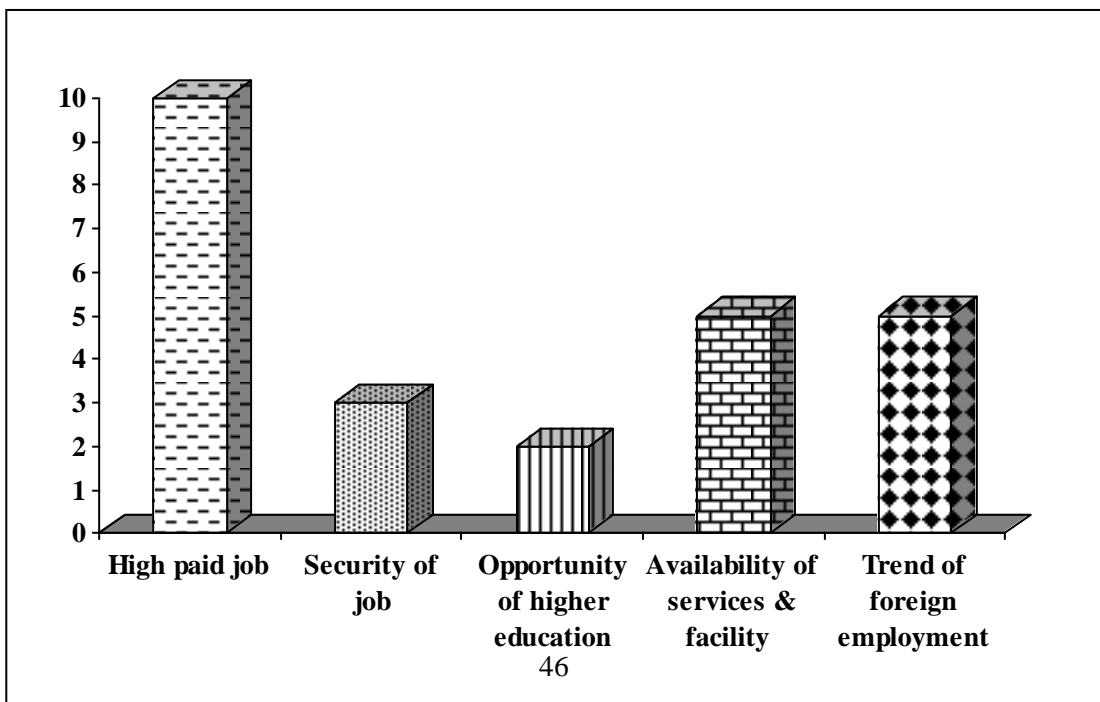
**Table no. 4.10 Pull Factor of Migration**

<b>Pull factors of Foreign Employment</b>	<b>No. of Person</b>	<b>Percent</b>
High paid job	10	40
Security of job	3	12
Opportunity of higher education	2	8
Availability of services & facility	5	20
Trend of foreign employment	5	20
Total	25	100

Source: Field Survey, 2023

The table no. 4.10 shows that lack of employment opportunity is the main cause of migration. Among the entire migrated person about 40 percent stated that Lack of high paid is the major pull factor of migration. Likewise 20 percent availability of services and facility, 20 percent trends of foreign employment, 12 percent security of job and finally lack of proper higher education consist of 12 percent.

**Fig. no. 4.6 Pull Factors of Migration**



#### 4.12 Destination of Migrated Person

Table 4.11 Destination of Migrated Person

Destination Country	No. of Respondents	Percentage
Gulf	11	44
Asian	2	12
American	3	8
Australian	7	28
Europe	2	8
Total	25	100

*Source: Field Survey, 2023*

The table no. 4.11 shows that 9 number of person are chosen gulf countries (Malaysia, Dubai, Qatar) as their destination because of easy access of foreign employment and low cost, 28 percent they choose Australia for high income and abroad studying, 12 percent number of person preferred Asian country (Japan, Korea) because of high salary and security of job, 8 percent number of person choose Europe/America because of the highline omen, comfort life style and the higher education.

# CHAPTER-V

## SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

### 5.1 Summary

Migration for foreign employment appears to be a serious problem in Nepal these days. The number of migrants leaving Nepal for work is increasing every year. As we know, this group is the most energetic and productive when it comes to building the nation. On the other hand, remittance is one of the major income sources of earning foreign currency in Nepal. It really affects the income level of the households as well as society. A growing number of Nepali migrants working abroad has significantly contributed to the country's Gross National Product (GNP) and has also become an important source of foreign exchange earnings. The social contribution of migrations even more encouraging in terms of improving children's education and enhancing the overall social and economic status of the households.

The main objective of this study is to measure the impact of economically active population migration in socio-economic development of the study area. Moreover this study analyzed remittance income, and its use, level of the skills, major pull and push factors and finally the positive & negative impact of the active population migration in the home country.

The majority of respondents were male i.e. 60% and female were 40%. Similarly, it is observed that highest number of respondents was found to be between 15 to 59 years group i.e. 48 percent. The respondents were found in Plus2 and Bachelors Level i.e. 40 and 24 respectively out of 25. Out of 25 respondents 80 percent out migrated people are going to the purpose of working (student visa). 20 percent people are going to the purpose of studying visa. Most of the persons have been migrated for the purpose of foreign employment.

The total respondents 80 percent of students have a plan to study abroad and 20 percent of the students are staying in Nepal to continue their studies. It has been



clearly explained that 48 percent of the respondents (which is the highest percentage) have strongly agreed the statement that brain drain is increasing because of lack of career/employees opportunities. The observation has been sort out the 72 percent of job seekers considered they as unskilled. The study has conclude shows that 9 number of person are chosen gulf countries (Malaysia, Dubai, Qatar) as their destination because of easy access of foreign employment and low cost.

## **5.2 Conclusion**

From the above findings of the study, it can be concluded that Migration is automatically linked with remittance and remittance directly linked with income level, expenditure pattern, saving and investment which positively and negatively impact on socio economic status of the people and finally results in socio economic prosperity of family and overall development of the country. The entire migrant were migrated for the purpose of working & study. Whatever the purpose of migration the ultimate goal of every migrant was found earning more money for socio economic prosperity of their family. Lack of proper employment opportunity in origin country and low wage rate is the major push factor of migration. Security of job and high paid job is the major pull factor of migration in study area. Before migration however the economic and social conditions of all families who have involved in foreign employment but after migration socio and economic status is upgrading by remittance. After migration most of the family utilized the remittance in housing construction for residential, semi residential and business purpose. Likewise they expenses most of their income in basic and non basic needs management. Lastly they have been saving, investment in business and land purchase. Therefore it can be concluded that remittance is playing role in upgrading the socio economic status in the study area but most of their income of remittance expenses in unproductive sector. After migration socio economic status of migrant family is found highly improved.

Hence it is essential to understand that only meaningful utilization of remittance money can pave the way to the better prospects of the nation. More collection of

remittances in banks and financial institutions does not bring desired outcome in the economy. Such funds should be kept in proper channels in different layers of the economy to meet twin goals: poverty alleviation and sustainable development of Nepal. The real GDP of the nation could be magnified in the long run with the better use of remittance.

### **5.3 Recommendations**

The very low access to employment, in security of job, low wage rate, political stability, demonstration effect, unfavorable environment to grow entrepreneurship and capital constraints are the reasons that provoke youths to migrate. Large portion of economically active population is in unproductive sector and attracted towards the foreign migration for different purposes. And remittance has a positive impact in economy and overall development of the society.

Through this study impact of economically active population migration, some relevant recommendation Sarema eschews.

#### **General Recommendation**

- Most of the remittance received family of our society expenses their income in unproductive sector. So the government should attract the remittance receiver to invest in large scale to create investment friendly environment with securing their investment.
- Nepalese economy has received large amount of remittance but it is still being transferred through informal channels. So formal channels need to be promoted.
- The technical training institutions are essential to the migrated person and should provide on the job training in accordance to their working sector and skill required in destination country.
- There is increasing trend of students going abroad for higher

education. Students who are studying abroad are not willing to come back to Nepal. So here are some recommendations for the concerned groups:

- Youth should utilize the high quality skills and knowledge that have been obtained from the other countries for the development of their own countries.
- Brain drain should be avoided because a developing country like Nepal will bear major losses than gain from it.
- Government should have a comprehensive policy in place, promoting industrialization in the country, creating jobs and an education patterns that are career oriented.
- The country should then initiate and generate opportunities and better facilities which will create an environment for reverse brain drain.
- The government should seriously think about this brain drain.

### **Policy Level Recommendation**

- The government must take actions to create job opportunities in home country so that they do not have to think about leave the country simply in search of bread and butter.
- Migrant you thus should be integrated in to theme in stream development process. Like (NRN).
- In order to channelize remittance into productive sectors and to strengthen the national economy the government should make proper strategy and policies and to create the investment friendly environment
- Policy should be made to give more information to the foreign, employers' on using their remittance income into productive sector sand provided opportunities to use their learnt skill in home country after

returning from the foreign employment.

- The unorganized agent must take in-law custody.

For the academic purpose it has been recommend that, the researcher has been to analyze the socio-economic impacts of migration from survey, KII, FGD, Challenge analysis and case study perspective. But it doesn't inform the different purpose of migration, Migrant in India, domestic or internal migration, challenges of migration. Therefore the further research or new researcher to carry out their research from the above mentioned perspective.

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**Annex -I**  
**Questionnaire**

**Impact of Brain Drain on Rural Development:**  
(A Study of Phidim, Municipality, Panchthar, Nepal)

This Questionnaire has been designed to explore the informative for purely academic purpose. This is to enable the researcher Lalit Man Phejung. This thesis on the topic Impact of Brain Drain on Rural Development: A Study of Phidim Municipality Ward No. 7, Panchthar, Nepal in pursuance of Master of Arts in Rural Development.

Name of Respondent:  
Age:  
Sex:  
Education: Occupation:

1. What can be the major reason to go to abroad?

.....  
.....

2. What can be the major pull factors of migration?

.....  
.....

3. What are the positive impacts of migration in economy?

.....  
.....

4. What are the negative impacts of migration in economy faced by migrant person or family?

.....  
.....

5. In which types of advantages are taken by community from migrated people?

.....  
.....

6. In which sector remittance received by family is maximum utilize?

.....

7. What are the major challenges faced by migrant person in abroad?



.....  
 .....  
 8. What are the differences between educated/Trainer person and less educated/untrained person in income level?

.....  
 .....  
 9. How can you suggest to reduce the flow of outmigration?

.....  
 .....  
 10. Do you want to suggest and add anything about migration?

11. General Household Information:

S.N.	Name of Family member	Sex M/F	Age in years*	Occupation**	Literacy Status***	Migration Status****
1						
2						
3						
4						
5						
6						
7						
8						
9						

12. For Return Migrated Only

S.N	Period of stay	Income Gain	Skill*	Knowledge**	Satisfaction***	Technology

13. Which medium use your family member to send remittances from abroad?

S.N.	Medium	Sent money (in Amount)
<b>Legal Source</b>		
1	From bank	
2	Money transfer agency	
<b>Illegal Source</b>		
1	Brought with yourself	
2	From friend/relatives	
3	From humid	
<b>Total</b>		

**Annex -ii**



Phidim Municipality Ward -7, Ward office

