



Migration-Induced Structural Changes in Nepali Society and their Implications for Building Socialism in Nepal

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Executive
Summary

Nepal's geographical diversity, climatic variation and long history of settlement patterns have made migration a permanent socio-economic characteristic of the country. The distinct ecological zones of Himalayas, Hills and Tarai have constantly pushed people to move in search of favourable weather, livelihoods, security and opportunities. As the report¹ says, 'where inequality is greater, options become wider' and this is indeed evidenced in Nepal's historical patterns of migration. The traditional practice of moving from the hills to the Tarai in winter, the expansion of settlements in the valleys and plains during monsoon season, and the rapid increase in rural-to-urban migration in recent decades are all examples of this long-running phenomenon.

Socialism embodies the principles of social ownership of the means of production, equality, justice, and collective welfare. However, in Nepal, the lack of employment opportunities, disconnect between education and employment, weak state of agricultural and industrial sectors, political uncertainty and limited economic opportunities are pushing t young people abroad. The report highlights that the growing intensity of migration has added an important challenge to building the foundation for socialism. The exodus of young people has a huge impact on national productivity, social structures and political participation. If the trend of migration continues unabated, , 'socialism is bound to remain confined to the constitution alone.'

Migration in Nepal has a long history. Ancient texts such as the Atharvaveda, Vinayavastu, Mahabharata, Kautilya's Arthashastra, inscriptions from th Gupta-era and Tibetan and Indian sources attest to the long history of human settlement and movement to and from Nepal. After the Sugauli Treaty, the recruitment of Nepali youth into the British Gurkha forces opened a formal pathway for overseas migration. The Nepal–India Peace and Friendship Treaty of 1950, which facilitated the movement of people across the open borders and provided for residence, trade, property ownership and employment, further institutionalized migration between Nepal and India. During the twentieth century, Tibetans, Burmese, Bihari Muslims and other Indian migrants settled in Nepal. At the same time, large numbers of Nepali workers migrated to the industrial centres, mines and tea plantations of Darjeeling and Assam.

The report provides a detailed discussion of the economic, environmental, social and political dimensions of migration. Economic factors are the most significant..

¹ The Executive Summary is an overview of the key findings of the research report titled, 'An Analysis of the Structural Changes Brought about by Migration in Nepali Society and Their Implications for Building Socialism in Nepal'

Although agriculture employs around 60% of the labor force, it remains mostly subsistence-oriented in practice. Low levels of agricultural modernization, inadequate irrigation and transportation infrastructure, limited access to quality seeds and fertilizers, and labor shortages have contributed to declining productivity. The industrial sector is weak, employment opportunities are sparse and the service sector is often unstable. Universities have also failed to recruit and retain young people, while the growing attraction of foreign universities has further weakened the domestic higher education system. As a result, foreign employment and remittances have become the major backbone of both household livelihoods and the country's economy.

Environmental factors are another major driver of migration. Climate change, floods, landslides, droughts, glacial lake outbursts floods and earthquakes have made rural life and livelihoods increasingly vulnerable and insecure. The report notes that '80% of Nepal's population is at risk from natural disasters. The relocation of villages like Mustang, Samzong, and Dehe due to water scarcity is an example of the severity of environmental stress and their growing influence on patterns of human settlement and migration.

Social and political factors also play an equally important role in driving migration. Conflict, violence, human trafficking, caste-based discrimination, political instability and weak state service delivery have all contributed to increased migration and displacement. During the Maoist conflict, 89,171 people were internally displaced. The fact that the number of labor approvals for overseas employment increased from 3,259 to 165,103 during the conflict years further demonstrates the direct relationship between political instability, insecurity and migration.

The trend of igration has accelerated considerably in recent decades. In **2021** (2078 BS), approximately 2.19 million Nepalis were living abroad, representing 7.5% of the total population. Of these, men accounted for 82% and women 18%, indicating that female migration is also becoming increasingly significant. While migration to India has been declining, migration to the Gulf, Malaysia, South Korea and Japan has been increasing. Student migration is exploding, with more than 123,000 students gloing abroad in 2025/26 (2082/83 BS). The outflow of approximately NPR 13.84 billion in 2024/25 through students studying abroad illustrates the growing economic impact of education-driven migration.

Internal migration has also accelerated. Movement from the hills and mountains to the Tarai has increased rapidly, while rural-to-urban migration has soared from 17% to

65%. Marriage remains a major driver of migration among women, with 70–90% of women reportedly migrating due to marriage. Migration also brings significant changes in livelihoods: among migrants, the share engaged in agriculture declines from 70% to 3% after migration, while employment in the service sector rises to around 32%.

Migration has profoundly shaped Nepal's development path. Remittances currently account for 25–30% of GDP, placing Nepal among the world's top five remittance-dependent countries. Remittances have contributed to an 11% reduction in poverty and have had positive effects on education, healthcare, household consumption and housing. But investment in productive sectors is still limited, contributing to the emergence of a largely consumption-driven economy. Informal channels such as hundi and in-kind transfers also carry significant risks..

Nepal's Human Development Index (HDI) stands at 0.574. Life expectancy has increased from 51 to 71 years, while the child mortality rate has dropped by 45%. Despite these gains, the exceptionally high rate of youth out-migration is contributing to growing demographic imbalances, with implications for the country's future labour force, productivity, and social structure.

The report further provides an in-depth analysis of the relationship between migration and socialism. Socialism requires the state to ensure employment opportunities, equality, social ownership, and equitable access to the means of production. However, the weak role of the state in agriculture, industry, education, healthcare and infrastructure, combined with youth out-migration, inequality, syndicates, corruption, the commercialization of public services, and inadequate management of the open border, is weakening the foundations of socialism in Nepal.

Unless migration is addressed through coherent policies and programmes across its economic, social, environmental and political dimensions, it will be difficult to build a strong foundation for socialism. Strengthening agriculture, tourism, hydropower, forest-based products and enterprises, skilled employment, university education, productive investment, border management, safe foreign employment and planned internal settlement are therefore key prerequisites for building a sustainable socialist foundation.

For this, comprehensive reform of higher education should be the first priority. Nepali students often have to spend NPR 4-5 million to enroll at foreign universities. This expenditure contributes not only to the salaries of professors and other academic staff but also to scholarship for academically talented students. Yet Nepal has not been able to develop policy that would invite and enable students to invest the same amounts

in domestic universities with job-oriented opportunities. As a result, Nepal is experiencing an accelerated outflow of both human and financial capital.

Nepal currently has 14 universities operating at the federal level and also the number of provincial universities are growing rapidly, but the inability of domestic universities to retain students is a major problem. Several factors contribute to this, including political interference, academic weaknesses, lack of residential facilities and scholarship opportunities, structural barriers that limits opportunities for faculties to conduct research, and the weak use of research evidence in policy making. In particular, the limited research orientation of postgraduate programmes has encouraged students to seek higher education abroad

At the same time, the government appears unable to provide resources required to sustain and strengthen public universities. More than 90 programmes offered by foreign universities are reportedly operating in Nepal, while approval and regulatory oversight by the Ministry of Education remain weak. Together, these factors have contributed to declining student interest in domestic universities.

One possible alternative is to strengthen the link between universities and local development. Drawing inspiration from China's "one professor, one prefecture" model of deploying university professors to support development at the local level, Nepal could explore a 'one municipality, one campus policy. Under such an approach, university faculty could work closely with local governments to support evidence-based policymaking, programme design, research, and innovation. This could simultaneously strengthen local institutions, create opportunities for students and academics, and help reduce the pressure for young people to leave the country in search of education and professional opportunities.



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