▶ Promising practices for fair recruitment

November 2024

Nepal: Digitisation of labour migration processes for increased harmonization and oversight

Key points

▶ The government of Nepal has developed a digital platform to harmonise and digitalize labour migration governance.

▶ The Foreign Employment Information Management System (FEIMS) is an integrated labour migration information management system that aims to create a level playing field between migrant workers, recruiters/employers, and other private sector actors in the supply chain by addressing information asymmetry.

▶ The government of Nepal has also developed and launched a mobile application called *Nagarik*. This app facilitates easier and more systematic digital delivery of all government services through a 'one-door system'. It is expected to promote and enhance the recruitment process in a fair and transparent manner.

▶ The government has also developed and launched the *Baideshik Rojgari* mobile application, which is a government application developed to facilitate easier access to information for workers.

Focus

FRI pillar: Improving laws, policies and enforcement to promote fair recruitment; Empowering and protecting workers

Country: Nepal

Responsible organization(s): Government of Nepal, Ministry of Labour Employment and Social Security

The labour migration and fair recruitment context in Nepal

Labour migration from Nepal is a vital component of Nepali society and economy, as reports from the Government of Nepal record over 2.1 million Nepali migrant workers in different destinations as of 2021. According to the Ministry of Labour, Employment and Social Security (MoLESS), countries in the Gulf Cooperation Council (GCC) and Malaysia account for 85 per cent of Nepali migrant workers, although Nepali migrant workers are found in more than 140 countries. The MoLESS sets the labour migration policy in Nepal, coordinates labour migration governance, and develops and implements policies to strengthen labour migration service delivery, including application for and issuance of labour approvals.

The growing labour migration sector consists of private actors such as private recruitment agencies, pre-departure orientation training centres, medical services, insurance agencies, and skills training providers, all regulated by the Department of Foreign Employment (DoFE). The DoFE is also responsible for licensing to the aforementioned private institutions and issuing labour approvals to Nepali migrant workers. The DoFE also deals with complaints against private recruitment agencies, individuals, and other relevant actors. In this light, the DoFE is empowered by law to exercise quasi-judicial status to pass orders, impose penalties, and refer cases to the Foreign Employment Tribunal.

The role of technology in fair recruitment

The ILO has highlighted the potential of digital recruitment frameworks to enhance fair recruitment through actions such as improving data collection and labour market analysis, enhancing monitoring, compliance and enforcement capacity, optimising labour inspection and screening, improving financial services, and strengthening complaints and redress mechanisms. The ILO General Principles and Operational Guidelines for Fair Recruitment and Definition of Recruitment Fees and Related Costs provide guidance on promoting and ensuring fair recruitment practices. These guidelines also include specific recommendations on the use of technology, such as developing government websites containing relevant information on fair recruitment policies, legislation, regulations and processes and implementing information technology to ensure that employment contracts are respected.

However, the role of technology in fair recruitment goes beyond these specific recommendations. Information and communication technologies (ICTs) play a role in realising all 13 General Principles through digitisation and automation of administrative procedures, development of digital information management systems, mobile applications and websites, enhanced communication, and online service provision. In some cases, digital technology may represent a primary solution, while in others, it may underpin interactions between recruitment stakeholders and have secondary effects across multiple principles. Table 1 outlines links between digital technology and the

general principles and operational guidelines for fair recruitment.

Description of practice

Nepal's Foreign Employment Information Management System (FEIMS) is an integrated labour migration information management system that cuts across the four stages of labour migration: (pre)recruitment, deployment, employment, and return. FEIMS brings together the different migration actors and stakeholders - migrant workers, recruitment agencies and associated private actors, employers in destination countries, and other relevant government agencies and regulators - under one platform, individually accessible by each party.

▶ **Table 1 – The links between digital technology and the ILO General Principles and Operational Guidelines for Fair Recruitment**

ILO General Principles and Operational Guidelines for Fair Recruitment	Potential role of digital technology
Principle 1 - Recruitment should take place in a way that respects, protects and fulfils internationally recognised human rights, including those expressed in international labour standards.	Enable social dialogue, collective voice, and worker organisation.
Principle 2 – Matching recruitment to meet established labour market needs.	Capture and analyse data to better understand market needs.
Principle 3 - Appropriate legislation and policies on employment and recruitment should apply to all workers, labour recruiters and employers.	Enhance the capacity of enforcement measures.
Principle 4 - Recruitment should take into account policies and practices that promote efficiency, transparency and protection for workers, such as mutual recognition of skills and qualifications.	Automation and digitalisation of administrative procedures; online skill assessments.
Principle 5 - Regulation of employment and recruitment activities should be clear and transparent, and effectively enforced. The role of the labour inspectorate and the use of standardised registration, licensing or certification systems should be highlighted.	Use of digital labour inspection tools and information systems for standardisation, data storage and processing.

Principle 6 - Recruitment across international borders should respect the applicable national laws, regulations... of countries of origin, transit and destination and internationally recognised human rights, including the fundamental principles and rights at work, and relevant international labour standards.	Enable institutional actors, such as border enforcement, to screen for, monitor and record violations.
Principle 7 - No recruitment fees or related costs should be charged to, or otherwise borne by, workers or jobseekers.	Maintenance of digital records of financial transactions.
Principle 8 - The terms and conditions of a worker's employment should be specified in an appropriate, verifiable and easily understandable manner, and preferably through written contracts in accordance with national laws, regulations, employment contracts and applicable collective agreements.	Secure storage of original contracts.
Principle 9 - Workers' agreements to the terms and conditions of recruitment and employment should be voluntary and free from deception or coercion.	Online support services and consultation.
Principle 10 - Workers should have access to free, comprehensive and accurate information regarding their rights and the conditions of their recruitment and employment	Websites/mobile phone applications containing information on rights and general employment conditions.
Principle 11 - Freedom of workers to move within a country or to leave a country should be respected. No confiscation, retention or destruction of workers' identity documents and contracts.	Secure digital repositories for storing copies of contracts and identity documents.
Principle 12 - Workers should be free to terminate their employment and, in the case of migrant workers, to return to their country.	Gather information, access consular services, and request repatriation.
Principle 13 – Access to free or affordable grievance and other dispute resolution mechanisms.	Online grievance mechanisms.
*For more on the role of ICT and digital technologies in fair recruitment, please see: ILO (2021) Use of digital technology in the recruitment of migrant workers**.**	

A preliminary analysis of the FEIMS platform indicates its potential to fulfil some of the abovementioned functions. The platform serves as a vehicle for more efficient labour governance and monitoring of the activities of labour migration stakeholders through, among other things, regulating and managing stakeholders' licenses, providing access to grievances mechanisms for workers, managing the flow of recruitment processes, and providing access to information by systematising record-keeping processes. In addition, the platform is designed to adopt a whole of government approach to labour migration by granting access to various government bodies involved in the migration process. Harmonising the different public bodies under one universally accessible platform fosters transparency and accountability throughout the migration and recruitment process.

Government agencies can validate job requests from foreign companies, add or blacklist companies, view and confirm labour demands from individuals and recruitment agencies, validate applications from and block recruitment companies, monitor other private actors, and centralise access to information on jobs and recruitment for Nepali workers. Recruitment agencies' access to the system enables them to apply for registration and renewal of licenses, enter the details of workers selected for jobs, view demand letters from foreign employers once uploaded by the foreign missions, and update the information on the progress of a migrant worker's recruitment. Other private actors, such as pre-departure orientation providers, insurance companies and medical centres, should also register on the FEIMS, facilitating easier monitoring of these actors. Significantly, the platform grants migrant workers an adequate opportunity to access all relevant information and ownership of their migration process.

The platform aims to create a level playing field between migrant workers and recruiters/employers by addressing the information asymmetry. Workers can also apply for labour approval from the system, track the progress of their applications, lodge complaints against recruitment agencies and track the complaints process.

A notable feature of the platform is the function of downloading and printing labour-approval e-stickers. The e-sticker, which can only be obtained upon DoFE clearance, is an innovative replacement for labour desks at airports and serves as a final stage of pre-travel monitoring. Obtaining clearance from the DoFE includes an assessment of private recruitment agencies and other private actors registered on the FEIMS platform, including a document validation process, which adds another layer of protection of migrant workers in accordance with law. Hence, the stickers could reduce the risks of document falsification or false recruitment/contracting by unscrupulous recruitment agencies or individuals. Likewise, extending the platform's access to prospective migrant workers presents a way to

bypass unverified or unregistered recruitment agencies. Other stakeholders, such as medical institutions for medical testing, insurance companies for issuing term-life insurance, and banks for updating the bank details of migrant workers and collecting contributions to the Foreign Employment Welfare Fund, have also been granted access to the platform.

▶ **Table 2 - ILO good practice recommendations for using digital recruitment platforms**

▶ While digitisation is important, it is not a standalone solution to recruitment-related violations. As such, it should be complemented by on-the-ground efforts with critical migration and recruitment stakeholders to respond to recruitment-related abuse.

▶ Governments should work to ensure digital inclusion across employers, recruitment agents and other third parties and migrants. This requires that governments make digital recruitment platforms more accessible to all. This can be achieved through sensitisation programs, digital literacy trainings, and increased language options to ensure that marginalised groups are not left out.

▶ Successful digital recruitment initiatives should be scaled up to include other platforms, labour migration stakeholders, similar initiatives in destination and origin countries (peer-to-peer exchanges), and other migration services.

▶ Governments should avoid duplication of digital initiatives unnecessarily and encourage interoperability between different platforms.

▶ Ensure that digital platforms adhere to the international labour standards on labour migration and fair recruitment principles, including the Guiding Principles and Operations Guidelines for Fair Recruitment.

▶ Digital recruitment platforms should be regularly monitored to ensure their optimal usage and that the information available is current and correct.

Source: ILO (2021) Use of digital technology in the recruitment of migrant workers

Continuing with its commitment to digitising government services, the government of Nepal has also developed and launched a mobile application called *Nagarik*. This app facilitates easier and more systematic digital delivery of all government services through a 'one-door system'. The application comprises a slot with DoFE that displays all the jobs advertised by private recruitment agencies, along with the terms, conditions, and facilities to be given for the contractual agreement. In addition, the application also allows migrant workers to verify the labour approvals by cross-referencing them with other requirements such as insurance validity and other details required. Similarly, the government has also developed and launched the *Baideshik Rojgari* mobile application, which was developed to facilitate easier access to information for workers.

Proof of impact/progress

- **Decentralisation of migration services:** FEIMS has enabled the government to provide paperless services to migrant workers. The workers can apply for labour approvals and renewals through the system. This has also made it easier for the government to extend their services at the provincial level, e.g., the Labour and Employment Offices in Bhairahawa, Pokhara, Biratnagar, Dhangadhi, Surkhet and Janakpur have already started the issuance of permits, and the government is planning to establish 753 Employment Service Centres across all the municipalities of the country to issue labour permits. Further, the decentralisation of migration services has already extended to the receipt of employers' demand letters by Nepali diplomatic missions abroad to facilitate the attestation of job demands and soon be available for the renewal of Nepali workers' labour permits from the destination itself.

- **Centralisation of migrant worker verification:** Earlier, non-digital versions of the labour approval stickers were pasted on the passport itself, requiring the migrant workers to visit the DoFE with their passports and queuing up for the entire day and often a couple of days. Now, with the introduction of e-stickers, labour approvals are sent through the migrant worker's registered email and mobile messaging and are also available in the FEIMS system profile created by the user workers. This limits the need for the physical presence of workers at the DoFE or designated offices. Additionally, the details of the e-stickers are integrated with the immigration system, so in

case they are misplaced or unavailable for any reason, the migrant worker can also be verified through the immigration system, making the e-stickers user friendly.

- **Connection with key stakeholders**: Currently, a total of 20 Nepali embassies/missions, five e-payment service providers, six insurance companies, and stakeholders consisting of the Foreign Employment Board, Department of Passports, Department of Immigration, Social Security Fund, Labour and Employment offices, commercial banks, pre-departure orientation centres, medical institutions, migrant workers and over 800 recruitment agencies are connected to FEIMS.

Promising Features

- Harmonises the recruitment process under a centralised system.
- Allows migrant workers direct access to jobs and recruitment information, replacing traditional information asymmetries.
- Allows for real-time monitoring of recruitment agencies and recruitment of workers by Government agencies and regulators.
- Centralises the registration, application, and compliant mechanisms for migrant workers, making it easier to report abuses or violations.
- Uses digital means to simplify the approval process through the e-stickers, potentially eliminating document falsification and recruitment fraud by agencies including by insurance companies and medical centres.
- Reduces the transaction cost of recruitment agencies due to online submission and approval systems of job demands and labour approvals

- Encourages professionalisation of the recruitment industry and the formalisation of the recruitment and redress processes.

Challenges related to FEIMS

- Migrant workers' dependency on recruitment agencies and intermediaries: Due to their low education and/or digital literacy, most workers cannot independently open an account and maximize the use of FEIMS. Therefore, they still depend on private recruitment agencies and related intermediaries such as insurance companies, medical institutions, and training institutes to upload the required documents.
- Functioning of digital complaint-handling mechanism: FEIMS's digital complaint-handling mechanism is not fully operational yet due to a lack of adequate human resources with DoFE.
- Data protection: With the increasing uptake of the FEIMS, it is imperative to protect the data of migrant workers recorded on the platform and maintain confidentiality.

Resources

Government of Nepal, Ministry of Labour, Employment and Social Security, 2022 Nepal Labour Migration Report

ILO (2021) Recruitment of migrant workers from Nepal: Country profile

ILO and IOM (2020) Promoting fair and ethical recruitment in a digital world: Lessons and policy options

IOM (2022) Migration and Skills Development: Policy Brief

Department Of Foreign Employment, Nepal Official YouTube, available here.