Nepali Diaspora and Brain Drain: A Human Capital Challenge with National Security Implications

Rajendra Neupane
Major, Nepali Army
Corresponding Email: rajpane45@gmail.com

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ABSTRACT

The Nepali diaspora has grown significantly in recent years, driven by labor migration, educational opportunities abroad, and socio-political factors. Although remittances contribute significantly to Nepal's GDP, brain drain–the migration of skilled human capital from the sending country–has posed numerous challenges. This article examines the Nepali diaspora and brain drain as a critical human capital issue with direct implications for national security. The study addresses three key research questions: What are the patterns and socio-economic impacts of skilled migration from Nepal? How does the loss of skilled human capital affect Nepal's national security? What policy measures can effectively encourage the retention of such talents? A mixed-methods design has been applied, combining quantitative analysis of migration data (2020–2025) with qualitative data. The findings reveal that low income, political instability, and weak institutional structures in Nepal intersect with strong external pull factors such as higher salaries, research opportunities, and global recognition, perpetuating a self-reinforcing cycle of talent loss. The study argues that large-scale migration not only constrains innovation and service delivery in the sending state, but also erodes its national resilience. The article concludes by proposing a five-pillar policy framework–retention, reintegration, diaspora engagement, institutional reform, and international collaboration–to safeguard Nepal's human capital as a strategic resource for sustainable development and national security.

Introduction

Brain drain was notably discussed in the 1960s and referred to the large-scale migration of scientists and professionals of developing countries to developed countries (Docquier & Rapoport, 2012). In the last several decades, the outflow of Nepali citizens in search of jobs and education has gained prominence, especially in discussing its role in the economy of Nepal. What used to be a temporary migration of labor to India and the Gulf nations has evolved into long-term migration of high-skilled laborers such as doctors, engineers, nurses, information technology experts, and scholars to developed economies in Asia, the Middle East, and the West (Sharma, 2017). This long-term movement of human capital from Nepal to the foreign labor markets has been termed brain drain.

This phenomenon persists, raising serious concerns about the sustainability of Nepal's development model. Although remittances are almost 25 per cent of Nepal's GDP (Nepal Rastra Bank [NRB], 2025), the emigration of professionals has created an equal problem: the erosion of academic capital in the country. Skewed migration in the country interrupts the normal operations in the major sectors of the country, especially health care, education, research, and technology, because skilled migration weakens the human resource base necessary to support long-term national development. Additionally, researchers have suggested that large-scale skilled migration is not only an economic problem but also a problem with national security implications (Bar-El, Pecht & Tishler, 2020). Depression of home-grown talent, tied to reliance on remittances, could lead to weak governance, innovation, and service delivery to the people.

The issue concerning brain drain and whether it should be considered as a loss (brain drain) or as a possible gain (brain circulation) has long been discussed in the field of global migration. In developing countries such as Nepal, the immediate effect is mainly adverse, as there are no institutional mechanisms to absorb returning migrants or regulate diaspora expertise. Even after several government policies, including the Foreign Employment Act (2007) and the 2022-2030 National Employment Policy, Nepal is still experiencing a rapid brain drain of the skilled labor force (Ministry of Labour, Employment, and Social Security [MoLESS], 2024).

The research questions discussed in this context are: What are the patterns and socio-economic impacts of skilled migration from Nepal? How does the loss of skilled human capital affect Nepal's national security? What policy measures can effectively encourage the retention of such talents? Following these questions, the article is relevant to migration and security studies since it presents the human capital dynamics as part of the national security policy in Nepal. In addition, it aims to present the Nepali diaspora as a strategic asset of the country whose contribution is not limited to remittances, but also to knowledge, network, and investment. This paper also places the issue of skilled migration in a broader strategic policy and national security discourse beyond a narrow labour–market interpretation.

Review of Literature

Earlier scholarship considered brain drain as a one-way loss of talent that denied the developing economies the human capital that was needed to modernize (Bhagwati & Hamada, 1974). Contemporary literature has developed more sophisticated concepts like brain circulation and brain exchange, with an underlying assumption that migrant professionals are able to produce knowledge transfers, investment, and transnational networks that are profitable to their home countries (Clemens, 2009).

It has become more noticeable in the 21st century worldwide because of the rapid globalization, improved communication technologies, and development of international education (World Bank, 2025). The International Organization for Migration (IOM, 2024a) says that there are more than 280 million people residing outside their home countries today, and an increasing percentage of them graduated from universities. Examples like India, the Philippines, and Nigeria have created huge diaspora networks, which act as a source of remittances and a source of transfer of skills. But in the case of smaller developing economies

such as Nepal, the trade-off between remittance benefits and skills shortages within the country is irrational.

According to the Ministry of Labour, Employment and Social Security [MoLESS] (2024), Nepal issued over 741,297 labor approvals in FY 2023/24 and approximately 839,266 approvals in FY 2024/25. While a majority of these are categorized as semi or low-skilled, the trend among skilled professionals, especially in the health and technology sectors, has accelerated. Nepal Rastra Bank (2025) reported that remittance inflows reached NPR 1.533 trillion in the first eleven months of FY 2024/25, a 15.5 percent increase from the previous year.

Seddon, Gurung and Adhikari (1998) argue that the loss of skilled personnel in health, defence, and public administration weakens institutional capacity and state resilience. For landlocked states like Nepal, which face multiple development challenges, the depletion of technical and managerial talent can hinder crisis response, governance reforms, and technological advancement. Consequently, human capital flight has both soft and hard security dimensions: it undermines public-sector performance and the state's ability to respond to emergencies, natural disasters, or cyber threats.

Research on diaspora involvement underlines that talented expatriates make contributions in terms of remittances, technological transfer, policy promotion, and institutional partnership (Kapur, 2010). The context of Nepal, however, is not the same, as the engagement between the Nepali diaspora is more fragmented and symbolic, with little penetration into the national innovation systems or security planning. Gautam and Adhikari (2025) opine that compared to bigger economies, where the frameworks of development led by the diaspora have been institutionalized, Nepal does not have formal systems that provide diaspora expertise to the key economic sectors of the country, including healthcare, education, infrastructure, and digital governance. Such disconnection strengthens brain drain and, at the same time, impacts national resilience. Incorporating the experience of diaspora engagement into the national security thinking a largely overlooked but a necessary aspect in the migration discourse of Nepal.

Gaps in Existing Literature

Although numerous studies document the scale of migration from Nepal, few have examined the qualitative impact of skilled migration on national capacity and security. The available data focus primarily on remittance figures and labor-approval counts, offering limited insight into the social and strategic costs of losing trained professionals. Moreover, empirical analyses tend to isolate economic dimensions from political and security concerns. This article addresses that gap by integrating labour market analysis with national-security perceptions, proposing a more comprehensive approach to understanding brain drain in Nepal.

Methodology

Research Design

This paper has utilized a mixed-methods research design to discuss the causes, trends, and consequences of skilled migration of Nepal in the year 2020-2025. The method incorporated the quantitative and qualitative elements to give a holistic picture of the phenomenon. The key push and pull factors affecting the migration of Nepali professionals were identified

through quantitative analysis. In contrast, the key motivations, institutional issues, and policy orientation affecting these trends were understood through the qualitative analysis.

Study Area and Population

The research targeted skilled professionals in Nepal who were living in Nepal or of Nepali origin and migrated or were going to migrate to a foreign country between 2020-25. A sample of a hundred Nepali diaspora respondents were were selected from key labor and migration locations, which included Australia, Japan, the United Kingdom, Canada, Germany, Singapore, Qatar, Saudi Arabia, the United States, and New Zealand. The participants had varied professional backgrounds such as healthcare, engineering, education, management, and information technology. To maintain a balance, returnees were also involved in the study and policy stakeholders in Nepal who are involved in migration governance and labor management. The research has embraced a purposive method of sampling, as individuals with a firsthand experience or information on international employment and migration policy have been selected. Ten experts from the field of national security, policy analysis, and migration were interviewed. Academic literature and materials from various secondary sources of data were used in the article.

Data Collection, Analysis, and Interpretation Procedure

Information was gathered in the period between May and September 2025 and was collected online and through face-to-face channels. The researcher collaborated with the diaspora organization, Non-Resident Nepali Association (NRNA), in their chapters and utilized professional contacts to locate the respondents. The significance of push and pull factors in skilled migration was determined through descriptive and inferential analyses of quantitative data to establish the relative importance of each factor. The findings are described in tables and figures in terms of percentages. Thematic analysis has been used to analyse qualitative data from the interviews. The combination of quantitative and qualitative data implied triangulation, which guaranteed reliability and richness of interpretation.

Theoretical Perspectives

The dynamics of brain drain in Nepal cannot be explained in terms of only one theoretical approach; economic, sociological, and security-oriented approaches are necessary to understand the complexity of migration of skilled personnel and its consequences. In this section, the Push-Pull Theory of Migration, the Human Capital Theory, and a new Security and Governance Framework have been described to examine the consequences of such migration on national resilience.

Push-Pull Framework of Migration

Everett Lee (1966) pioneered the development of the Push-Pull model affecting migration, and this model is still one of the most popular instruments for an analysis of migration. According to this theory, migration results from the combination of push (country-of-origin factors that force people to leave) and pull (attractive conditions in the destination country that attract migrants) factors.

In Nepal, push factors include constant unemployment, low wages, limited career growth, political instability, and a lack of research and innovation infrastructure (MoLESS, 2024). Pull factors, on the other hand, include increased wages, improved working conditions, improved training, political stability, and professional appreciateability in a foreign country (Berisha et al., 2024).

Human Capital Theory

The Human Capital Theory (Becker,1964; Schultz,1971) considers education, skills, and experience as investment that increases productivity and promotes the economic development of the country. People who migrate carry human capital to other destinations, and in many cases, there are asymmetric gains to the receiving countries. They provide skilled labour at a relatively low cost (Grebeniyk et al., 2021).

For example, a graduate nurse trained in Kathmandu can be hired quickly in Australia, the UK, or Japan, where their skills fills skill shortage issues. However, in Nepal, it creates a shortage of healthcare personnel, even if it receives remittance.

Haas (2019) refers to this as the paradox of mobility, in which migration positively affects the people, yet it can stunt growth, when the loss of human capital has a bigger impact than the remittance the sending country may receive.

Security and Governance Framework

Although in classical migration theories, economic factors are the driving force behind migration, in the modern world, there is a growing appreciation of how massive skilled migration can harm a state's internal stability and control. The security aspect of brain drain is associated with two major risks:

(a)   Institutional capacity erosion, in which institutions that lose skilled personnel, in turn, may not operate as effectively;

(b)   Strategic dependency, when excessive dependence on remittances subjects a state to external shocks (Maurice, 2022).

Human capital is a part of the strategic resource of a nation in terms of national security. The intellectual base needed in healthcare, in managing the crisis and building resilience during disasters and calamities are professionals in healthcare, education, science, and technology. The fact that they are in short supply in the sending country can undermine governance and impede a country's readiness for emergency management, including natural disasters, cyberattacks, and pandemics (Acharya, 2024). These patterns show that brain drain is not only a development question, but also has a strategic dimension, impact in national sovereignty and resilience.

Skilled Migration of Nepal (2020-2025): Trends and Patterns

The process of migration has become one of the characteristic aspects of the Nepalese socioeconomic order, which influences the level of household income up to macroeconomic stability (IOM,2024b). The period between 2020 and 2025 offers a specific example of a particularly active stage in this trend, driven by disruptions to the world order, including the COVID-19 pandemic and its recovery. This time reflects the strengths and weaknesses of the Nepali economy, which relies heavily in migration remittances.

Yearly Migration Pattern (2020–2025)

This section synthesizes available data to outline both the quantitative trend and the qualitative shift in skilled migration from Nepal during 2020–2025.

Table 1: *Yearly Migration Pattern (2020–2025)*

Year (FY)	Labour Approvals / Key Figures	Returnees / Contextual Data	Skilled Migration Pattern	Interpretation
2020 (FY 2019/20)	Approvals fell sharply after March 2020 due to global lockdowns (approx. 368,000 pre-COVID)	Mass return of workers, global travel bans, and economic shutdown.	Skilled migration paused, except for remote IT employment.	COVID-19 caused an unprecedented mobility collapse; thousands were stranded abroad.
2021 (FY 2020/21)	Only about 166,698 new approvals; 203,934 returnees recorded	Borders gradually reopened mid-year.	Skilled flows slowly resumed, mainly nurses and technicians.	Partial recovery; healthcare demand abroad is rising.
2022 (FY 2021/22)	Major rebound; 470,978 returnees processed as re-migrants	Strong global labor demand.	Surge in skilled migration, especially medical and technical professionals.	Post-pandemic recovery phase; "re-entry migration" dominates.
2023 (FY 2022/23)	Approvals exceed 600,000; remittance inflows increase steadily	Outflow stable; new destinations include Japan, the UK, and Croatia.	Continued growth of skilled categories (health, IT, engineering).	Diversification of destinations and skill categories.
2024 (FY 2023/24)	741,297 labour approvals—record high remittances NPR 445 billion.	Return flows normalize.	Strong, skilled recruitment in the healthcare and IT sectors.	Migration is central to GDP; skill intensity increases.
2025 (FY 2024/25)	839,266 labour permits issued; remittances NPR 1.533 trillion (+15.5%).	Mobility stabilized; outward flows continue.	Skilled migration sustained, especially to OECD nations.	Migration remains a core economic driver, but brain-drain risks escalate.

Source: MoLESS (2020, 2022, 2024); NRB (2020, 2021, 2022, 2023, 2024, 2025)

Principal push and pull factors

A total of 100 diaspora members were taken as respondents of the study living in various countries. Table 1 below summarizes the principal push and pull factors affecting skilled migration from Nepal between 2020 and 2025.

Table 2: Push and Pull Factors (n = 100)

Push Factors (Driving Forces in Nepal)	% Agree/ Strongly Agree	Estimated Mean Score(1–5)	Pull Factors (Attractive Forces Abroad)	% Agree/ Strongly Agree	Estimated Mean Score (1–5)
Low income and poor compensation	78%	4.5	Higher salary and financial incentives	85%	4.6
Limited career growth opportunities	70%	4.3	Clear promotion and professional pathways	80%	4.4
Political instability and corruption	65%	4.1	Stable political environment and institutions	75%	4.2
Poor working conditions and lack of resources	60%	4.0	Modern infrastructure and efficient workplaces	68%	4.0
Limited access to higher education/ training	55%	3.9	Advanced education and skill programs	72%	4.1
Lack of research and innovation facilities	52%	3.8	Research funding and innovation ecosystems	66%	4.0
Inadequate recognition and job satisfaction	50%	3.8	Professional respect and recognition abroad	64%	4.0
Bureaucratic hurdles and favoritism	48%	3.7	Merit-based and transparent recruitment	63%	3.9
Job insecurity and unstable employment	45%	3.7	Secure, long-term employment contracts	70%	4.2
Weak social protection and healthcare systems	43%	3.6	Comprehensive welfare and healthcare coverage	65%	4.0

Source: Survey, 2025

Overall, the pattern largely validates Lee's (1966) Push–Pull Theory, illustrating that migration occurs when perceived opportunities abroad outweigh domestic constraints. In the case of Nepal, economic insecurity and institutional inefficiency function as strong push elements. On the other hand, while professional stability and meritocracy abroad act as dominant pull factors, they perpetuate a cycle of skilled labor migration.

Key Trends Influencing Skilled Migration from Nepal (2020–2025)

The following section outlines the key trends influencing migration from Nepal. Two key trends dominate this five-year period:

> ***Labour Approvals*:** Data shows that, after setbacks in 2020, due to the COVID outbreak, labour approvals recovered dramatically in the subsequent years. By FY 2023/24, approvals surpassed pre-pandemic levels, reaching over 741,297, and provisional FY 2024/25 data suggest 839,266 approvals—the highest annual total in Nepal's recorded history (MoLESS, 2021, 2022, 2023, 2024, 2025).
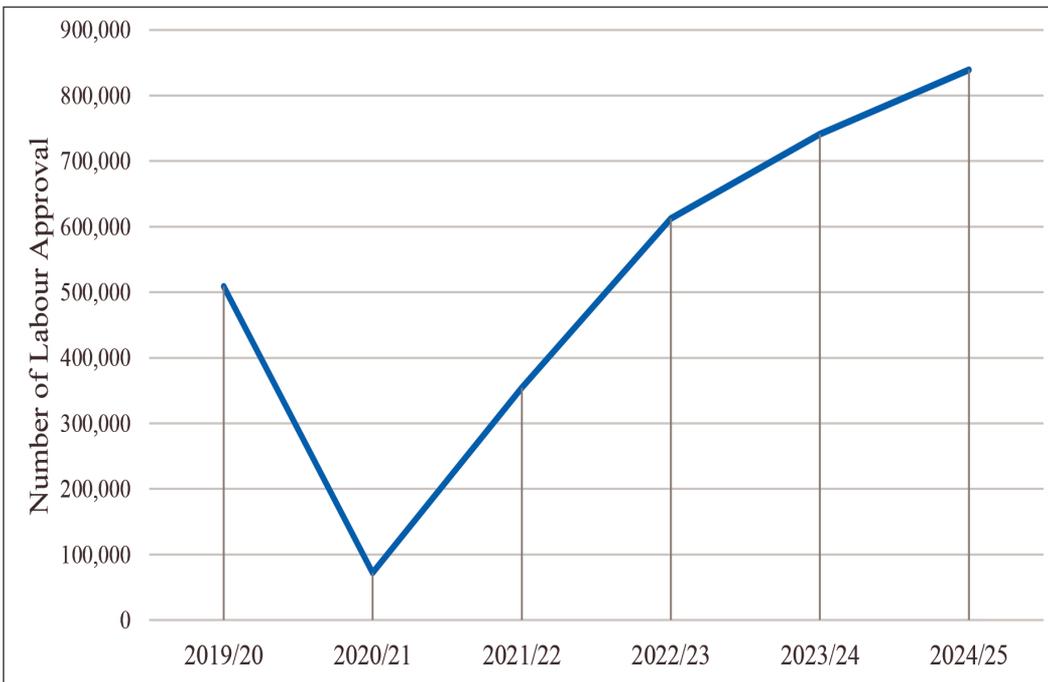

Figure 1. Labour Approvals Trend (2020–2025)

***Remittances*:** Corresponding to outward migration, annual remittance inflows increased steadily—from approximately Rs. 961.1 billion in 2020/21 to over NPR Rs. 1,723.27 billion in 2024/2025 (NRB, 2020, 2021, 2022, 2023, 2024, 2025). This consistent growth in remittances plays a pivotal role in stabilizing Nepal's economy. Moreover, it highlights Nepal's heavy dependence on remittances for foreign exchange and household consumption.
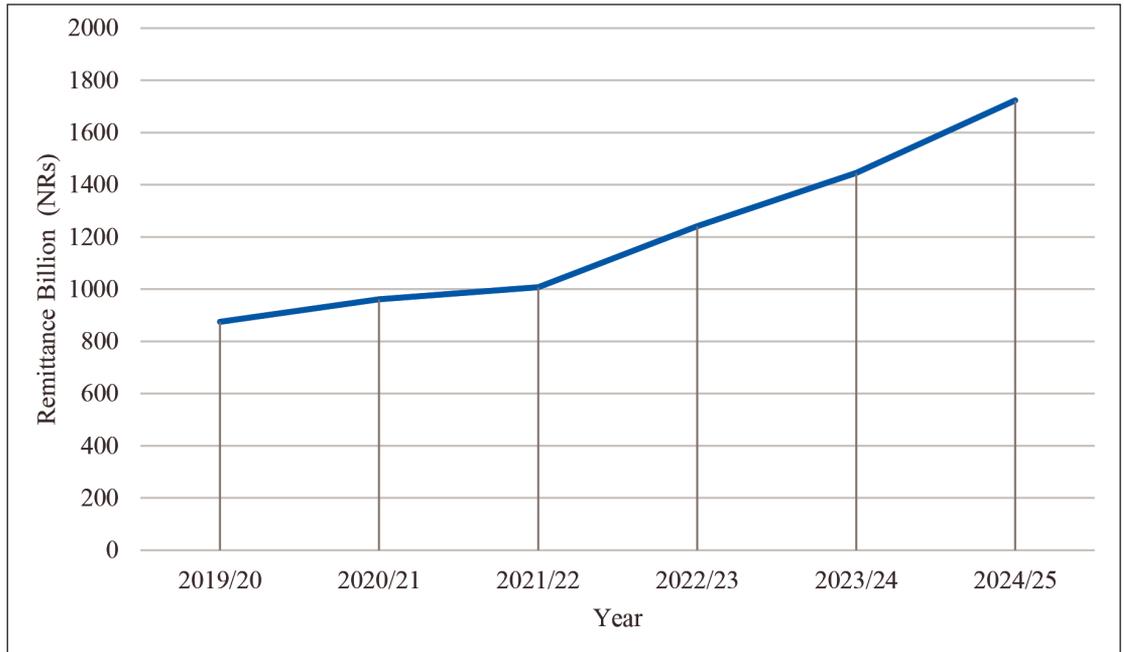
Figure 2. Remittance Inflows to Nepal (2020–2025)

Major Labour Destinations from Nepal (2020–2025)

Data below shows labour migration from Nepal during 2020–2025 remained heavily concentrated in the Gulf countries and Malaysia. Majority of the migrants were employed in low and semi-skilled sectors such as construction, manufacturing, and services. There was some increment towards European destinations and limited government-to-government migration channels. However, these shifts did not significantly change the overall pattern of labour migration.

Table 3: Major Labour Destinations from Nepal (2020–2025)

Category	Destination Countries	Trend (2020–2025)	Key Characteristics
Primary Destinations	Qatar, Saudi Arabia, United Arab Emirates (UAE), Kuwait, Bahrain	Dominant and stable	Absorbed the largest share of Nepali workers; mainly construction, security, domestic, and elementary occupations
Major Asian Destination	Malaysia	Strong increase post-2021	Largest single destination in several years; manufacturing and service-sector jobs
Government-to-Government (G2G)	South Korea, Israel, the United Kingdom	Limited but high-value	Skill-selective migration, higher wages; formal recruitment mechanisms

Category	Destination Countries	Trend (2020–2025)	Key Characteristics
Emerging European Destinations	Romania, Croatia, Poland, Malta, Bulgaria, Serbia	Rapid growth after 2021	Individually applied labour approvals; demand in construction, services, and manufacturing
Advanced Economy / Skill-Oriented	Japan	Gradual increase	Language- and skill-based migration; care, services, and technical occupations
Regional / Open Border	India	Large but underreported	Seasonal and informal migration; not fully captured in labour approval data

Sources: MoLESS (2020-2025)

Major Skilled Migration Destination from Nepal (2020–2025)

Data below shows the skilled migration from Nepal during the 2020-25 period was primarily towards high-income countries, including Australia, Canada, the United Kingdom, the United States, and Japan. Migration largely occurred through education-led and skill-based pathways. The concentration was particularly in the health, technology, and academic sectors. This tendency indicates a persistent and structural outflow of skilled human capital with long-term implications for national development.

Table 4: Major Skilled Migration Destination from Nepal (2020–2025)

Category	Destination Countries	Trend (2020–2025)	Key Characteristics
Primary Skilled Migration Destinations	Australia, Canada, United Kingdom	Strong and accelerating	Major destinations for students and skilled professionals; pathways to permanent residency
Advanced Economy / Professional Migration	United States, Germany	Stable to increasing	High-skilled migration in IT, health, research, and academia
Health and Care Sector Destinations	United Kingdom, Australia, Japan	Rapid growth post-2021	High outflow of nurses, caregivers, and health professionals
Education-Led Brain Drain	Australia, Canada, Japan, United Kingdom	Dominant channel	Student migration increasingly converts into long-term skilled settlement
Technology & Innovation Hubs	United States, Canada, Germany	Selective but impactful	Loss of IT professionals, engineers, and researchers
Regional Skilled Migration	India	Continuous but less visible	Doctors, engineers, academics; often short- to medium-term but cumulative loss

Sources: MoLESS (2022-2025)

Implications for National Security

The high migration of Nepal's talent pool, in the form of skilled migrants, in the years 2020-2025 shows a multidimensional nexus of economic opportunity, institutional frailty, and strategic futility. Although migration has traditionally served as a channel for alleviating unemployment and provided an essential means of remitting money, the long-term consequences are much nuanced. In this section, the socioeconomic and security aspects of the phenomenon are described in the light of the four interconnected perspectives as follows.

Economic Dependence and Structural Transformation

Clearly, Nepal has benefitted from remittance in the last twenty years, accounting for about a quarter of the national GDP (NRB, 2025). These inflows have minimized poverty and stabilized foreign reserves, ensured acculturation of the economy against trade deficits, and fiscal instability. However, as various thinkers observe, remittance dependency leads to structural complacency, in which a policy maker is dependent on foreign income rather than working to diversify its industry or promote innovation (Sharma, 2017). This reliance is paradoxical: remittances strengthen short-term financial status but undermine more productive development at home in the long term.

Institutional Capacity Erosion

Institutions have been affected because of migration of skilled professionals, particularly in the critical sectors like health care, education, and engineering. As an illustration, the Nepal Nursing Council documented that the number of requests concerning the certification to work abroad increased by 35 per cent in 2021-24 (MoLESS, 2024). Likewise, higher salaries and research funding encourage migration to Australia, the UK, and Japan, where many university lecturers and researchers reside (Adhikari, 2021). There is a shortage of personnel in hospitals in times of crisis, universities have difficulties maintaining academic standards due to a shortage of skilled resource, and the infrastructure construction projects are delayed due to technical issues.

Social Transformation and Family Dynamics

The social aspects of skilled migration are notable. Migration alters family structure, gender relations, and intergenerational aspirations. The number of skilled women migrating (primarily nurses and caregivers) was considerable in 2020 (Acharya, 2024). Most migrating women experience economic independence and global exposure in foreign countries, yet struggle with the issues of separation between family members, occupational harassment, and cultural acclimatization (International Labour Organization, 2023).

Brain Drain and Governance Vulnerabilities

High turnover rates in Nepal are a threat to the administration and technical institutions in the country to sustain high standards. An example of this is that the outflow of engineers influences infrastructure monitoring, and the outflow of IT professionals postpones projects in digital governance. In that regard, brain drain can be directly translated into governance drain which define as the concept of institutional legitimacy and public trust erosion because of the loss of human capital.

Security Dimension: Human Capital as a Strategic Resource

The link between human capital and national security has gained prominence in recent scholarship. A state's ability to defend itself, respond to emergencies, and sustain stable governance depends on the availability of skilled professionals, including physicians, teachers, and civil servants. The erosion of this human capital base weakens both soft power—diplomatic, economic, and technological—and hard power, such as infrastructure and defense logistics.

*Health Security***:** During the COVID-19 pandemic the dependence on foreign-trained medical personnel became obvious. In 2021/2022, a significant number of hospitals were unable to maintain sufficient staff because senior nurses and physicians sought work opportunities abroad (Adhikari, 2021).

Cyber Security and Technological Sovereignty: As digitalization grows fast, Nepal is vulnerable to cybercrime due to the emigration of IT specialists. A shortage of cybersecurity experts reduces the ability of the state to safeguard sensitive information and national infrastructure (Parreñas, 2015).

*Disaster Response and Infrastructure Security***:** Nepal is prone to earthquakes, floods, and landslides that need to be addressed at home using technical capacity. However, the outflow of civil and structural engineering professionals restricts access to expertise in risk assessment and rebuilding.

*Policy Continuity***:** Policy continuity depends on skilled bureaucrats and administrators who ensure consistent implementation of foreign policy and economic planning. Their emigration disrupts institutional continuity and undermines coordination, particularly in areas central to national defense, foreign affairs, and development finance.

Educational Security: Institutions of higher education are the focal points of the production of national systems of knowledge and long-term formation of human capital. Therefore, any shortage of academic staff, researchers, and university scholars undermines the academia of Nepal. Universities fail to graduate sufficient skilled professionals in priority fields such as science, engineering, policy-making, and medicine (Mainali, 2024). This contraction of academic capacity reduces research output, innovation, and curriculum relevance, leading to increased reliance on foreign-trained expertise. Over time, such dependence weakens intellectual sovereignty and constrains the state's ability to generate solutions aligned with national interests.

Economic and Industrial Security: Experienced workers are crucial in the maintenance of strategic sectors, in areas of entrepreneurship, and value-added economic functions. A lack of technical specialists, managers, economists, and engineers limits industrial development and interrupts Nepal from moving towards productive economy, and diversify a predominantly remittance-based economy. Local industries are weakened, making them vulnerable to the disruptions in global supply chains and even external economic shocks (Bhattarai, 2025)

Military Support Systems and Strategic Logistics: Although national defense is commonly linked with armed forces, the quality of civilian knowledge in the areas of logistics,

engineering, health services, information systems, and strategic planning is crucial for effective functioning. The brain drain of skilled civilians reduces the state's capacity to sustain military preparedness, maintain critical infrastructure, and adapt defense-related technologies (Paudel, 2021). Consequently, there is a growing dependenceon foreign technical support which may negatively impact strategic independence and operational survivability in times of heightened security risks.

Taken together, these dimensions support the thesis that brain drain in Nepal extends beyond labour market concerns and constitutes a multidimensional national security issue. Brain drain affects health systems, technological sovereignty, governance continuity, education, economic stability, and defense support systems. Sustained skilled migration creates a strategic vacuum that undermines long-term sovereignty, crisis preparedness, and the country's overall developmental security.

Diaspora Engagement Strategies

Having discussed the security threats of unmanaged brain drain, this section reframes the Nepali diaspora as a strategic asset rather than a passive outcome of migration. Skilled Nepalese migration takes place in an unstable international climate. This is characterized by an anti-migration mood, tight visa coverage, and nationalism in the labor markets of the receiving nations. The recent protests and changes in policies in Europe, North America, and even in some Asian countries show that there is no permanence or guarantee of access to foreign labour markets (Wickramasekara, 2019). In the case of Nepal, excessive reliance on foreign labour absorption poses strategic ambiguity. This would result in a large number of returnees with no appropriate local engagement. The Nepali diaspora may be a national strength despite all difficulties. As Nepal has more than two million citizens abroad in diasporas, diaspora networks are sources of knowledge and resources, as well as a pathway into international engagement. A strategy that incorporates effective engagement through dual citizenship frameworks, diaspora bonds, knowledge-transfer programs, and investment incentives can transform brain drain into brain circulation (Saxenian, 2006).

A number of states have managed to introduce such strategies:

a)   Know India Programme in India appeals to the second-generation expatriates to contribute to innovation (Ministry of External Affairs, 2025).

b)   Reintegration funds in the Philippines are helping reintegrate the professionals by giving grants and business incubation (Banta & Saguin, 2025)

c)   Local investment in technology and education has been initiated by the Sri Lankan returnee entrepreneurship programs (Aslam, 2025).

d)   In the case of Nepal, an institutionalized Diaspora Engagement Authority could centralize these efforts, work in coordination with embassies, and design structured reintegration pathways for skilled personnel.

Policy Recommendations

This section presents strategic interventions required to transform brain drain into brain circulation. It focuses on a more general strategy, which connects economic policy, education reform, governance enhancement, and diaspora diplomacy. It has four pillars of policy framework, which are retention, reintegration, diaspora engagement, and institutional reform, that strive to boost national innovation, investment, and resilience.

Pillar 1: Retention- Creating Incentives to Stay

Retention strategies address the domestic conditions that drive skilled workers to leave the country. Low remuneration and limited career advancement remain the primary drivers of skilled emigration. In response, the government should standardize salaries at the regional level, introduce Professional Excellence Grants, and expand Continuing Professional Development (CPD) programs to strengthen skill retention and professional motivation.Weak research and technological ecosystems further push professionals abroad. Establishing a National Research Endowment Fund, strengthening university–industry linkages, and developing innovation centers within academic institutions would enhance innovation and create incentives for professionals to remain in the country. Persistent administrative instability and favoritism, however, continue to erode institutional trust and undermine these retention efforts.

To reverse this, the Public Service Commission must automate recruitment, institutionalize merit-based appointments, and foster stable governance conditions, which foster professional confidence.

Pillar 2: Reintegration - Turning Returnees into Catalysts of Development

Reintegration aims to transform migration into a productive loop of return, learning, and investment. Red tape and information blockage can discourage returnees. Returnee Skill Registry, provincial Migration Resource Centers, and long-term career mapping could be used to help connect the returnees to employment and business opportunities. In turn, this may encourage incentive investments by foreign investors in the nation, particularly in small and medium-sized enterprises To do so, Nepal should provide tax holidays, matching grants, and institutional support to returnee entrepreneurship networks to fully harness the economic potential of returning professionals.

Pillar 3: Diaspora Engagements — Making Global Nepalis into National Partners

This pillar is aimed at enhancing the connection between Nepal and its diaspora.The proposal is to create a Diaspora Engagement Authority (DEA). Diasporic affairs should be coordinated by a special agency. Its activities would involve the establishment of the Global Nepali Database, the establishment of the Brain Circulation Fellowship, and the establishment of a Diaspora investment portal through which investments across borders can be easily made. Assisting the Nepalis living in foreign countries through institutionalised diaspora consultation in policy-making ensures they can contribute to governance and innovation. Diaspora Bonds would raise money towards infrastructure, education, and technology. In addition, diaspora skills might be incorporated into national development through virtual collaborations, joint research programs, and Global Knowledge Summits.

Pillar 4: Institutional and Policy Reform

Institutional and policy reform aims for modernizationand security integration to maintain the development of human capital. Brain drain is cross-sectoral, and it involves cooperation between the Ministry of Labour, Employment and Social Security, the Ministry of Education and Science and Technology Ministry of Foreign Affairs, and National Planning Commission. There is a possibility of a High-Level Inter-Ministerial Council that would liaise the education, labor, and migration policies in accordance with SDG 8 (Decent Work and Economic Growth). The National Security Council may consider human capital as one of its strategic resources. The most important steps are mapping the critical skills, completing the Talent Contingency Plans, and cross-ministry coordination in order to protect expertise in times of crisis.

Pillar 5: International Collaboration

International collaborations have the potential to increase migration management in Nepal. Cooperation with the ILO and IOM, as well as the World Bank, can enhance ethical recruitment, certification, and reintegration systems. Active involvement in the Global Compact for Migration (GCM) and close bilateral agreements will see Nepal enjoy the benefits of global labor mobility without excessive dependency.

Conclusion

The outflow of skilled human resources through migration highlights opportunities and vulnerabilities of globalization. On the one hand, migration has contributed to the national economy by strengthening it through remittance inflows, reduction in poverty, and promotion of social mobility. On the other hand, its latent costs, reflected in the drainage of skilled manpower, institutional weaknesses, and strategic dependence, pose major challenges to the sustainable development and national security of Nepal. Taken together, these dynamics indicate that skilled migration from Nepal follows a sustained push–pull pattern with mixed socio-economic impacts, juxtaposing short-term remittance benefits with long-term human capital loss. More importantly, the article views brain drain as not simply as economic problem but also a multidimensional one affecting education, governance, and geopolitical factors. Specifically, low income, political instability, and lack of institutional capacity as push factors, which intersect with equally powerful pull factors, such as high salaries abroad, research opportunities, and professional recognition in destination countries. Consequently, this intersection leads to a self-perpetuating human capital drain cycle. This undermines the domestic capacity of innovation and the institutional integrity of Nepal. As a result, the loss of skilled human capital weakens institutional continuity and state resilience. However, when well utilized, the global diaspora of Nepal can open windows of opportunities.Therefore, effective policy measures should focus on strengthening domestic institutional capacity, improving professional opportunities, and systematically engaging the Nepali diaspora to encourage talent retention and transformation from brain drain to brain circulation.

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