USDOS – US Department of State (Author)

2023 Trafficking in Persons Report: Nepal

NEPAL (Tier 2)

The Government of Nepal does not fully meet the minimum standards for the elimination of trafficking but is making significant efforts to do so. The government demonstrated overall increasing efforts compared with the previous reporting period, considering the impact of the COVID-19 pandemic, if any, on its anti-trafficking capacity; therefore Nepal remained on Tier 2. These efforts included increasing investigations and identifying more trafficking victims. Nepal's Anti-Human Trafficking Bureau (AHTB) developed a training manual for investigating trafficking crimes. In addition, the government introduced a new policy to allow previously unregistered migrant workers to regain legal registration to work abroad. However, the government did not meet the minimum standards in several key areas. The government's laws do not criminalize all forms of labor trafficking and sex trafficking, and the government did not finalize its long-pending draft amendments. The government convicted fewer traffickers and concerns continued about official complicity in trafficking crimes. The government did not finalize pending SOPs for victim identification and did not report if any identified victims were referred to services. Officials' identification of, and protection for, male trafficking victims and transnational labor trafficking victims remained inadequate. The government continued to allow Nepali migrant workers to pay recruitment fees and related expenses with few measures to protect migrants from exploitation.

PRIORITIZED RECOMMENDATIONS:

- Amend the Human Trafficking and Transportation (Control) Act (HTTCA) to criminalize all forms of sex trafficking and labor trafficking, in line with the 2000 UN TIP Protocol; implement victim-witness protection provisions; and remove a provision that allows the judiciary to fine victims if they fail to appear in court.

- Increase investigations and prosecutions, including allegedly complicit officials, and seek adequate penalties for convicted traffickers, which should involve significant prison terms.
- Constitute Local Coordination Committees on Human Trafficking (LCCHTs) in all localities.
- Establish SOPs for law enforcement to investigate human trafficking cases, including referrals between agencies.
- Finalize SOPs for victim identification while training front-line responders to increase referrals of trafficking victims to services.
- Expand availability and capacity of victim care, including shelter and repatriation, for all victims, especially men and boys and workers exploited abroad.
- Increase staff, training, and resources to the Department of Foreign Employment (DoFE) to facilitate full implementation and monitoring of the low-cost recruitment policy, and take steps to eliminate recruitment or placement fees charged to workers by Nepali labor recruiters.
- Engage destination country governments to create rights-based, enforceable agreements that protect Nepali workers from human trafficking.
- Consistently enforce strong regulations and oversight of labor recruitment agencies and sub-agents, and hold fraudulent labor recruiters criminally accountable.
- Significantly increase monitoring of children's homes and orphanages and hold accountable those that do not meet the government's minimum standards of care.
- Provide documentation to stateless individuals, internationally-recognized refugees, and asylum-seekers to allow them to work, attend school, and access social services.

PROSECUTION

The government maintained anti-trafficking law enforcement efforts. The 2007 HTTCA criminalized some forms of sex trafficking and labor trafficking. The HTTCA's definition of trafficking was inconsistent with the international definition of trafficking. It limited the definition of human trafficking to the purchase or selling of a person and to causing another person to go into prostitution; did not include a demonstration of force, fraud, or coercion as an essential element of the base offense; and did not explicitly address forced labor. The law separately defined "human transportation" as the taking of a person from their home or place of residence through force, fraud, or coercion for the purpose of prostitution or keeping a person as a slave or bonded laborer. The HTTCA prescribed penalties ranging from five to 20 years' imprisonment and a fine, which were sufficiently stringent and, with respect to sex trafficking, commensurate with those prescribed for other serious crimes, such as rape. The 2017 Labor Act, which is enforced by specialized labor courts, criminalized forced labor and prescribed penalties of up to two years' imprisonment, a fine of up to 500,000 Nepali rupees (NPR) ($3,780), or both. Additionally, the 2002 Bonded Labor (Prohibition) Act abolished bonded labor and prescribed civil penalties of a fine between 15,000 NPR and 25,000 NPR ($113-$189). The 2000 Child Labor Act criminalized forced child labor and prescribed penalties of up to one year's imprisonment, a fine of 50,000 NPR ($378), or both. None of these laws prescribed sufficiently stringent penalties. The 2007 Foreign Employment Act (FEA) criminalized fraudulent and deceptive labor recruitment of Nepali workers for employment abroad and was often utilized in labor trafficking cases in lieu of the HTTCA. For the eighth consecutive year, the government continued to work on revisions to the HTTCA. In August 2022, a federal parliamentary committee directed the government to amend 12 existing laws to harmonize statutes with the Palermo Protocol, and the National Human Rights Commission continued advocacy efforts to align the country's laws with the UN TIP Protocol.

The Nepal police and Office of the Attorney General continued to lead anti-trafficking law enforcement efforts. During the Nepali fiscal year from July 16, 2021, to July 15, 2022, the police conducted 145 investigations involving 291 suspects, compared to 134 investigations involving 162 suspects in the previous reporting period. The government initiated prosecution against 682 suspects in 386 cases, compared with 300 suspects in 146 cases in the previous reporting period. District courts convicted 162 traffickers in 82 cases and acquitted 189 individuals in 85 cases under the HTTCA, compared to conviction of 164 traffickers in 72 cases and 189 acquitted suspects in 87 cases during the previous reporting period. Nepal's high courts and Supreme Court also heard trafficking in persons appeals involving cases originating in district courts; high courts upheld the convictions of traffickers in 49 cases and acquitted individuals in 82 cases while the Nepali Supreme Court upheld the convictions of traffickers in 26 cases and acquitted individuals in 16 cases. The government did not report the sentences prescribed to convicted traffickers or provide disaggregated data on sex and labor trafficking. The government did not provide any data on bonded labor cases and efforts to investigate or prosecute bonded labor crimes were unknown.

The Nepal police and its AHTB, a specialized police unit dedicated to anti-trafficking, investigated trafficking crimes. The Nepal Police Women's Cells (NPWC) had female officers in all 77 districts to investigate crimes against women and girls, including trafficking, but not all district offices had fully operational units. While investigative capacity was improving, Nepali law enforcement did not proactively identify trafficking cases and often relied on referrals from civil society, thereby undermining evidence collection and prosecution efforts. Some police and prosecutors previously investigated and prosecuted suspected traffickers for non-trafficking offenses such as rape, fraud, or labor exploitation. Law enforcement continued to rely on victim testimony and regularly dropped cases or acquitted defendants due to a lack of evidence, as victims often chose not to participate in court proceedings due reluctance to assist in cases against perpetrators who were friends or relatives, social stigma, threats or bribes from traffickers to drop cases, and a lack of available victim-witness assistance. Additionally, traffickers often operated in other countries beyond the reach of law enforcement. The government continued to misidentify the majority of transnational labor trafficking cases as labor violations and resolved most cases administratively through the Ministry of Labor, Employment, and Social Security (MoLESS) in lieu of criminal investigation, with inadequate sentences for perpetrators. The Foreign Employment Board (FEB) had responsibility for monitoring and reporting labor violations, but the agency could not conduct enforcement operations and referred cases to DoFE and the Foreign Employment Tribunal, often resulting in adjudication of migrant labor complaints. Prosecutors could pursue a case under both the HTTCA and the 2007 FEA for transnational labor trafficking and foreign employment fraud, respectively; however, prosecutors typically declined to do so. Many district courts did not comply with the 2013 Supreme Court directive to adopt a "fast-track" system to complete trafficking cases within 90 days; accordingly, the government reported that most trafficking cases heard at district courts took one year.

The government did not report any prosecutions or convictions of government employees complicit in human trafficking crimes; however, corruption and official complicity in trafficking crimes remained a concern, inhibiting law enforcement action. The MoHA suspended the head of the Kathmandu international airport immigration office on allegations of complicity in the transportation of potential trafficking victims using tourist visas; however, no further action was taken following an initial investigation. The former director general of DoFE and two DoFE officials filed an appeal following their conviction in 2022 for attempting to collect a bribe from a foreign employment agency; the cases remained pending in the Supreme Court. Traffickers reportedly bribed government officials to include false information in Nepali passports and provide fraudulent documents to prospective labor migrants or foreign employment agents; in addition, some government officials, including parliamentarians, maintained close ties to foreign employment agencies, resulting in potential conflicts of interest. Operators of unregistered children's homes – which sometimes exploit children in forced begging – were often politically connected and viewed favorably within their community; observers stated that even when arrested, they were almost never prosecuted. Some police and political leaders were allegedly complicit in sex trafficking through financial involvement in the AES.

The government had standard training for labor, immigration, judicial, law enforcement, and foreign employment officials that included general definitions of human trafficking. Most police lacked specialized training and resources to interact with trafficking survivors using a victim-centered approach. The AHTB, in coordination with civil society, developed a training manual on investigating trafficking crimes, and AHTB officials trained police personnel. The Office of the Attorney General also conducted specialized training for prosecutors. The National Judiciary Academy had SOPs on investigation and prosecution of trafficking cases; however, implementation of the SOPs varied. Nepal police informally coordinated on international investigations of trafficking-related crimes with other foreign governments, particularly India, and INTERPOL.

PROTECTION

The government decreased efforts to identify and protect trafficking victims. The government identified 207 victims, including 129 sex trafficking survivors and 78 labor trafficking survivors, compared with 187 victims in the previous reporting period. Nearly 70 percent of identified victims were exploited in Nepal while 30 percent were exploited in India, Cambodia, Laos, Russia, and the Gulf countries. The government continued to allocate 10 million NPR ($75,610) for victim services, including repatriation assistance for victims abroad, during fiscal year 2021 to 2022.

The government did not have formal SOPs for victim identification and referral to services, impeding proactive identification efforts; the Ministry of Women, Children, and Senior Citizens (MoWCSC) previously drafted SOPs that remained pending final approval by the end of the reporting period. NPWC had internal guidelines on victim identification, including treatment of victims. The government had national standards for care of trafficking victims, which included procedures to refer victims to care; however, referral efforts remained ad hoc and inconsistent. Observers reported the government lacked formal SOPs to refer victims to shelter services. FEB and MoLESS continued to finalize an SOP to expand and improve procedures to guide referrals to shelter services for both male and female trafficking survivors and returning migrant workers; the current SOP and government practices focus on GBV and trafficking of women and girls. The government continued to lack data on the number of victims it referred for care or how many survivors used these services. NPWC typically referred trafficking victims to government-established, one-stop emergency centers or civil society organizations, both of which could provide shelter, medical, and legal services. Although public hospitals provided some victim services, hospitals often charged civil society organizations for medical assistance to trafficking victims. The pandemic continued to impact anti-trafficking efforts, including reducing resources and capacity to provide services to survivors.

The MoWCSC, in partnership with civil society organizations, operated 10 shelter homes for victims of GBV and human trafficking, although civil society organizations led operations of most shelters. These shelters provided services to 2,260 individuals, which may have included trafficking victims, compared to 2,628 during the previous period. The government also operated two long-term shelters that could assist trafficking victims, offering counselling, health services, legal support, and employment programs. In addition, MoWCSC supported 22 short-term service centers, a long-term shelter for women, and the first of several planned provincial shelters for GBV survivors, including trafficking victims. MoWCSC paid for basic needs, including lodging, food, health services, and psychosocial counseling of victims receiving services, while civil society organizations covered other administrative and staff costs and provided most victim-care facilities. Although most shelters served women and children, the government reported male trafficking victims were eligible for placement in government-funded shelters, and the National Committee for Controlling Human Trafficking (NCCHT) could reallocate funds if male victims sought services. Shelters for individuals with disabilities remained inadequate. The NCCHT monitored the 10 shelters and required its partner civil society organizations to periodically submit details of their operations; similarly, district anti-trafficking committees were required to conduct at least one monitoring visit to government-funded shelters every six months, and the NCCHT could conduct additional inspections as needed. The National Child Rights Council, which monitored childcare homes remotely and with the assistance of civil society organizations, removed 72 children from exploitation in abusive and unregistered children's homes and reunified 1,211 children with their families, compared with 84 children removed during the previous year. MoWCSC provided anti-trafficking training for staff at victim shelters, and officials trained local government representatives and orphanage staff on minimum standards for operating care homes. In December 2022, the government finalized a SOP for operating childcare homes and began efforts to reduce the overall number of children's institutions; however, many positions to monitor children's homes remained unfilled, hindering overall efforts.

The government had some victim-witness assistance available to support victims participating in investigations and prosecutions, but lacked a formal victim-witness assistance program. The government could provide psychosocial counseling, transportation, up to three months of shelter, and police security; however, the government did not report how many victims received assistance. However, in civil suits, most victims remained unaware of the HTTCA provision granting the right to private representation; even in cases where victims had private representation, the attorneys often struggled to build strong cases due to obstacles in obtaining critical information from law enforcement. The DoFE and police utilized a 2020 MOU which allowed labor trafficking victims to file complaints at local police stations, rather than traveling to Kathmandu, to increase victim participation in cases. Victims could provide testimony via video or written statement; however, most courts did not have facilities for video conferences, and officials often did not make victims aware of the option. Victims continued to report challenges in providing testimony, including threats from perpetrators. Notably, resource limitations impeded authorities' provision of a victim's right to police protection, and observers stated victims were reluctant to file criminal complaints under HTTCA. In addition, the HTTCA authorized the judiciary to fine victims who failed to appear in court and hold victims criminally liable for providing testimony contradicting their previous statements. Due to a lack of formal identification procedures, authorities may have arrested, detained, and fined some unidentified trafficking victims, including some adult and child sex trafficking victims. Police did not always recognize child sex trafficking victims as such and sometimes removed girls from trafficking situations, sent them home, and did not refer them to services or file criminal charges against the buyer or trafficker. While a committee directed the MHA to provide shelter to foreign victims of trafficking, the government did not have legal alternatives to the deportation of foreign victims. The government did not report whether officials screened for trafficking among foreign nationals prior to deportation.

Victims could obtain restitution from traffickers through criminal proceedings. The government could also provide back wages from an HTTCA rehabilitation fund if the government was unable to collect fines imposed on traffickers. The government seldom initiated victim compensation and few victims knew about the HTTCA fund's existence. As in prior reporting periods, the government did not report if any courts ordered restitution or if any victims received compensation from the HTTCA fund. DoFE settled most labor complaints of migrant workers administratively and did not refer violators to the FET for civil penalties nor to police for criminal investigation. Many labor trafficking victims preferred to submit claims for compensation through the 2007 FEA in lieu of lengthy criminal prosecutions under the HTTCA to avoid the stigma associated with trafficking, the significantly higher potential for compensation through the 2007 FEA than HTTCA, and the lack of time and funding to access the centralized institutions charged with providing redress.

The 2007 FEA required the government to appoint labor attachés in countries with more than 5,000 registered Nepali migrant workers to address claims of abuse or exploitation, and facilitate worker repatriation. The government continued to have seven labor attachés and five labor counselors deployed in eight countries. Although MoLESS assigned labor attachés and counselors to diplomatic missions with a high volume of migrant workers, limited resources prevented assigning attachés to all required countries. While some embassies could provide temporary shelter and repatriate trafficking victims, officials acknowledged inadequate staffing, coordination, and resources to meet the high demand for services created delays in assistance, most shelters provided space only for women, and the quality of the government-run shelters abroad was inadequate. Nepali embassies in most Gulf countries, Malaysia, and South Korea could each provide emergency shelter for approximately 25 female migrant workers, including trafficking victims, although host country policies often restricted missions from independently managing shelters and most embassies lacked shelters for migrant workers. Embassies did not report the number of migrant workers assisted.

The FEB, which is responsible for protecting migrant workers and maintains a welfare fund to support labor migrants registered with the DoFE, collected fees from registered migrant workers prior to departure for a welfare fund to provide repatriation and one year of financial support to families of injured or deceased workers, which could include trafficking victims. During the fiscal year, the fund repatriated 215 migrant workers compared with 551 in the previous year. The government did not report identifying any trafficking victims among those repatriated or initiating any criminal investigations. Additionally, the government repatriated 213 bodies of Nepalis who had died while employed abroad, compared with repatriation of 892 bodies the previous year. Although the government medically certified migrants prior to departure, many overseas deaths likely resulted from extreme working conditions such as severe weather exposure leading to organ failure. MoWCSC funded some Nepali embassies, including the embassy in Oman, to repatriate Nepali trafficking victims. Although there is no welfare fund to repatriate unregistered workers, FEB could repatriate undocumented migrants, including trafficking victims, by requesting funds through the finance ministry on an ad hoc basis, or referring victims to the non-resident Nepali association, but it could not provide any other financial support or services. Civil society organizations bore the primary cost of repatriating Nepali trafficking victims from India where repatriation could take up to two years due to the lack of formal repatriation procedures between countries. Nepal lacked formal agreements with neighboring countries to repatriate trafficking victims, often resulting in excessively long repatriation processes. DoFE maintained an online portal that allowed migrant workers, or someone on the worker's behalf, to file a request for repatriation assistance. Since the site's introduction, DoFE has received increasing requests for repatriation assistance, but the government did not report the percentage of successful repatriations.

PREVENTION

The government slightly increased efforts to prevent human trafficking. The NCCHT, headed by the MoWCSC, continued to lead interagency efforts on human trafficking. Some municipalities formed LCCHTs following Nepal's transition to federalism; however, the LCCHTs were not mandated by law and did not receive national-level funding, thereby limiting sub-national anti-trafficking efforts. While the NCCHT continued to meet with and train officials from the District Anti-Trafficking Committees (DCCHTs), observers noted the need for improved coordination between the NCCHT, DCCHTs, and LCCHTs as anti-trafficking efforts faltered due to uncertainty over responsibilities across all levels of the government. Additionally, an office within the National Human Rights Commission focused on trafficking of women and children; however, the office remained understaffed and less active than the NCCHT. The NHRC and MoWCSC published trafficking in persons reports providing policy analysis and recommendations to the government. The government, in collaboration with an international organization, continued to develop a central trafficking database to address information gaps. The MoWCSC previously formed a task force to revise the National Action Plan (NAP); the NAP was pending formal approval by the end of the reporting period. The government continued to conduct public awareness campaigns throughout the country, sometimes in partnership with civil society or international organizations, and operated digital displays featuring trafficking awareness messages in key locations. The government also produced radio and television programs to raise awareness and disseminated information about trafficking through various media sources. The government operated hotlines for victims of crime, including human trafficking, and the Metropolitan Police Crime Division in Kathmandu continued to operate an anti-trafficking hotline. The Department of Labor (DOL), in partnership with civil society, operated a hotline to report allegations of child labor. The FEB also operated a hotline to receive complaints concerning migrant workers, including human trafficking incidents.

The Department of Immigration lacked effective processes for detecting potential victims of trafficking as well as a mechanism for coordinating victim identification among intergovernmental agencies and civil society organizations. Police lacked the staff, resources, and training required to patrol Nepal's nearly 1,100-mile border with India, which Nepalis and Indians could cross without visas or passports. Significant transnational trafficking reportedly occurred along the border; however, border officials did not conduct screenings and most cases were not proactively identified. Police relied on civil society organizations to conduct screenings along the border, but these efforts focused almost entirely on intercepting female travelers.

The DoFE, which regulates and monitors recruitment agencies and pre-departure orientation centers, maintained offices in all seven provinces to increase prospective migrant workers' access to foreign employment-related services. The FEB also operated approximately 41 migrant resource and information centers at the district level, which provided information on authorized recruitment agencies, maximum fees the agencies could charge workers, and information on the risks and challenges of working abroad. The FEB continued to provide a two-day, pre-departure orientation for migrant workers; however, the course was not mandatory and the quality varied. The government offered free certifications for skills obtained abroad for migrant workers; it did not report how many workers utilized these services. The government's labor migration policies remained lengthy, costly, and sometimes discriminatory against women and the government struggled to implement and monitor regulations for foreign employment. Although the Parliamentary Committee for Industry, Commerce, Labor and Consumer Welfare previously revoked its recommendation to ban the migration of female domestic workers younger than 24 years to Gulf states and Malaysia, the government maintained strict pre-conditions for female migrants that destination countries could often not fulfill, thereby increasing the likelihood of migration through irregular means and trafficking risks. In July 2022, the government approved a directive encouraging returned migrants to use their skills and experience abroad to develop businesses in Nepal; the government also expanded the domestic social security program, including medical insurance and compensation for accidental death, to cover migrant workers. In addition, the government removed a ban and introduced a new policy that to allow previously unregistered domestic workers who traveled abroad via irregular channels after April 2017 to begin formally registering for legal employment abroad.

The DoFE continued regular monitoring and inspection of recruitment agencies and pre-departure orientation centers for migrant workers; however, officials did not report if the government identified or referred any civil or criminal cases of fraudulent recruitment agents or agencies during the reporting period. The government required employment agencies to obtain an operating license with minimum agency requirements. Among the 854 manpower agencies currently licensed in Nepal, only 15 had authorization to recruit domestic workers, likely due to the government's strict pre-conditions on female migrant domestic workers. Observers reported government monitoring of employment agencies was ineffective to address non-compliance; agencies regularly charged migrant workers fees higher than the 10,000 NPR ($76) government-set limit. The government's 2015 labor migration guidelines included a policy requiring foreign employers to pay visa and transportation costs for Nepali migrant workers bound for Malaysia and the Gulf and restricted agency-charged recruitment fees to 10,000 NPR ($76). Despite the government's 2015 low-cost recruitment policy, employment agencies continued to charge Nepali workers for visas, airplane tickets, and service fees above the official cap. Separately, officials expressed concern about decreased demand for labor through official channels due to COVID-19 restrictions and the low-cost recruitment policy, with destination countries drawing more workers from countries with looser regulations. The government maintained 10 bilateral labor agreements or MOUs with destination countries in an effort to control costs for migrant workers. In October 2022, the government reduced travel costs as part of its MOU with the Government of Israel to provide workers for the agriculture, construction, and hospitality sectors. In August 2022, the government signed an MOU with the Government of the United Kingdom to provide Nepali healthcare professionals with no cost to the migrant workers.

While the informal sector employed more than 70 percent of workers in the country, including nearly all child laborers, labor inspectors did not regularly inspect the informal sector for violations, including forced labor. The government continued to fund and conduct inspections focused specifically on child labor; however, the DOL did not report referring any employers for criminal investigation or issuing any administrative penalties. Action against child labor continued to be primarily reactive and the DOL did not undertake many unannounced inspections. Although 37 percent of Nepali children ages 5 to 17 are involved in child labor, DOL did not report how many child laborers it identified or removed from exploitative conditions during the reporting period, and it typically only removed children whom employers physically or sexually abused. DOL reportedly encouraged mediation over prosecution, including in cases of forced child labor. The government promulgated guidelines and set a target to declare at least 25 municipalities child labor-free, but implementation stalled due to the pandemic.

The government did not make efforts to reduce the demand for commercial sex acts. The government had special committees led by chief district officers to monitor the AES; however, committees remained highly dependent on individual officers and did not have a comprehensive regulatory framework for monitoring such establishments. Existing laws did not permit labor inspectors to monitor AES establishments for labor violations, which allowed some establishments to use children and adult trafficking victims with impunity. Observers estimated only half of AES establishments had valid registration. Some municipalities, in partnership with an international organization, developed minimum standard monitoring guidelines for the AES. Despite reports of foreign nationals involved in child sex trafficking, the government did not make efforts to prevent child sex tourism. The government provided training on labor issues to its diplomatic personnel, and peacekeepers reportedly received anti-trafficking training prior to deployment overseas.

TRAFFICKING PROFILE:

As reported over the past five years, human traffickers exploit domestic and foreign victims in Nepal, and traffickers exploit Nepali victims abroad. Men, women, and children are subjected to forced labor and sex trafficking. In 2019, the National Human Rights Commission estimated that 1.5 million Nepalis are vulnerable to human trafficking. Traffickers continue to target young, uneducated individuals from traditionally marginalized castes and ethnic minority communities with limited economic opportunities, and then lure victims with promises of work or education. Observers report GBV, caste-based discrimination, child sexual abuse, and the absence of economic opportunities increase the vulnerability of many Nepalis, particularly women and girls, to trafficking. Law enforcement data indicates Nepali women and girls from 11 to 25 years old are at high risk of trafficking. Unregistered migrant workers – including Nepalis who travel via the open border with India to third country destinations – are particularly vulnerable to forced labor and sex trafficking. Civil society organizations noted the economic impact of the pandemic increased vulnerability among at-risk groups such as day laborers, AES employees, women, and children. Traffickers increasingly used social media and mobile technologies to lure and deceive victims. The impact of climate change, particularly in the Himalayan region, increases vulnerability to trafficking following disasters and population displacement.

Labor traffickers exploit Nepali men, women, and children in Nepal, India, the Middle East, and Southeast and East Asia in construction, factories, mines, domestic work, begging, and the adult entertainment industry. The government estimates approximately 1.5 million Nepalis work in the Middle East, with most men in construction in Saudi Arabia, Qatar, and the UAE. Foreign employment is often regarded as a respectable way to earn money to support families, but many migrant workers are not well-informed about their rights or applicable laws. Nepalis work under oppressive conditions, which include forced labor, and ongoing reports indicate employers retain worker passports and sometimes withhold pay for months at a time. Many Nepalis migrate through irregular channels and work without valid permits, increasing their vulnerability to trafficking. Traffickers target unregistered migrant workers, including the large number of young Nepali women who transit India, or men and women who rely on unregistered recruitment agents. Traffickers lure women with the promise of domestic work or the entertainment sector in the Middle East, Sub-Saharan Africa, and Malaysia. Traffickers also bring Nepali victims to European countries and Australia on tourist, student, marriage, and work visas. Some recruitment agencies and agents engage in fraudulent recruitment practices and impose high fees to facilitate forced labor. Recruitment agencies sometimes provide inaccurate information about foreign employment, and migrants discover they will be required to work in jobs that differ from what they had been promised. Some Nepali women who agree to arranged marriages – through Nepali companies – to men in the People's Republic of China (PRC) and South Korea are forced into domestic servitude. Traffickers exploit some foreign migrants who transit Nepal en route to the Middle East, including Bangladeshis and Sri Lankans who use falsified Nepali travel documents. The lack of a birth registration system in Nepal further contributed to the production of fraudulent identification documents. Traffickers reportedly take advantage of more relaxed pre-departure screenings at Kolkata and Chennai airports, or bribe Indian officials in New Delhi and Mumbai, to fly Nepali migrant workers to third countries without proper documentation, which increases the workers' vulnerability to trafficking. Labor traffickers also transport Nepali victims through Sri Lanka and Burma onward to destination countries. Traffickers from the PRC and possibly other countries reportedly recruit Nepali migrants with fraudulent labor promises and then coerce victims into forced labor in cyber scam operations and illegal activities abroad.

Within Nepal, traffickers use forced labor and debt-based bondage to exploit adults and children in agriculture, brick kilns, the stone-breaking industry, and domestic work. Agricultural bonded labor in Nepal has historically affected the Haruwa-Charuwa, the Haliya, and the Kamaiya communities disproportionally. High-interest loans, landlessness, discrimination, limited livelihood opportunities, and inadequate government policies contribute to intergenerational bonded labor. Households frequently take on high-interest loans for healthcare expenses, funeral costs, and other necessities while earning low wages, resulting in debts passed from one generation to the next. Some Nepali brick kilns employ Indian migrant workers, including children, who take out large advances that require working over subsequent seasons. Thousands of children work in brick kilns, including carrying loads, preparing bricks, and performing other tasks at kilns for extended periods. Traffickers subject Nepali and Indian children to forced labor in agriculture, domestic work, brick kilns, the embroidered textile (*Zari*) industry, as well as in carpet factories and stone quarrying. A 2021 study estimated that 1.1 million children are engaged in child labor – compared to 1.6 million children in 2008 – with 87 percent of cases occurring in the agriculture sector; approximately 74 percent of children engaged in the informal sector work in hazardous conditions. A government study documented more than 61,000 Nepalis – including approximately 10,000 children – in forced labor over the past five years, especially in agriculture, forestry, and construction. Traffickers also exploit debts to compel adults and children into labor in carpet factories. Recruitment agents promise Bangladeshi workers well-paying jobs in Nepali carpet factories, but procure tourist visas instead of work visas and pay less than the agreed wages. Traffickers use children to transport drugs across the Indian-Nepali border. PRC workers also faced risks of forced labor on infrastructure projects contracted to PRC companies.

Sex traffickers exploit Nepali women and girls in Nepal, India, the Middle East, Malaysia, and – to a lesser extent – other Asian countries and Sub-Saharan Africa. Traffickers exploit Nepal's open border with India to transport Nepali women and children to India for sex trafficking. Traffickers subject Nepali girls, boys, and transgender people to sex trafficking on the streets or the AES, including dance bars, massage parlors, and brothels. According to a study of the Kathmandu Valley, approximately 17 percent of workers in the AES are minors and 62 percent of adult women in the AES started as minors. The study estimated nearly 30 percent of minor workers in AES establishments are victims of forced labor, usually as restaurant staff, and employers later subject many to sex trafficking. A study on commercial sexual exploitation of children found that children living on the street were highly vulnerable to trafficking. Girls in early and forced marriages, especially in the Terai region among Dalit and Madhesi communities, were vulnerable to sex traffickers.

Some orphanages and children's homes force children into manual labor or begging, force them to entertain visitors for donations, and sexually abuse them. Under false promises of education and work opportunities, some Nepali parents give their children to brokers who take them to frequently unregistered children's homes and force the children to pretend to be orphans to garner donations from tourists and volunteers. Approximately one-third of registered orphanages do not meet the government's minimum standards, and some children's home operators force children to beg or keep children destitute to attract donations. Observers estimate nearly 11,000 children remain in registered children's homes and "orphanages" despite approximately 80 percent having at least one living parent. Seventy-five percent of registered Nepali orphanages and children's homes are located in the country's five main tourist districts, and police sometimes arrest tourists or international volunteers, mostly from Western countries, for sexual abuse of Nepali children, including child sex trafficking.

The government recognized Bhutanese and Tibetans as refugees but regarded refugees and asylum seekers of other nationalities as irregular migrants. The government provided registered Bhutanese refugees an identification card, and provided cards to children upon reaching 16 years of age, requiring periodic renewal. The government has not issued new refugee cards for Tibetan refugees since 1995 nor recognized any Tibetans who arrived after 1989, leaving most of the government-estimated 12,540 Tibetan refugees in the country undocumented, which prevents them from legally working, studying, traveling, and accessing public services. According to some estimates, approximately 6.7 million individuals – one-quarter of Nepal's population – lack citizenship documentation, rendering them de facto stateless. Legal requirements on transferring citizenship continue to impose hardships on children whose fathers are deceased, unknown, or departed the country to work abroad. Some women are also unable to obtain citizenship due to policies requiring formal attestation from a male family member. Lack of documentation precludes the participation of all these groups in the formal economy and increases their vulnerability to traffickers.

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ecoi.net description:

Annual report on trafficking in persons (covering April 2022 to March 2023)

Country:
Nepal