

Improved service delivery: A case study of online labor approval service

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Nepal Administrative Staff College

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Chapter I: Introduction

1.1 Background

Foreign employment is an important part of the Nepalese labor market. Nepali labors can seek employment opportunities in any country across the world, except in those prohibited by the Government of Nepal. The Government has approved 110 countries for foreign employment through recruitment agencies (Nepal Labor Migration Report 2020).

The national poverty reduction strategy and the previous plans have given priority to foreign employment as a source of labor absorption and poverty alleviation. While the national economy remains significantly dependent on foreign employment, institutional arrangements backstopping this contributor to economic prosperity have been maintained as a mainstreamed governance mechanism. The Ministry of Labor, Employment, and Social Security (MoLESS) is the ministry mandated to coordinate and regulate this function. The Department of Foreign Employment (DOFE) under the same ministry is responsible for monitoring foreign employment.

According to the Foreign Employment Act, 2007, every adult Nepali citizen who wants to go for foreign employment must obtain a mandatory labor approval from Department of Foreign Employment (DOFE). There are several reasons for giving labor approvals, namely, to legalize the migration process, to maintain data base of the working migrants abroad, and to be included in the government's welfare scheme for migrant workers (Nepal Labor Migration Report, 2022).

Since 2008/09, DOFE has issued over 4 million labor approvals. There was a steady increase in the annual issuance of labor approvals between 2008/09 and 2013/14 during which it peaked at over 500,000, but the volume has steadily declined since then. In the years 2017/18 and 2018/19, a total of 354,098 and 236,208 labor approvals were issued respectively. In 2017/18 and 2018/19, as per the FEIMS records, labor approvals were obtained for a total of 132 and 128 countries respectively (Nepal Labor Migration Report 2020).

Individuals who go to work abroad for the first time must obtain a new work approval, while those who have experience of working abroad after obtaining a work approval must obtain a work re-approval to work in the same country again. There are two ways in which workers can obtain labor approvals namely on an individual basis or through recruitment agencies. Institutional labor approval, individual labor approval and re-labor approval are issued from Foreign Employment Office (FEO). FMO provides labor approvals of different types like new labor approvals (individual and institutional), and re-entry/renew labor approvals, legalization. Official records show that Foreign Employment Office Kathmandu (FMO-K) used to issue 1100 re-entry approvals, 500 institutional approvals, and 300 new entries on a daily basis. All of these services were provided from the office premise manually. The locational advantage and the centralization of complimentary processes for receiving labor approvals inside the capital contributed to the large number of service recipients visiting the Kathmandu Office. As a result, the employees of the office were overloaded with work which made them stay at the office even after regular office hours. In addition, six police officers had to be deployed for managing the queue. The office also introduced a token system with the intention to manage the queue and make workflow systematic, however, there were increasing concerns about the misuse of tokens as waiting for the service turns proved cumbersome. Many grievances as to the service inefficiency would not be addressed and it had brought increased discontent among the people.

The authors visited Foreign Employment Office in Kathmandu on the 21st of November, 2019 during the BAT study visit. The crowd in the office, with service seekers waiting for their name to be called, no vacant sitting chairs, and a serpentine queue was a normal day at the office. There was always a crowd around the office which often extended to the neighborhood. The service seekers told that they were in the line since 4 am, some said it was their fifth day in the office. (Source: Field notes)



Box 1: Tahachal office during manual service

Delivery of Approval Service - Online

In a positive turn of events, the DOFE which had been issuing labor approvals through both mediums – physical and online – since December 2020, has started issuing the approvals only online. The service process at the Kathmandu office is basically moving towards a faceless, cashless and paperless system in order to provide fast, quick, and transparent complaint-free service.



The authors revisited Foreign Employment Office in Kathmandu on the 8th of August, 2022 during PCMD study visit. As the office had already started giving services online, authors witnessed a few service seekers who had

just come to get some information. The employees said that the online mode has not only reduced their paper workload but also reduced the mental pressure which they had to bear before. (Source: Field notes)

Box 2: Tahachal office during online service provision

1.2 Objective

This study attempted to understand how the Department of Foreign Employment and Foreign Employment Office (FEO-K) came to initiate and execute its transformation efforts into an online labor approval system.

1.3 Limitation of the study

As the study is focused mainly in understanding the effort carried by the organization in materializing the online system, this study does not take into consideration the impact of the changes at the ultimate users' end.

Chapter II: Methodology

2.1 Methodology

This research is designed as a single case study to explore in depth a program, event, activity, or process in one institution (Cresswell 2009). The reason for designing this research as a single case study is to focus on the organization that had transformed from manual to digital service delivery.

This research entirely relies on the qualitative data primarily generated via key informant interviews. Key Informant Interviews (KII) is conducted with FEO officials and higher officials from the Ministry of labor, employment, and social security. To understand the dynamics of different offices, one of the labor employment offices outside the valley is visited and in depth interview are carried with the chiefs of the office. This research explored the initial idea of change, and the driving and restraining forces contributing to the same.

Chapter III: Findings

The function of coordination of labor affairs was formerly done by the DOFE itself which was later delegated to Kathmandu Office, Malaysia Office, Qatar Office, and Saudi Arabia Office established by the government in 2013 (2013/12/11, Mangsir 26, 2070). These offices were merged into Foreign Employment Office Kathmandu (FMO-K) in July 2018. The fifth amendment of the Foreign Employment Act and Rules focused on making worker-centric provisions by decentralizing service delivery. Later government established labor and employment offices at the provincial level (Dhangadhi, Surkhet, Butwal, Pokhara, Janakpur and Biratnagar) which were authorized to renew labor approval services.

Decentralization of foreign employment services at the provincial level through six Labor and Employment Offices was in place, however the responsibility of the Foreign Employment Office Kathmandu (FMO-K) remains a pioneer for foreign employment-related affairs, especially in issuing labor approvals to aspirant labor migrants.

Following steps were taken to improve the delivery of approval system.

- A. Procedural simplification
- B. Foreign Employment Information Management System
- C. Integration with other agencies

3.1. Procedural Simplification

Previously there were three steps in processing the application at FEO-K. First the applicant (institutional or individual) submits documents to the computer operator who checks the data if filled correctly or not. Then, *Nayaab Subba* verifies the documents. If *Arabian* language is needed, it gets then checked by language translator. Finally, an officer approves the application. In this it had 4 step process.

The three-step process of receiving a labor approval has been cut down to a two-step process by merging works of computer operator and *Nayaab Subba* in one layer. It has helped to build a lean bureaucratic navigation.

Previously applicants used to queue from early morning to get the service. After staying for longer hours, still there were instances that applicants did not get chance to submit the documents or process it further. The crowd management was also a crucial issue. To make system in place, e-token system has started. Migrant worker are given e-token to get the labor approval services in FIFO (first in first out) order. As the service is provided on a first come first serve basis, very little exit exhaust has been experienced lately.

Previously manual sticker were attached in the passport of the applicant. This demanded lots of efforts. The manual sticker system was replaced by e-sticker. Once labor approval is approved, the system generates an e-sticker that are sent to the migrant workers' email, sms alert on their registered mobile number.

3.2 Foreign Employment Information Management System (FEIMS)

The fifth amendment of the Foreign Employment Act made a provision for developing a comprehensive Foreign Employment Information Management System (FEIMS). As a result, FEIMS came into operation on October 1, 2018. It is a one-stop portal that has brought together all migration-related authorities and agencies to the same platform (See: Annex for the list of services that can be availed through FEMIS). The renewal process of labor approvals for returnee migrant workers has been eased. FEIMS enables renewals of labor approvals from the Employment Offices located in the provinces and also from Nepali Missions abroad which entails cost and time saving for migrant workers.

Service providers/users integrated by FEMIS are:

- ✓ Nepalese Embassy/Missions (22)

- ✓ Recruiting agencies (active: 864 and inactive:4)
- ✓ Medical institutions (219)
- ✓ Orientation centres (128)
- ✓ Insurance companies (15) branches (96)
- ✓ Commercial banks (18) and its branches (461)
- ✓ Office of company registrar
- ✓ Inland revenue department
- ✓ Foreign employment board
- ✓ Department of passport
- ✓ Department of immigration
- ✓ Online insurance (13)
- ✓ E-payment service providers (4)
- ✓ Department of consular services
- ✓ Social security fund (Source: Interview with Raju Shrestha, computer engineer, MOLESS)

3.3 Integration with other Agencies

Department of Passport (DOP)

FEIMS is securely integrated with DOP via API (Application Programming Interface) so that the candidates need not input all details by themselves. They just need to input the passport number and DOB in FEIMS and the system automatically populates the data imported from the DOP server. This reduces the time taken to fill the form and prevents data mismatch between DOP and DoFE.

Department of Immigration (DOI)

FEIMS is securely integrated with DOI via API so that the immigration officers can easily verify labour approval records through their own system which reduces the duplication of work and increases the efficiency of the immigration officers. Similarly, FEIMS also receives arrival and departure data from DOI which can be later used for reporting, decision making and other various purposes.

Nepalese Embassy in Destination countries

Nepalese Embassies/Missions in different countries use FEIMS to digitize and automate all the demand attestation processes which ensures demand authenticity. Embassies use the FEIMS portal to retrieve information about migrant workers for search and rescue operations and other purposes.

Online insurance

Migrant workers can purchase specified foreign employment insurance policies online. They need to input their passport number and the system automatically generates the policy and payment of the insurance can be done online. Same insurance gets reflected in FEIMS in real-time. If needed, migrant workers can download and print insurance papers. Online Insurance can be purchased from listed insurance companies.

Welfare Fund Deposit

Migrant worker is required to deposit a specified amount in Foreign Employment Welfare Fund to get labour approval which can be deposited through 23 commercial banks and e-payment service providers (Khalti, Esewa, ConnectIPS). The information about the welfare fund deposit is reflected in FEIMS in real-time.

Pre – Departure Orientation Training (PDOT) centres with Biometric Attendance

Migrant workers who need to take orientation class must visit one of the registered orientation centers and take 2 days orientation class with biometric attendance. The details of orientation class (total class hours, class start and end time, instructor's name) along with the biometric attendance is reflected in FEIMS in real-time which also gets verified at TIA during departure. These biometric data (Iris + Fingerprint) which are captured at orientation class or at any nearby DoFE office are also verified at TIA to prevent another person (unapproved person) from departing.

Candidates' Selection

Recruiting Agency obtains pre-permission from concerned offices against the demand attested by Nepalese Embassy/Mission. General public can search for such approved demands as per their requirements and can also apply for preferred foreign jobs via <https://foreignjob.dofe.gov.np/> or by visiting the respective manpower agency. General public can also get job details like the interview date, time and venue from the portal. If the candidate gets selected in the interview, he/she gets notified about their selection status.

Medical Institutions

Migrant workers who need to have their medical fitness checked must visit one of the registered medical centers and go through the test procedures. The report of medical fitness (test date, doctor's name, etc.) is input by the concerned medical Centre in FEIMS in real-time.

Private Recruitment Agencies (PRA)

Issuance and renewal of license, activation and deactivation, etc. of recruiting agencies authorized by DoFE are carried out through FEIMS. The agencies submits for pre-permission, final-permission of labour approval, etc. via FEIMS which are processed and approved at concerned offices.

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Annex

Services that can be availed through FEIMS

Individual/organizations	FEMIS
Migrant workers/aspirant migrant workers	Search and apply for foreign jobs, including viewing details on country, company, salary, quota, etc; Apply for new labour approval (both individual and institutional) and renewal of labour approval; Register individual complaints or complaints against recruitment agencies; Track progress of applications for labour approvals as well as complaints; View, download and print labour approval e-stickers; Access and view or download archives of their previous labour approvals and other documents such as employment contract, visa, medical report, passport, insurance documents; Apply to add new companies not listed in the system.
Diplomatic missions	Attest labour demand and enter details into the system; Search and view details on migrant workers and companies; • Add and/or blacklist company; Reset password for migrant workers.
Private recruiting agencies (PRA)	View the attested labour demand as soon as it is attested by a diplomatic mission; Submit and track status of application to DoFE for pre-approval and final approval; Request for approval to publish the demand notice in newspaper; Enter information of interested migrant workers, insert and update migrant worker's interview details, and update the status of successful migrant workers; Enter visa information of selected workers; Apply to add new companies not listed in the system; Apply for registration and renewal of licence as well as update agency details; Request for cancellation of approved labour approvals in case a migrant worker does not go abroad even after receiving the approval.
Foreign Employment Office, Kathmandu/Labour and Employment Offices in seven provinces	View and verify application of attested labour demand, pre-approval and final approval; View and approve new labour approvals (both individual and via recruitment agencies) and renewal of labour approval; View and monitor details of migrant workers, companies, labour demand, interview date, venue and other details; Add and/or blacklist company; Reset password for migrant workers; Insert biometric details of new migrant workers.
Department of Foreign Employment (Complaints Registration and Investigation Section)	Enter, view, monitor and update status of the cases of individual and institutional complaints registered; View, verify and approve applications for new licences and renewal of licence of PRAs and PDOT centres; Activate or deactivate/block PRAs and PDOT centres; List and delist medical institutions, banks, insurance companies and e-payment service providers; View details of PRAs and PDOT centres such as during monitoring and also when assessing complaints registered against PRAs or PDOTs.
Pre-Departure Orientation Training (PDOT) Centres	Apply for registration and renewal of licence as well as update agency details; Integrate biometric attendance details of migrant workers in the system.
Medical Institutions	Insert medical reports and other related details of (aspirant) migrant

	workers.
Banks	Enter payment details of migrant workers.
Insurance companies/ branches	Enter insurance details of migrant workers.

(Source: Nepal Labor Migration Report, 2022)