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# **Getting Work: The Role of Labour Intermediaries for Workers in Nepal and the International ‘Adult Entertainment Sector’**

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**Pauline Oosterhoff, Karen Snyder and Neelam Sharma**

**December 2022**

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## Summary

This IDS Working Paper explores the role of labour intermediaries, their aspirations, and their perceptions about the benefits and costs of facilitating work in the 'Adult Entertainment Sector' ('AES') and other employment. Our research objective was to understand these experiences to develop more effective policies and interventions to prevent human trafficking and labour and sex exploitation. Using a victim-centred participatory approach, we interviewed 33 adults who identified themselves or were identified by others as labour intermediaries.

This Working Paper has a companion paper – *Labour Trajectories and Aspirations of Nepali 'Adult Entertainment Sector' Workers* – which builds upon previous research to examine the labour trajectories, and the role of labour intermediaries, for 'AES' workers within Nepal and beyond its borders.

## Keywords

Nepal; human trafficking; labour trajectories; labour intermediaries; brokers; gender; labour migration; sex trafficking; trafficking in persons (TIP); 'Adult Entertainment Sector'.

## Authors

**Pauline Oosterhoff** (PhD, MA, MPH) has been a research fellow at the Institute of Development Studies (IDS) since 2014. Her research at IDS has focused on sexual and reproductive health and rights, modern-day slavery and labour migration, epidemics and humanitarian responses, examining gaps between policies, plans, and local realities.

**Karen Snyder** (PhD, MPH) is an evaluator and researcher with more than 25 years' experience improving policies and practices in anti-trafficking, human rights, health, and the environment.

**Neelam Sharma** (MBA) is an anti-slavery professional and feminist researcher with over 20 years' experience in human rights issues, focusing on the rights of women, children, labourers, slavery survivors, and marginalised peoples.

# Executive summary

## Background

Much attention has been given to the trafficking and exploitation of women and girls in Nepal and abroad. Criticism is often directed at informal businesses such as restaurants, folk-music bars (known as *dohoris*), dance bars, massage parlours, guesthouses, and hotels. In anti-trafficking efforts in Nepal this collection of diverse businesses is often labelled the 'Adult Entertainment Sector' ('AES').

This Working Paper explores the role of labour intermediaries (LIs), their aspirations, and their perceptions about the benefits and costs of facilitating work in the 'AES' and other employment. Some labour trajectories into certain venues in the AES include extreme forms of exploitation and human trafficking. Therefore, it is useful to gain insights into the views of LIs along these trajectories about their responsibilities, options, and authority in helping people to work with dignity. Given that they have an interest and expertise in the 'AES', it is important to take their perspective and experiences into account. The perspectives of the workers are published in a companion paper.

The research objective was to understand these experiences to develop more effective policies and interventions to prevent human trafficking and labour and sex exploitation.

## Methodology

The team conducted two research studies with one combined mixed-methods research methodology using a victim-centred participatory approach. For this study we interviewed 33 adults who identified themselves or were identified by others as LIs. For the companion study we interviewed 57 women and one transgender male, including 19 people who had experience of working outside Nepal. For both studies we also conducted a literature review and observations in areas with reported elevated levels of human trafficking to visualise the economic activities.

## Main findings of the study

Male and female LIs, workers, and owners of 'AES' venues have fluid identities in informal, growing, and highly competitive industries. Their roles can overlap each other simultaneously or at different moments in their life. They are men and women who came to entertainment and hospitality at a young age, developing practical skills, building a network of trusted people, and learning to be savvy about who to trust and who to avoid.

Half of the LIs that we interviewed were female. The exploitation of workers is based on and (re)enforces structural intersectional gendered inequalities in the

hospitality, entertainment, and wellness industries. Efforts to combat human trafficking currently fail to contest gendered norms.

Trust is a key form of social capital that helps LIs to grow social networks. It can be used for political and economic benefits. LIs feel that people they know are more secure and trustworthy. They articulate idealistic expectations and images of the LI as a generous benefactor with a wide network.

Trust-building is important to gain social capital, which gives a competitive advantage in an informal sector without clear government oversight, in which labour mediation is embedded in webs of kinship, ethnicity, friends, and co-workers.

Although the informality of these industries may give criminal networks opportunities, it is important to distinguish informality from criminality to improve the reputations and working conditions of these sectors.

Incorrect perceptions about the typologies and motivations of LIs prevent accountability at strategic points in labour trajectories in vital and growing industries in Nepal.

### Key recommendations

1. Acknowledge that *dohori* entertainment is part of a diverse Nepali creative industry. Encourage investment to strengthen the creative industry to cater to different tastes and purses, and the inclusive development of talent of all genders and backgrounds.
2. Business leaders (owners, group leaders, managers) should have the responsibility and the authority to set boundaries and accountability for customers, such as codes of conduct or house rules focused on harm reduction, rather than outlawing alcohol sales and consumption. They could exclude drunk people from entering an establishment, prevent the sale of alcohol to intoxicated people, and ban commission on alcohol sales. These measures can be strengthened by linking with public health (road safety, work safety).
3. Ensure that workers, LIs, and owners know their rights and have access to appropriate guidance for minimum and maximum rates, working hours, and social protection systems that suit sectors with many small and family-owned enterprises. Moreover, given the current conflicting interests, gendered biases, and labour and wage inequalities, guidance would best be checked, developed, and revised with stakeholders of all genders.
4. Support professionalisation and organisation of LIs, including fixed rates, fees and salary scales, certification, and accountability mechanisms.
5. Support the private sector by making it easy for informal small and medium-sized hospitality, entertainment, and wellness businesses to register and operate formally while acknowledging the need for urban businesses to adapt quickly to changing tastes.

6. Avoid the confusing terms 'Adult Entertainment Sector' and 'hotspot' in anti-trafficking efforts.
7. End Nepali anti-trafficking policies and interventions that restrict women's mobility for work and create a demand for rogue services by LIs that avoid the law.
8. Trafficking-related interventions in the hospitality, entertainment, and wellness sectors should be part of labour market reforms that support decent work and mobility for everyone working in those sectors.
9. Check that sociocultural norms on gender, labour, and sexuality are taken into consideration in anti-trafficking research, policy, and activism.

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## Definition of terms and concepts used in the study

**'Adult Entertainment Sector'**: a term used in Nepal that includes a variety of businesses and venues such as massage parlours, dance bars, *dohoris* (folk-dance bars), cabin restaurants, and guest houses (Supreme Court of Nepal 2008; NHRC 2016). There is no legal definition of the sector. Some businesses and venues can be a front for the sale of commercial sexual activities for adults, including commercial sexual services performed by minors.

**'Adult Entertainment Sector' worker ('AES' worker)**: a term used in Nepal for (mainly female) workers working in a dance bar, dance restaurant, cabin restaurant, *dohori*, or massage parlour (Supreme Court of Nepal 2008).

**Forced labour**: according to the International Labour Organization Forced Labour Convention, 1930 (No. 29), forced or compulsory labour is 'all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily' (ILO 2021).

**Gender**: the socially constructed roles, behaviours, expressions, and identities of girls, women, boys, men, and gender-diverse persons. It is distinct from biological sex and outside of the gender binary. Gender is not a synonym for women. Gender is experienced and enacted differently across cultures and time.

**Hotspot**: an area that has an unusually high level of some quality or activity.

**Human trafficking**: the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime (commonly called the Palermo Protocol), defines 'trafficking in persons' as:

the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation.

Exploitation shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, slavery or practices similar to slavery, servitude or the removal of organs.

(UN 2000)

**Informal economy**: all activities that are, in law or practice, not covered or not sufficiently covered by formal arrangements, such as labour law protection, formal wages and benefits, and paying taxes. This term also refers to the nature of the production unit, such as an informal enterprise or household, where economic activity is taking place without formal regulation as a business.

**Informal employment:** work that lacks social and legal protections and employment benefits. These jobs may be found in the formal sector, the informal sector, or in households.

**Informal labour intermediaries (ILIs):** generally unregistered individuals or organisations that connect a person seeking employment to the employer. ILIs are diverse; they range from criminal networks and traffickers to semi-legal private agencies or individual middlemen (Chakrabarty and Grote 2009).

**Informal sector:** the informal sector consists of unregistered and small, unincorporated private enterprises engaged, at least partly, in producing goods and services for the market. An enterprise is unregistered when it is not registered under national laws, such as commercial acts, tax or social security laws, or professional associations' regulatory acts. An enterprise is considered small when it has fewer permanent employees than a certain number (for instance, five employees). The number is set in the national context. An enterprise is unincorporated if it is not a legal entity set up separately from its owners. This usually means that no complete set of accounts is kept. When people produce goods or services just for their own household's consumption, such as food or childcare, this is not counted as an informal sector activity. (OECD and ILO 2019).

**Intersectionality:** a concept that shows how gender intersects with other aspects of identity, such as age, ethnicity/nationality, ability, education, class, religion, sexual orientation, geographic location, and any other relevant factors, to impact experiences, agency, and access to and control of resources, power, and knowledge.

**Labour broker:** a person or company that provides labourers to client companies on a temporary basis.

**Labour intermediaries (LIs) or labour recruiters:** individuals or organisations that connect a person seeking employment to the employer. They refer to both private and public entities that offer labour recruitment services (Andrees, Nasri and Swiniarski 2015). The former are independent of public authorities, and can be formal such as registered employment agencies or informal such as illegal sub-agents and brokers.

**Labour migration:** defined as the movement of persons from their home state to another state for the purpose of employment (IOM 2022).

**Labour trafficking:** as per the US Trafficking Victims Protection Act of 2000, labour trafficking is 'the recruitment, harboring, transportation, provision, or obtaining of a person for labour or services, through the use of force, fraud or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage or slavery' (US Government 2000).

**Sex trafficking:** as per the US Trafficking Victims Protection Act of 2000, sex trafficking is 'the recruitment, harbouring, transportation, provision, or obtaining of a person for the purpose of a commercial sex act' (US Government 2000). The Human Trafficking and Transportation (Control) Act, 2007 of Nepal considers any of the following four activities, including voluntary sex work, as a form of human trafficking: the sale or purchase of a person for any purpose; engaging someone in prostitution, with or without any benefit; extracting human organs, except where otherwise determined by law; and participating in prostitution (GoN 2007).

**Sexual health:** a state of physical, emotional, mental, and social wellbeing in relation to sexuality, and not merely the absence of disease, dysfunction, or infirmity. Sexual health requires a positive and respectful approach to sexuality and sexual relationships, as well as the possibility of having pleasurable and safe sexual experiences, free of coercion, discrimination, and violence. For sexual health to be attained and maintained, the sexual rights of all people must be respected, protected, and fulfilled.

## Acronyms

'AES'	'Adult Entertainment Sector'
CSO	civil society organisation
ERB	Ethical Review Board
'IAES'	'International Adult Entertainment Sector'
IDS	Institute of Development Studies
ILI	informal labour intermediary
INGO	international non-governmental organisation
LI	labour intermediary
NGO	non-governmental organisation
TIP	trafficking in persons
USAID	United States Agency for International Development

# 1. Introduction

## 1.1 Background of the research project

The Hamro Samman Project is a five-year programme generously supported by the American people through the United States Agency for International Development (USAID) and the British people through the United Kingdom's UK aid and implemented by Winrock International. Its goal is to reduce the prevalence of trafficking in persons (TIP) in ten strategically selected districts of Nepal. Using the '4Ps' framework – prevention, protection, prosecution, and partnership – the Hamro Samman Project brings together various stakeholders and implementing partners to reduce the prevalence of TIP. The Institute of Development Studies (IDS) and Snyder Consulting, in partnership with Hamro Samman, conducted multiple multidisciplinary, Action-Research projects using mixed-methods techniques to map trends in priority sectors including trafficking of Nepali workers in the foreign labour migration process and trafficking in the 'Adult Entertainment Sector' ('AES') within Nepal; to improve the knowledge base on TIP; and to identify what works in reducing human trafficking and improving service delivery to trafficking survivors and people at risk of being trafficked.

IDS and Snyder Consulting carried out two research studies on the 'AES' with one combined research methodology. IDS contracted with the Purple Foundation to carry out the data collection for this research project. Purple Foundation serves as a non-profit organisation to address the issues of the people at risk of modern-day slavery and survivors.

The research objectives of these two studies were to:

- Describe the labour trajectories for 'AES' workers both in Nepal and in the international 'AES' ('IAES') and the labour intermediaries who facilitate the 'AES' and other employment.
- Understand the knowledge and attitudes of labour intermediaries towards their responsibilities, options, and authority in labour exploitation and trafficking in Nepal and the 'IAES'.
- Explore the labour and labour migration aspirations of different kinds of Nepali workers in the 'AES' including commercial sex workers and labour intermediaries, and their perceptions about the benefits and costs of realising these aspirations.
- Determine if there are strategic points along the labour trajectories into Nepal and the 'IAES' for Nepali workers that are more likely to prevent trafficking and labour abuse.
- Inform interventions to prevent trafficking into the 'AES' in Nepal and internationally and promote freedom of movement, decent work, and safe labour mobility for all genders.

This research contributes to developing targeted interventions that prevent trafficking into the 'AES', while recognising people's rights to desirable work, equality, and freedom of movement. The research may also improve understanding and the need for witness protection as well as increase understanding about choices of victims for formal and informal or practical justice when the people who committed crimes may be close to them, such as family and friends.

This Working Paper describes the roles and aspirations of labour intermediaries for Nepali workers in the Nepali 'AES' and the 'IAES'. The companion paper – *Labour Trajectories and Aspirations of Nepali 'Adult Entertainment Sector' Workers* – focuses on the experiences and aspirations of the Nepali workers in the 'AES'.

## 1.2 The 'AES' in Nepal and the 'IAES'

### 1.2.1 Slow domestic job creation, high migration

Agriculture is still the main sector for employment in Nepal, and domestic job creation has been slow. As a landlocked country, Nepal has very high levels of urbanisation and international labour migration rates of predominantly male workers. Since 2018, international remittances have made up almost a quarter of Nepal's annual gross national product (World Bank 2020).

Major destination countries for Nepali migrants are Malaysia, Qatar, Saudi Arabia, UAE, Kuwait, and India. International labour migration to India requires little paperwork and has a long political and economic history, including seasonal migration for work and recruitment into the Gurkha army in 'British-ruled India'. Labour migration to Malaysia and the Gulf is regulated. Most international labour migrants are male; as elaborated in another study, they also face various kinds of difficulties and abuse (Kharel *et al.* 2022b).

There are major gendered gaps in labour participation and wages in Nepal that disadvantage women and girls (Afram and Del Pero 2012). Although most women in Nepal work, this is traditionally mostly unpaid subsistence farming (Ruppert-Bulmer, Shrestha and Marshalian 2020). Recent data from the World Bank indicates that while wage jobs and better labour-force opportunities have been improving in Nepal, most of these improvements benefit men and most women remain in the unpaid and informal labour force (Upadhyaya 2005). This includes agriculture, factory work, and domestic labour as well as hospitality, entertainment, and wellness (spa and massage).

Studies have highlighted the exploitation, including sexual harassment, of migrant workers, especially domestic workers who make up a huge part of the female international labour migrant population (Human Rights Watch 2014). Concerns about exploitation of domestic workers have resulted in restrictions for female migrants in the recent past (Pyakurel 2018; ILO 2017). Employment of domestic workers in Gulf countries, for example, was restricted for women under 40 years old and required familial consent.



Reports about the risks and consequences of HIV infection for Nepali sex workers in India and neighbouring countries may have unintentionally strengthened negative perceptions about female international migration (Sarkar *et al.* 2008; Silverman *et al.* 2007; Gurubacharya and Gurubacharya 2004). Sex work is illegal and conflated with trafficking in Nepal (AATWIN 2022). Trafficking for labour exploitation cannot be prosecuted under current trafficking laws. The focus on sexual exploitation of women in trafficking reflects both contemporary views on gender and sexuality as well as colonial legacies and legislation in the region.<sup>1</sup>

Since female labourers cross borders for a variety of work, it is important to find a balance between the need to protect workers of all genders and the reality that trafficking for commercial sexual activities is a serious crime. Nepali non-governmental organisations (NGOs) have reported that female labour migrants who want to work are being intercepted and held at borders against their will, restricting women's mobility and opportunities to work (AATWIN 2022; Pyakurel 2018). Also, the coronavirus (Covid-19) pandemic changed international labour migration opportunities as well as domestic labour opportunities in Nepal. More women than men permanently lost their jobs as a result of the pandemic (Rayamajhi and Fehr 2021; World Bank 2022).

### 1.2.2 'Adult Entertainment Sector'

The term 'AES' is used by Government of Nepal (GoN) policymakers, researchers, donors, and practitioners working to end human trafficking in Nepal (NHRC 2018; Dank *et al.* 2019; US Department of State 2019). There is no legal definition of the 'AES'. It is an umbrella term that indicates a high-risk environment where commercial sexual exploitation is known to occur (Frederick *et al.* 2010). It covers a diverse range of venues that provide hospitality, entertainment, and 'wellness' services including restaurants, *dohoris* (folk-dance bars), erotic dance bars, massage parlours, guesthouses, and hotels (Supreme Court of Nepal 2008). 'Wellness' is a term for a wide range of activities and services, such as massage and spa treatments, which aim to make people feel better or healthier. It is not the same as the term 'wellbeing' used in global health by organisations such as the World Health Organization (WHO) or the Centers for Disease Control and Prevention (CDC).<sup>2</sup> Massage can be seen as part of wellness and may include 'happy endings' for men, provided mostly by female masseuses who do not require professional training or accreditation. Ayurvedic massage is a medical service that is acknowledged and accredited by the Nepali state.<sup>3</sup>

These establishments can be classified in different sectors, such as hospitality, entertainment, and wellness, and overlap when restaurants and bars, for example, also offer musical entertainment. Regulation of these sectors in Nepal

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<sup>1</sup> The Contagious Diseases Act of 1864 and the Cantonment Rules assigned certain geographic areas suitable for commercial sexual activities provided by local women for British and other European soldiers. Some of the red-light districts on the subcontinent are based in those areas.

<sup>2</sup> For diverse views, see for example, [What is Wellness?](#)

<sup>3</sup> Ayurvedic massage, a traditional South Asian massage, is considered a medical service and falls under the Ministry of Health and Population.



is under different ministries, including the Ministry of Culture, Tourism and Civil Aviation, the Ministry of Health, and the Ministry of Home Affairs. However, many if not most of these establishments are small businesses that operate informally without standardised oversight. This makes them a target for suspicions of tax evasion or avoidance of labour and other regulations.

The demand for food, lodging, and entertainment away from home has increased to cater to customers with different tastes and purses, including labour migrants. Tourism has also been an important growth sector for Nepal for many decades. Initially, tourists that arrived in the 1960s were mostly backpackers with small budgets (Shrestha and Shrestha 2012). In recent decades Nepal has successfully invested in hospitality and entertainment to attract more affluent, often older tourists. Nepal also has an internationally oriented urban young adult population. They prefer modern cultural entertainment, including pop music, dance clubs, or modern art to traditional heritage and entertainment that is directed towards international tourists (Leichty 2017). Thus, 'AES' customers come from diverse backgrounds from within and outside Nepal and have different tastes and purses for entertainment.

One form of entertainment that is often mentioned as being part of the 'AES' in research and policy discourses is *dohori*. *Dohori*, a traditional Nepali improvisational sung poetry performed between men and women is a musical and literary practice (Stirr 2017). The *dohori* tradition is rich, contested and diverse, including improvised song battles between men and women, with marriage as a possible outcome for the winner. *Dohori* performers can be highly professional singers with the kinds of improvisational skills that could be associated with rap or jazz traditions. *Dohori* can also be performed as part of popular culture; for example, by ordinary citizens during celebrations. *Dohori* establishments cater to diverse audiences including international tourists, local male clients, international male labour migrants or families.

*Dohori*, along with other performing arts, is part of an underappreciated creative industry in Nepal. National and international development efforts have provided remarkably little support for culture and the arts. The creative sector provides inclusive economic growth and economic recovery in the region for vulnerable groups and small enterprises in rural and urban areas (Sonobe *et al.* 2022). The placement of culture, tourism, and aviation under one ministry suggests that cultural consumption and production are aimed at international tourist audiences rather than domestic Nepali audiences and talents. The Ministry of Foreign Affairs emphasises heritage preservation, but this appears to be mostly focused on material cultural preservation (GoN 2022).

There is another side to *dohori*, leading to suspicions about trafficking and extreme exploitation that are of particular relevance for this research. Some *dohori* venues and performers cater to the raunchy or sentimental tastes of male migrants on a night out. Suspicions of the (lack of) morality or the tragic fate of female performers in such venues may fuel the desire of anti-human trafficking practitioners to help them; the practitioners have good intentions but their efforts are uninvited and patronising.

Depending on who uses the term 'AES' in Nepal, it can mean an urban sexual landscape catering to mostly male fantasies, akin to what some authors call a

'sexscape' (GoN 2022; Maginn and Steinmetz 2014; Loeffler 2013; Jaiteh 2018). Commercial sexual activities – which do not have to be penetrative sexual acts – are provided under the guise of services provided by venues such as massage parlours, lingerie shops, wellness centres, or cocktail bars. The concept 'sexscape' is useful analytically as it focuses on the broader dynamic political-economic context and avoids simplistic and potentially offensive 'cultural' explanations. 'Sexscapes' are diverse and not necessarily located within one geographical area (Zambelli, forthcoming). The fluidity, sprawled nature, and mobility of establishments and workers in a 'sexscape' hinder the design of long-term interventions.

Some terms and policies, such as the term 'AES', harm the performing arts, as they can be interpreted in a way that suggests that all hospitality, entertainment, and wellness is related to the sale of commercial sexual entertainment. These implicit accusations add insult to injury for workers with precarious livelihoods.

### 1.2.3 Commercial sexual exploitation and 'hotspots'

Commercial sexual exploitation of minors and adults has been documented in Kathmandu and Pokhara (Oosterhoff and Hacker 2020). NGO staff and the media report labour abuses and human trafficking from cities closer to the Nepal–India border such as Dhangadi, Butwal, Bhairahawa, and Itahari (Kharel *et al.* 2022a<sup>4</sup>). Certain areas in Kathmandu, such as Thamel, and certain types of economic activities, such as dance bars, are notorious for TIP. However, it is important to avoid stigmatising or criminalising whole neighbourhoods or business sectors. A dance bar where men gaze at female pole dancers while seated at a table is totally different from a dance club where young Nepalis go to dance to music played by a professional DJ.

There are also many political, economic, and historical differences between urban areas in international border areas or transit towns, such as Dhangadi, Butwal, Bhairahawa, Itahari, and the capital, Kathmandu. Similar to Kathmandu, district capitals and towns along the border are both destinations for rural migrants and transit towns for international migrants. Each town has its own character, history, and views about hospitality, entertainment, and wellness. Not all towns have international airports for tourists or international labour migrants. Therefore, entertainment in those places is not targeted at those groups. Venues offering commercial sexual services are concentrated in certain areas of these cities and towns. Workers are mostly – but not exclusively – women and girls. Owners and customers are often, but not always, men.

## 1.3 Positioning labour intermediaries

Labour intermediaries (LIs) or labour recruiters are individuals or organisations that connect a person seeking employment to the employer. They refer to both private and public entities that offer labour recruitment services (Andrees, Nasri and Swiniarski 2015). The former are independent of public authorities, and can

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<sup>4</sup> Also, personal comment from Biswas Nepal staff to Purple Foundation staff, undated.

be formal, such as registered employment agencies, or informal, such as illegal sub-agents and brokers.

International labour recruitment requires specialised skills, networks, and knowledge from LIs, such as managing the enormous amount of paperwork needed for migration. Recruitment agencies fulfil a need in the labour market (Yunus 2020; Kharel *et al.* 2022b; Müller-Böker 2018). Many international agents have a migration background themselves (Müller-Böker 2018). LIs also play critical roles in helping people find jobs and employers find workers in a difficult national labour economy.

Workers in Nepal are looking for safe, decent work. One of the reasons why Nepali workers use an LI is a scarcity of decent work in the mostly informal Nepali labour market.<sup>5</sup> It has been argued that rigid rules and unionisation are key obstacles for formal employment (Afram and Del Pero 2012). Formal contracts for unionised workers leave employers with high fixed costs that may be particularly unattractive for businesses in sectors such as hospitality, entertainment, and wellness that operate in a volatile economic landscape.

Most formal LIs for both national and international employment operate under tight regulations from the federal government, requiring a lot of documentation, which not everyone can produce. With lengthy or unclear formal procedures for migration, rural citizens of all genders find work through informal labour intermediaries (ILIs) (Kharel *et al.* 2022b). Women face particular (international) migration issues that push them into finding alternative routes (Grossman-Thompson 2019; Chetry and Pande 2019).

Most workers use LIs through people they know. Trust is considered a fundamental element of social capital, a crucial contributor to sustaining wellbeing outcomes, including economic development (Ortiz-Ospina and Roser 2016). Earlier research of labour trajectories into Kathmandu's 'AES' (Oosterhoff and Hacker 2020) focused on commercial sexual exploitation of children and confirmed findings by other researchers that 'the labour intermediaries that facilitate girls' entry into the sector are mostly people that are close to the young girls and/or their families', such as friends, co-workers or extended family members rather than strangers (Dank *et al.* 2019).

When workers find informal jobs informally through trusted people they know, there are consequences for their willingness and ability to make a complaint about an LI through the formal legal system. For ILIs, the absence of contracts and fixed rates allows both flexibility and risks when conflicts occur due to different or shifting expectations. Conflicts have to be negotiated and mediated when there is no contract or clear written arrangement.

LIs are prone to questions about their legitimacy and their morals. One of the reasons for their vilification may be ignorance about the reality. A 'binary of trafficked victims vs traffickers' may suit emotional and political needs to find a culprit for the abuses and exploitation victims suffer. But in a context where people find work through people who know them, the creation of a 'bogeyman' also can frame citizens belonging to a particular place as 'traffickers' (Bhagat 2022).

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<sup>5</sup> The informal sector has the biggest share of the economy, providing over 60 per cent of employment; see CBS and ILO (2019), or [Informal Economy in Nepal](#).

Gaining a better understanding of how people find work is important to help distinguish between imperfect but well-intentioned and useful services that help people make a living, and fraudulent services and practices that intend to exploit and abuse workers.

This dichotomy between perpetrator and victim is useful to keep in mind when looking at a country such as Nepal, where most employment is informal. For example, the available research suggests that most people who ended up providing commercial sexual services found this work through LIs who were people in their own social network, such as friends, family, and acquaintances (Oosterhoff and Hacker 2020; Dank *et al.* 2019). However, the research does not explain how many of these workers were looking for sex work, or whether they were groomed, manipulated, or physically forced into commercial sexual activities.

It is easy to make assumptions in the absence of information about the criminal or exploitative, extractive intentions of these informal intermediaries, but that is not very helpful for the development of interventions (Raby and Chazal 2022). Ignorant but well-intentioned anti-trafficking efforts that criminalise LIs may result in stigma by association of the people who work in hospitality or entertainment. It potentially harms workers that organisations are trying to help, or frames citizens who want to help people find decent work.

There is an acute scarcity of research that looks at perpetrators who are the targets of interventions on modern slavery, including trafficking (Oosterhoff *et al.* 2018). Most of the knowledge about human trafficking is generated from the accounts of victims of trafficking and people working with them (McAdam and Gerasimov 2022). Difficulties in collecting data on traffickers could be another reason (Bhagat 2022). Despite an emerging body of research on brokers and brokerage in Asia and Nepal (Shrestha and Yeoh 2018; Kook 2018), there is a lack of nuanced research in the informal parts of the hospitality, entertainment, and wellness sectors. This study is one of a number of emerging studies on LIs and 'brokerage' that aim to 'open the black box of brokerage' (Axelsson *et al.* 2022) and place these mediation practices in the context of informal, unregulated markets. LIs are useful to obtain jobs in the formal and informal sectors (Kern and Müller-Böker 2015), although some of the need is created by the employers. Job advertisements are rarely published, except for the government and most international NGO (INGO) jobs. The use of formalised intermediaries is increasing in some segments of the private sector, such as private schools and companies.

A lack of understanding of the background, function, and aspirations of LIs in a market where good labour offers are scarce hinders policy development that supports decent employment opportunities and prevents trafficking. It is important for policymakers and I/NGOs working to support the Nepali economy, decent work, and the labour market, and to end human trafficking, to understand the role and perspectives of informal and formal LIs as well as workers and employers.

## 1.4 Rationale/significance of this study

This Working Paper reports the results of a larger study that builds upon previous research to examine the labour trajectories and the role of LIs for 'AES' workers within Nepal and beyond its borders. The study consists of two papers: this one, which focuses on the LIs, and *Labour Trajectories and Aspirations of Nepali 'Adult Entertainment Sector' Workers* (Snyder, Oosterhoff and Sharma 2022), which focuses on the workers. The purpose is to get a more realistic picture of the labour trajectories, or work pathways, of 'AES' workers as well as the LIs who mediate between the supply and demand for labour in Nepal and the 'IAES', and to understand their role in and perceptions of human trafficking. To do so, this paper explores the work histories, hopes, aspirations and desirable characteristics of people acting as LIs in 'AES' work in Nepal and internationally.

The main research geographical context is Kathmandu Valley, which is a major destination for rural migrants from different parts of the country looking for work, and the central hub for international tourists. The team also investigated the labour trajectories of some 'AES' workers in an additional 'AES hotspot' in Dhangadi. To start understanding the roles of traffickers and ILIs in trafficking into 'AES hotspots', this research set out to describe the economic activities in these places in a neutral fashion without denying that abuses exist or to justify them. It also aimed to gain insights into the labour trajectories, roles, responsibilities, and aspirations of people who help workers find paid jobs in those 'AES hotspots'.

As noted earlier, previous studies showed that family and friends prevail among the ILIs. There are no studies exploring in more detail who these 'friends' and 'family' are that have helped people find jobs in these risky 'AES hotspots', or what their aspirations are.

Of course, networking to find a job is common practice all over the world and as such does not say much about the LI, the employer, or the worker. But some labour trajectories into certain venues in the 'AES' include extreme forms of exploitation and human trafficking. Therefore, it is useful to gain insights into the views of LIs along these trajectories about their responsibilities, options, and authority in helping people to work with dignity as well as to try to understand the role of LIs in trajectories that end up in trafficking. Given the heart-breaking stories of victims of trafficking, it is not surprising that there is a strong desire to find a culprit and it is important to take the perspective and experience of 'AES' LIs into account.

## 1.5 Research questions

The two studies had four main research questions. This Working Paper addresses the following questions:

1. Who are the labour intermediaries along the whole trajectory, including within the different venues and businesses in Nepal 'AES' and 'IAES' work?
  - 1.1 What are the LIs' aspirations and perceptions about responsibilities for preventing human trafficking?

- 1.2 What are the typologies of the LIs who assist people who eventually end up working in exploitative urban 'AES' venues and others who work in hospitality in the same geographical area? What are the typologies of the LIs who assist people who eventually end up working in the 'IAES' compared to those who work in Nepali 'AES hotspots'? Are there demographic characteristics, particularly gender, that play a role in these typologies?
  - 1.3 What are the differences in LIs for various commercial sexual activities, including sex work, and other economic activities in Nepal 'AES hotspots', 'IAES hotspots', or along the labour trajectories?
  - 1.4 What are the motivations and experiences of the LIs who work with employers as well as those LIs who are or have been 'AES' workers or employers themselves?
2. What positive characteristics are desirable in LIs assisting with decent Nepali and international employment?



## 2. Methodology

The research design described in this paper was developed and implemented for two research studies with one combined research methodology. The research with both workers and LIs had the following components:

- Literature review of policy, academic, and grey literature;
- Introductory sessions with Nepali and international researchers, local civil society organisations (CSOs), and 'AES' workers to discuss the research design and implementation;
- In-depth interviews with workers and LIs;
- Labour trajectory visualisation and narration using a technique called 'River of Life' to describe people's stories of their experiences from first jobs to working in the 'AES' or facilitating work of others in the 'AES';
- Observation and visualisation of activities over the day in 'AES' areas with reported human trafficking;
- Data visualisation of reported trajectories and social networks using **Kumu**, relationship mapping software;
- Feedback analysis sessions with 'AES' workers and other stakeholders.

The team used participatory approaches mixed with other expert-led approaches in the design as well as the analysis of the data. The relevance and focus of the research topic were informed by an extensive literature review and previous research. All aspects of the research design and implementation, including categories of respondents, such as LIs, recruitment strategies, questionnaires, photography, digital photo-editing techniques, selection of spaces, and ways to build trust while checking factual accuracy, were discussed and finalised together by the international and Nepali researchers.

The Nepali researchers worked in Nepal with staff of local NGOs working on decent work and the eradication of human trafficking, to consolidate concepts and discuss how the research could be implemented in the complex local context. Team members were in touch with each other several times a week or day over a period of almost a year to clarify and discuss emerging issues. The data analysis was led by the international experts with many feedback discussions online and in person during the analysis. In-person feedback sessions of the preliminary results were conducted with diverse stakeholders, including field researchers, local CSOs, workers, LIs, and venue owners.

The rest of this section details the methodological components that are most relevant to this Working Paper. Specific details about data collection with workers can be found in the companion Working Paper (Snyder, Oosterhoff and Sharma 2022), and additional descriptions of the methodology are available on request to the authors.

## 2.1 Introductory sessions

Introductory sessions were held with local CSOs and 'AES' workers to ground the research design within the local context. These sessions were held by Purple Foundation staff and included reviews of the study design, overall research objectives, and research questions. The sessions also involved detailed review of the data collection instruments for 'AES' workers and LIs.

## 2.2 Literature review

Recent extensive literature reviews on TIP in Nepal, including laws, policies, and practices have previously been produced, including Oosterhoff *et al.* (2018), Kharel *et al.* (2022a), Kharel *et al.* (2022b), and AATWIN (2022). Therefore, this study did not duplicate these efforts. Rather, these reviews informed this research and were used as background information, including for the definitions section above. Relevant citations are used throughout this paper. The authors collected additional literature on relevant topics such as the history of *dohori*, 'AES' policies, the creative economy in Nepal and Asia, legislation of culture, entertainment, and tourism, and related topics in Nepal and the region.

## 2.3 Population and sampling

For this study the team interviewed 33 adults over the age of 18 who were identified as LIs in Kathmandu and Sindhupalchowk. Among them, four worked internationally. More detailed descriptions of the demographic characteristics are presented in the key findings. The LIs were identified through fieldworkers who knew individuals that helped newcomers find jobs, 'AES' workers who participated in the study, other LIs, and owners of 'AES' venues.

## 2.4 In-depth interviews

The team conducted semi-structured interviews about individual work histories, entry into the role, aspirations, the qualities and characteristics of good LIs, and the benefits and risks associated with their work.<sup>6</sup>

There were also in-depth interviews with AES workers, and details about the sample and interview tool can be found in the companion paper (Snyder *et al.* 2022). Each interview was conducted by one primary researcher accompanied by a note taker/field assistant. The researcher and field assistant had training and experience in trauma-informed research and were prepared with referral, counselling, and other support services if needed. All interviews were conducted in Nepali after the participants had provided written consent.<sup>7</sup> The interviews were conducted in person in Kathmandu in CSO offices or owners' venues, following the Covid-19 requirements. All participants were asked if the interview could be audio-recorded, and six participants refused. For all interviews, the researcher and field assistant took extensive notes. In some cases, LIs provided

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<sup>6</sup> The questionnaire is available upon request.

<sup>7</sup> The consent form is available upon request.



little information while being recorded but provided more information in a more informal way when the recorder was turned off. Some interviews with LIs were quite long – taking hours – and others were concluded in less than one hour. LI interviews were transcribed in Nepali and then translated into English. The transcripts were reviewed for clarity by all researchers, and the interviewers added contextual information where possible.

## 2.5 Hotspot identification and images

Researchers had previously identified 'AES hotspots' based on the literature and reports by I/NGOs and CSOs that listed certain areas of Kathmandu known for human trafficking and sexual exploitation.

To show the different types of economic activities available to the visitor or resident at different times of the day in well-known 'AES hotspot' areas, a photo-based visual method was developed.

Researchers observed the various economic activities across a 24-hour day to understand the rhythm of these activities, opening and closing times, and the kinds of customers or visitors in the area. This knowledge informed the time during which pictures could be taken to document these activities.

Researchers took photos in Thamel, an area with many international tourists, and Gaushala, a residential and local tourist area. Although they did not enter any establishments and were on the street in public areas, taking pictures at night of some places, especially nightclubs, raised questions from doormen and in some instances police. To show the different types of economic activities available to the visitor or resident at different times of the day in these three areas, the team visited these areas in the morning, late afternoon, and evening. They made a list of the types of shops and observed the opening and closing times of regular streets in these 'hotspots'.

The identified venues were clustered into three groups based on their pre-Covid-19 pandemic or post-pandemic opening times. A legend was created with colours to show the different types of economic activities, which included sales of consumable items, such as vegetables and groceries, non-consumable items such as pashmina and handicrafts, wellness and various types of service sector, hospitality and entertainment such as dance bar, *khajaghar* (a small restaurant that serves food, traditionally lunch), guest house, and *dohori*.

### 2.5.1 Creating a legend

The team took photos of street views of blocks at different times of the day in these hotspots. They created a colour-coded legend to show the different types of activities. This colour-coded legend was used to create images of street views of the economic activities at different times of day (see Figure 2.1).

## Figure 2.1 Legend of economic activities in 'AES hotspots'



Source: Authors' own.

### 2.5.2 Applying the legend

The team applied the legend to digitally draw and colour these pictures taken in one spot to show the activities in that spot at different times of the day: 10am (morning), 7pm (evening), and 10pm (night).

The reference photos were converted into visual, anonymised images that map the different kinds of businesses active during different times of the day, using the legend. All identifying features, such as the names of individual businesses, were removed.

## 2.6 Analysis and synthesis

A coding framework was developed for the interviews of themes based on the research questions about work histories, hopes and aspirations, and qualities of LIs. Careful reading and re-reading of the interview transcripts led to coding and analysis of additional cross-cutting themes. In addition, the team cross-checked and coded themes that emerged from the worker interview analyses – as described in the companion Working Paper (Snyder *et al.* 2022) – into the LI interviews, and vice versa.

To validate the initial findings of the expert-led analysis, the researchers presented preliminary findings, visualised when appropriate, in in-person group discussions with 'AES' workers, LIs, and CSOs to get their feedback about the validity and relevance. They also discussed alternative explanations and shared interests between the different stakeholders, to explore whether there are strategic points along the labour trajectories for interventions and policies against human trafficking.

## 2.7 Ethical considerations

The IDS Ethical Review Board (ERB) approved this study. The research team in Nepal was trained on research ethics by a member of the IDS ERB on topics including consent, safeguarding, data protection, and Covid-19 precautions. Special emphasis was placed on the importance of objectivity, facts, research ethics and integrity, and referrals to psychosocial care or the police. All participants signed consent forms, and only those participants who agreed were audio recorded. Covid-19 protocols including hand sanitising, wearing masks, and maintaining physical distance were adhered to during data collection.

## 2.8 Study limitations

- This study was limited to the information provided by study participants. It was not possible to do external fact-checking of the information reported by the participants.
- The images for the visualisation of economic activities in the three 'hotspots' are limited to pre- and post-Covid-19 pandemic. The field team was not able to take pictures during lockdowns. The pictures cannot show what is going on behind closed doors at other times than the opening hours. Some shops have very long opening hours, but these hours may be shared between different kinds of staff. Other venues might be closed for clients and forbid their workers to go out, outside of working hours.
- The non-random sampling limits the generalisability of findings about all LIs and is particularly limited to those who have experience helping workers find jobs in the 'AES.' The team does not claim that the characteristics of the interviewed LIs are the same across all hospitality, entertainment, and wellness sectors in the capital or the country.
- Some participants were reluctant to share details of their work experience and opinions – this reflects their legal position in an informal labour market.
- Since the 'AES' was closed during the Covid-19 pandemic, much of the information collected in December 2021 – January 2022 is retrospective and may not reflect the post-Covid-19 pandemic situation.
- Due to the Covid-19 pandemic, data collection was limited to Kathmandu and Dhangadi, and may not reflect experiences in other parts of Nepal.
- Given the limited scope of the study, the observed differences between the sites, the venues, clients, markets, and other findings are not generalisable to all of the 'AES'.
- Work histories and labour trajectories are potentially painful to recollect. Trauma and memory – whether work-related or family-history-related – may lead to lapses in information as well as reluctance to provide full details, or fear of recrimination. This means that parts of stories might be missing or described in a vague way to avoid being triggered or overwhelmed by emotions.

## 3. Key findings

In the following sections, the key findings from this research are described, with a focus on the ILIs. Responses to the research questions are discussed, as well as cross-cutting themes that emerged from the overall study, including the interviews with 'AES' workers. The LIs include those who work internationally and domestically. This corresponds with the research findings on the workers, which show that individuals have labour trajectories that take them to informal work in and outside the 'AES' and across the border and back.

### 3.1 Cross-cutting: unpacking economic activities in 'AES hotspots'

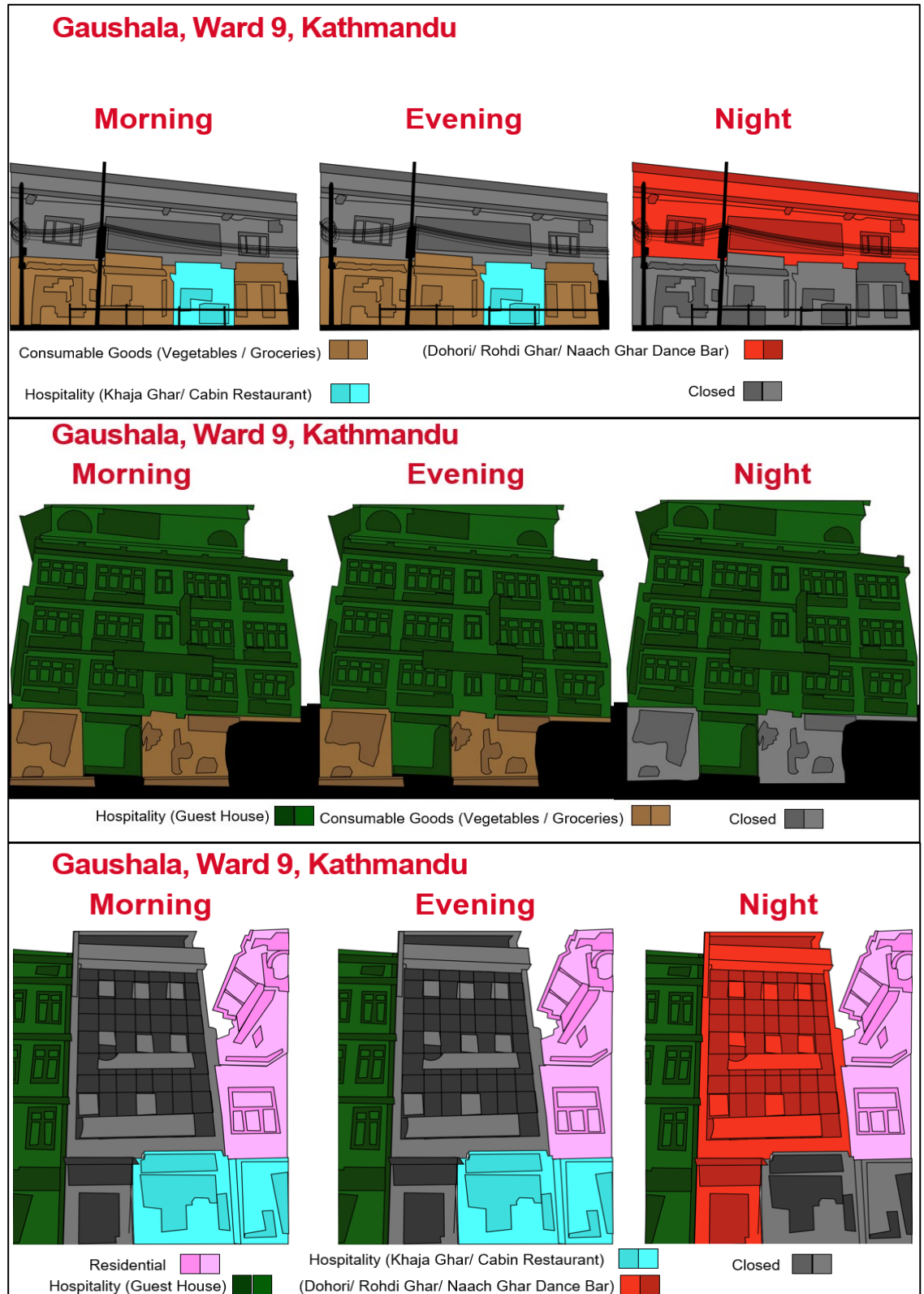
As described earlier, there is a burgeoning hospitality, entertainment, and wellness industry in Nepal, which includes restaurants, hotels, music venues, and massage parlours. These are important and growing sectors in Nepal that operate in a volatile and uncertain market with rapidly shifting customer tastes and purses. The size and composition of the market reflect mobile populations that need food, shelter, and entertainment due to urbanisation, international migration, and international tourism.

Labelling these businesses as the 'AES', however, risks that everyone in that sector is stigmatised by association, affecting their safety and compromising their ability to make a living.

Jurisdiction in Nepal over these venues is under different ministries, none of which have a clear definition of the 'AES'. Trafficking does take place and is a serious crime. Therefore, the team wanted to map the activities in some of these so-called 'AES hotspots' where trafficking has been reported.

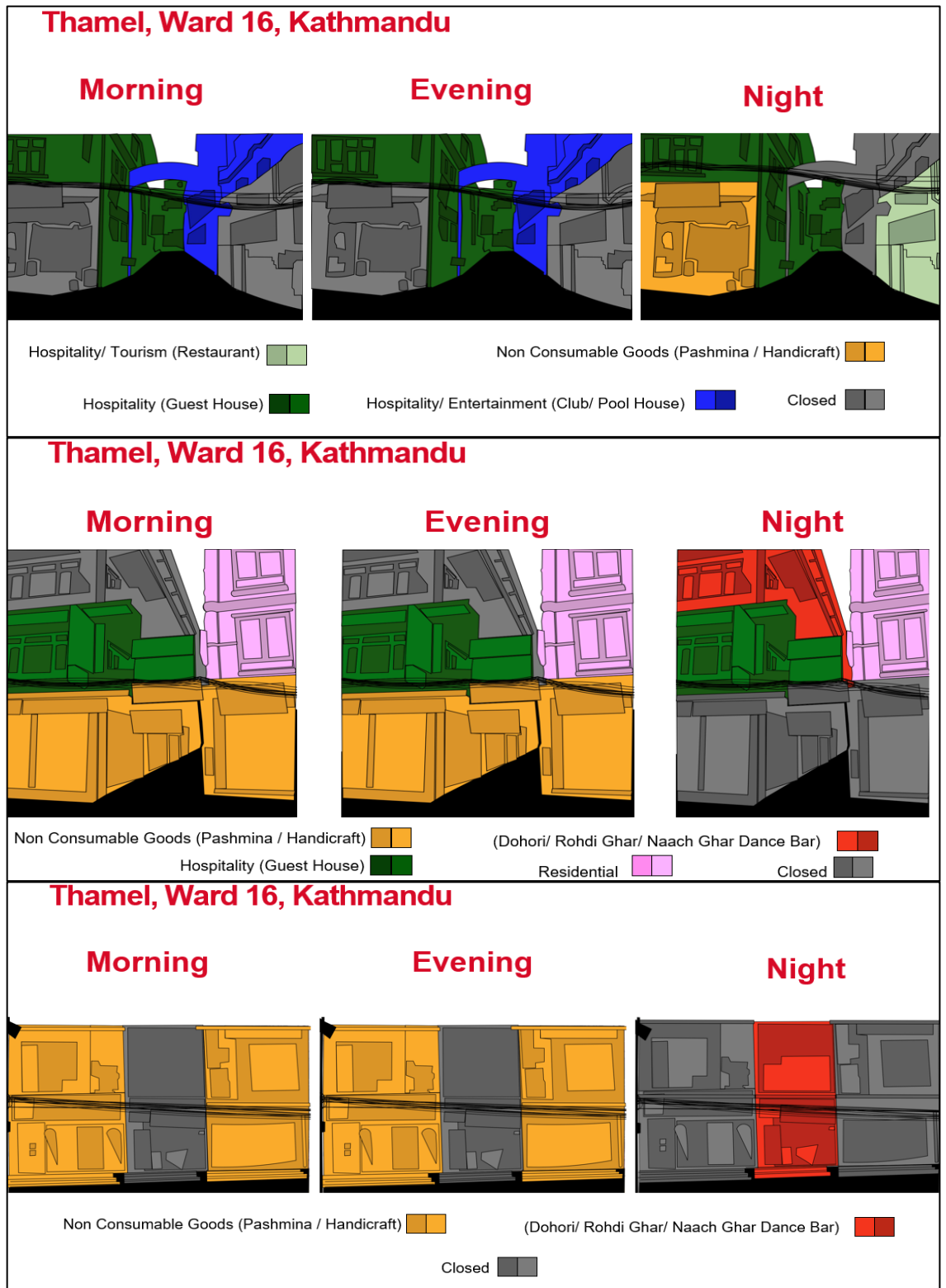
Visitors and residents of an 'AES hotspot' will find different economic activities at different times of the day that respond to the needs of diverse customers. The images below show which venues are open and closed in one spot at 10am (morning), 7pm (evening), and 10pm (night).

**Figure 3.1 Morning, evening, and night-time activities in Gaushala and Thamel Wards in Kathmandu**



Source: Authors' own.

**Figure 3.1 (Cont'd.) Morning, evening, and night-time activities in Gaushala and Thamel Wards in Kathmandu**



Source: Authors' own.



The images show mixed informal commercial venues and residential housing in these urban areas. Within these streets, the rhythms of customers and activities change over a day. Venues such as vegetable stalls or small restaurants often operate informally, open for long hours (up to 12–14 hours a day) and may pay workers little. Some, such as guesthouses and hotels, are open until late at night and open early in the morning. Workers move fluidly in and around different venues. Job mobility is high (Snyder *et al.* 2022).

Although some venues such as *dohori* or restaurants cater to mostly male Nepali clients, others are more family oriented or target an international or a local tourist market. In many blocks there are residences as well as commercial venues. Many venues, such as souvenir shops, are unrelated to commercial sex or commercial sexual services, and close well before entertainment begins or restaurants open up for dinner. These areas are important commercial as well as residential areas. Researchers are unaware of reports of human trafficking in the many small enterprises in these 'AES hotspots' that sell vegetables, bread, or souvenirs.

The focus of the reporting on human trafficking in the 'AES' is on restaurants, *dohoris*, erotic dance bars, massage parlours, guesthouses, and hotels that are open at night. However, research suggests that mobile phones and rising connectivity have resulted in a shift of commercial sexual services from fixed venues into other venues such as hotels or private homes (Ghimire, Samuels and Mainali 2021). Sexual services may also be offered in many of the new venues, such as massage parlours.

Researchers observed and learned that some people are 'in the know' about the various activities in an area. Food vendors observe the coming and going of people and chat with their customers. As a result, they are very knowledgeable about the daily routines of residents, workers, and businesses in the neighbourhood. Some businesses, such as guest houses, expand their reach by employing agents – touts – to recruit clients who newly arrive in town. Touts and self-appointed agents are openly hustling for business on the streets and in parking areas. For their services they request 'tips' or non-monetary benefits such as a free meal. These touts may also be 'in the know'.

The visualisations in Figure 2.1 demonstrate that there is not an 'AES' sector in designated 'hotspots'. Rather, there are various economic activities that belong to different sectors – hospitality, entertainment, and wellness – that are integrated into the lives and geography of the residential community. LIs who are in a hotspot have connections with employers, as illustrated by this 30-year-old female *khajaghar* business owner, former waitress in cabin restaurant, hotel manager, cleaner and LI: 'I mainly fix jobs in domestic help like cleaning, washing, singing, etc.'

## 3.2 Who are labour intermediaries?

### 3.2.1 Description of 'LI' participants

This study suggests that LIs are more diverse than previously posited; they include both men and women and, importantly, people who the researchers might identify as LIs but who do not necessarily consider themselves as such.

For our study, 33 LIs were recruited. A quick demographic picture of the recruited participants shows a gender balance, with 16 male and 17 female respondents.<sup>8</sup> Of the total, 29 operate in Nepal and only four operate internationally. Among the four intermediaries who work internationally, two are men and two are women. The LIs are between 22 and 45 years old. Most of them – 25 out of 33 – are married with children, five are unmarried, and three are divorced. Twenty-six of them have children. The caste background is diverse, with 18 Janjati, 13 Brahmin/Chettri, and two Dalit. All except one (a woman who is illiterate) have been educated, though the level of education varies widely. Six own their homes in Kathmandu Valley or Sindhupalchowk.

Only one participant, who works nationally, reported to be formally registered. LIs are often current and former 'AES' workers, mostly performers – singers and dancers. Although all the interviewed LIs confirmed that they have helped others to find jobs, only 14 self-identify as an LI. Both those who consider themselves to be LIs and those who do not have other sources of income.

Of the LI study participants who do not consider themselves to be an LI, six are business owners who see themselves primarily as entrepreneurs. They employ people in their own business, and are also LIs. As insiders, they refer people to other places of employment as well. The others who do not self-identify are seen by others as people who can help to find employment; these individuals confirmed to the researchers that the provision of LI services – 'finding jobs for people' – is one of the things they do, but that they would not label themselves as LIs.

LIs, workers, and business owners have fluid identities in informal, highly competitive, and growing sectors. LIs have several roles and sources of revenue across their working history, often combining them at the same time. Owners of establishments are also employers who look for workers. They may have been group leaders, a term that is used in Nepali bars, restaurants, *dohori*, and dance bars to describe people who coordinate a group of workers, venue managers, or dancers, and occasionally fill in on stage or on the floor. People flow into and out of the LI role – helping workers find jobs and owners find employees as part of the informal economy while also ensuring their livelihood through networking connections.

This fluid identity and informality confirms reports by the workers described in the companion paper (Snyder *et al.* 2022) of an informal labour market as depicted below. Figure 3.2 shows who workers report have helped them to find a job. This

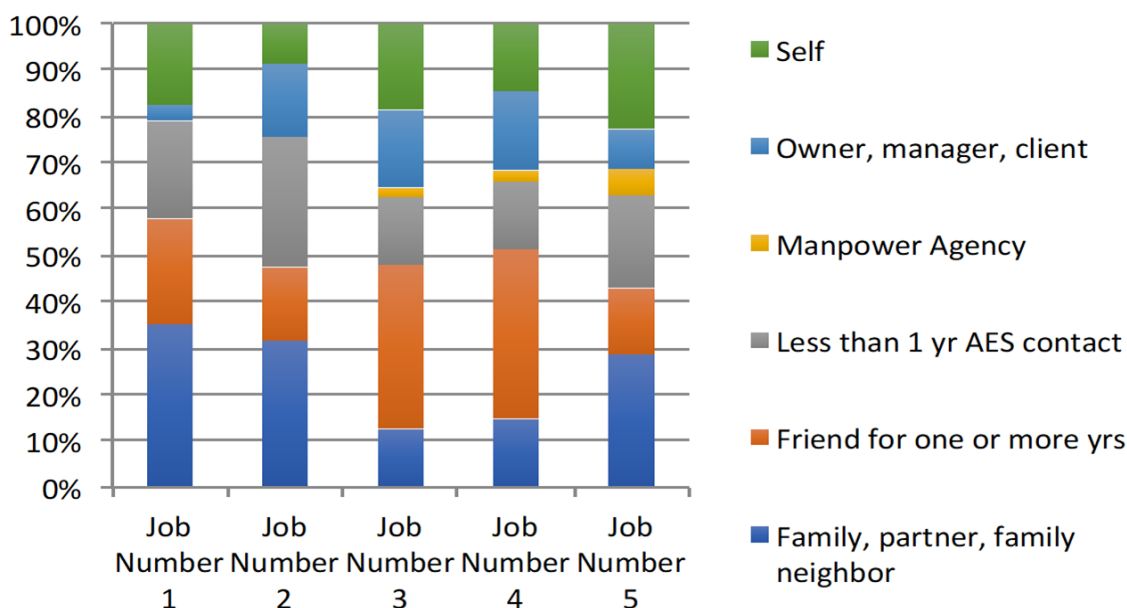
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<sup>8</sup> We do not suggest that this sample is representative for all LIs working in hospitality, entertainment, and wellness.



shows that both workers and LIs report that they liaise with people they know to find work. Workers report that they find work through people who are close to them because they are friends, family, neighbours, or partners. LIs look for workers among people who they know. More details can be found in the accompanying paper (Snyder *et al.* 2022).

**Figure 3.2 LI by job number for 'AES' workers**



Note: \* 'Self' means they found the job themselves.

Source: Authors' own.

### 3.2.2 Life histories/work trajectories

How does one become an LI for businesses and workers in the hospitality, entertainment, and wellness sectors? There is no clear career path or entry point for LIs. They work under the radar in an informal and competitive environment. Some may be trained in classical dance or singing and are looking for opportunities to perform or contribute to the arts in the city. Others are runaways with no artistic training or ambitions and limited education who came to a city attracted by the availability of low-entry jobs in hospitality, entertainment, and wellness.

Fortunes of individuals and businesses can change quickly in entertainment and hospitality. Waitresses can become owners of a *khajaghar*, while girls perceived as good looking can become dancers. Dancers can become dance troupe leaders and recruit dancers to work in Nepal and beyond as illustrated below.

*One of my sisters brought me – because she thought I am good looking and also can dance. I used to dance but the salary was very low. Only 1,500 rupees. I started dancing. A different owner started calling me because they saw me dance. And I started performing...*

*There was a group leader.<sup>9</sup> He asked me how much I earned. I said 1,500 rupees. He said, okay, I will make your salary 3,000 rupees. He was a nice man. He trained us too. He was like a teacher. Later I became a group leader. Then I found jobs for others... employers and people who need jobs started coming to me.*

(Male former dancer, LI, 44 years old)

Most workers are young when they enter this environment. The key to success is social networking, as illustrated by 'Shandana',<sup>10</sup> today a female LI. 'Shandana' was raised by her mother in a rural area. Her father was absent. She left school to work in a factory in her village but was caught by the police, who brought her back home. She ran away from the village to find work in Kathmandu in *dohoris* and went back to school. Today 'Shandana' runs a *khajaghar*, a small restaurant, employing girls herself and helping them to find jobs in other places that seem to match their background using her social skills and Facebook.

*At first people used to come to me and just ask for work. I always liked helping people. You usually start working as an LI because you have many friends. I have probably worked in every dohori in Kathmandu. I now own a restaurant.*

(Female LI, 37)

To be successful people must think on their feet, make transactional connections, and enjoy the status of being 'in the know'. Insiders' knowledge and connections make an LI attractive, valuable, and trustworthy for workers and employers:

*I used to work in a dance bar and because I worked there for a long time I know the ins and outs of the business. People saw I had a lot of experience and came to me for help. LIs are sometimes also 'AES' workers and I was, for a while, both. I also have a small restaurant.*

(Female dancer and international LI, 35)

*Mainly, people start being an LI if they have a lot of contacts and know a lot of people. They meet people and explain the jobs to them. When they send people for work, these workers then spread the word through their contacts to hire more workers who can come next.*

(Female international LI, 31)

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<sup>9</sup> A group leader is an intermediary between the employer and the workers. S/he monitors other workers and makes them work according to the business owner's wishes.

<sup>10</sup> Pseudonyms have been used for participants to protect their anonymity.

One 45-year-old entrepreneur and international LI, an owner of an adventure tourism venue and a nightclub, reports that he does not pay fees to LIs himself and he also does not ask for money for helping Nepali workers to find work abroad. For him, finding out about opportunities is part of a business where he meets lots of people and speaks with them. Opportunities can arise on the spur of the moment between people who understand each other because they work in similar industries. As he says, 'I found out about jobs abroad from tourists that came to my adventure tourist agency. Thus, I went out abroad to meet the owners of the companies and then I sent workers.' For this business owner, finding jobs for people is a transaction for people who do not want to pay fees when they do not have to because 'Job centres charge fees for finding a worker.'

With the Covid-19 lockdowns the hospitality, entertainment, and wellness sectors suffered great losses: staff had to be laid off and businesses that re-opened saw fewer clients. This is a particularly hard moment to assess the knowledge and attitudes of LIs towards their roles, responsibilities, options, and authority in procuring 'decent/quality work'. However, it is clear that there are many kinds of roles that LIs play in labour trajectories, and that their backgrounds and economic status are also varied. The evidence suggests a fluid labour universe with many galaxies including hospitality, entertainment, and wellness in which stars coexist and change.

### 3.2.3 LI aspirations

In a predominantly informal labour market, prices, rates, fees, and tips for services vary, not just for national but also for international LIs. As one 31-year-old female international LI said, 'it's according to ourselves... We get paid after we are done with the service.'

Fluctuating prices are to be expected in the absences of clear policies or laws while customers' preferences, tastes, and purses are diverse and change rapidly. Although workers' salaries are low, commissions and 'tips' are widely accepted in all three sectors to complement low wages or as the main income for workers. A female LI and *khajaghar* owner, 37, commented, 'People can get commission out of everything, rent, salary and employers'.

This 'tips' culture – in which a fixed rate or a regular wage is an option, rather than an obligation – allows for flexibility and avoids taxation. But it is remarkable that most LIs claim to work without being directly paid for their services. They aspire to be seen as trustworthy and selfless.

In contrast to the prevailing image of LIs as slippery exploiters, the researchers heard that they see themselves as a trusted benefactor, a helper, a confidante, and a friend, who is mostly driven by the desire to help others to have a better life.

In a competitive informal environment with few rules, trust between LI and (potential) worker is especially important to establish and maintain relations. Disclaiming to have material or financial interest is a common ingredient of creating trustworthiness between LI and worker. More than half of the LIs interviewed, both those who self-identify and those who do not, report that they do not receive fees. They claim to work for free, although several mentioned a

small gift is appreciated – not surprising in this context where salaries appear to be optional as they can be substituted by tips. LIs report they are motivated by a desire to help people, to feel appreciated and remembered:

*I don't get money. But I do get satisfaction and connections. The people I get a job for remember me.*  
(Male singer and LI, 39)

*I have provided job[s] to many people. Many people have changed their life because of me but they do not remember [that I helped them]. Yes, I think I have done some good. That is my satisfaction.*  
(Male former dancer, dance teacher and international LI, 44)

*I don't take money to put anyone at work.*  
(Female performer international LI, 33)

Regarding the benefits that LIs receive from this work, another LI highlighted the emotional benefits for their perception of self, of the nature of their character:

*The 'nature of LI' is to have a 'helping heart' and 'to be able to see the qualities of people'.*  
(Female *khajaghar* owner and LI, 31)

Reading the transcripts and meeting with some LIs, the researchers got the impression that LIs are trying to outdo each other in their disinterest in money and financial matters. Money seems trivial compared to their commitment to the greater social wellbeing.

*[LIs] have the motivation to help socially. It starts with people we know, like who are near to us like relatives, friends, etc. People come to me asking for a job and I get to know about him/ her and just start looking for a job from where I was working. Thus, I started providing jobs in dohori for the first time... I have worked in 15 different places of this 'AES' so I know 15 different owners... I can get a job for different people in those places. LIs mostly do other work in a related field.*  
(Male politician and LI, 38)

This selfless, friendly image corresponds to additional corroborating data from the interviews with workers (Snyder *et al.* 2022). It is unsurprising that people receive satisfaction from helping other people, whether this is in a modern version of feudal patron–client relations or a gift-circulation in which doing favours also means that one can call in favours. These exchanges of gifts and favours can take place in unequal and more equal relations, such as two dancers or colleagues in a restaurant who tip each other off. However, a closer examination of the LS' career trajectories suggests that trust is not the only ingredient of building friendly appreciation. For some, having social status and a large social network produces a network of obligations and another type of power – political power. As one 38-year-old male LI reported: 'Beside this, I am also a ward member (a local representative). I am politically connected too.'

A successful LI who has helped a lot of people to find work may be able to claim political favours. Vice versa, political power can give an LI the ability to mobilise people for work:

*They [LIs] may not have a profit-based work but with the help of their political power, they might be able to manipulate the workforce with their power.*

(Male owner of adventure tourism venue and a nightclub, and international LI, 45)

Underlying the public image of trusted benefactors is a highly competitive, unregulated market for workers in hospitality and entertainment. In this environment, hiring staff from competitors is part of business survival, a situation which intermediaries, owners, and workers all speak openly about. A male *dohori* owner, aged 45, said, 'Most of us are competitors. I will be looking at the workers [in other places] to see if they are good. So, if I feel like they are reliable, I keep them...' Another, a 35-year-old female dancer, choreographer, and international LI, noted: 'The competition is present. LIs even fight between each other on who can send more people to work.'

### 3.2.4 Blurry and delegated responsibilities

One of the pitfalls of poor or no regulation in a mostly informal economy is fluidity or a disconnection between responsibility and authority. Knowing who is responsible and understanding if somebody can act on that responsibility helps to understand and possibly solve conflicts. The relationships between owners and LIs can be quite delicate as illustrated below:

*People talk badly of me because I work in the 'AES'. Some owners have quarrels with other owners. Some places owners try to steal workers by offering them more money than the previous owner did. LIs have to be careful not to get involved in these quarrels. Some people look for trouble, but I don't.*

(Male singer and LI, 39)

Owners need workers who they find by themselves or through LIs to operate their business. They also resent the intermediaries and their flexible fees to get the workers. The flexible fees make recruitment costs and budgets unpredictable and thus hard to manage.

*There shouldn't be any LI in between because they have no fixed fee structure. Once when they think to leave, there must be clear calculation and discussion. This way we can manage.*

(Male *dohori* owner and LI, 36)

A 33-year-old female LI and *dohori* worker even thought that the government should be involved: 'If the government makes a rule about the owner paying the LIs for their work in commission-based salary or some kind of grant then the sector could improve more.'

This is striking as none of the LIs that that researchers spoke to are registered. They consider their service as a private engagement.

Relationships between owners and workers can be difficult too. Several intermediaries described messy situations for workers. One 44-year-old male former dancer, dance teacher, and international LI said, 'All restaurant owners are abusers. They never give salary on time. They give only in three months. They say – you have tips – so why do you need salary?'

Commission on drinks and other 'tips' for services are common. This provides a clear incentive for waiters and waitresses to sell as many drinks as possible. They encourage customers to buy drinks for them and toast and drink together. Workers report pressure to sit next to customers and charm them into buying drinks. Thus, workers make a living through tips from alcohol sales that get the customer drunk and increase the risk of sexual harassment of workers by these customers.

Issues between LIs and workers are common too. LIs know that female workers receive commissions for selling alcohol. They are aware that some customers or business owners are not interested in professional dancers but want professional 'sexy' dancers. Some LIs complain when women who can dance charge for their skills. And they complain when they recruit women who dress sexy but cannot dance; the 44-year-old male former dancer quoted above said: 'These days, girls [who can dance well] are very costly... Two girls did not dance. They were wearing short clothes only.'

LIs know that human trafficking does occur and that sexual services can be demanded by employers and customers. But they are mostly silent about this, or minimise the problem as an issue of 'awareness' of the women, leaving the customers, the business owners, and the alcohol vendors out of the picture. When a problem occurs, female workers are left to deal with it without the support of the other parties involved:

*We tell our female staff beforehand to stay aware and conscious. To behave themselves in accordance with their age. We consider some as sisters, relatives. We live as a family. We orient them beforehand on their safety... In case if they do go through these things, the best option is to call the police and tell them.*

(Male owner and LI, 31)

LIs reported to have been mistreated themselves in their other previous roles as 'AES' workers. A 37-year-old female dancer and LI reported: 'I was almost tricked into prostitution, and I threatened to call the cops. Some owners don't care about workers and try to use us. As an LI I haven't come across trafficking.'

Not one single LI that we interviewed reported that one of their clients ended up being trafficked or sexually abused. This is possible with a small sample but avoiding difficult discussions or conflict situations by denial, delegating, or shifting the blame might also be considered a business survival strategy. LIs provide a positive and peaceful picture of their own work experiences as a labour broker.



Aside from human trafficking, most LIs report that they have not encountered problems such as wage theft or sexual harassment. Alternatively, they even suggest that this is the result of the worker or of an unprofessional competing LI who looks for problems or conflicts.

### 3.3 Common and conflicting interests between owners, LIs, and workers

Owners, LIs, and workers all agree on the importance of reliable human resource management in a business, with a slightly different emphasis. Workers want trustworthiness, transparency, and recognition of their talents and skills from LIs and employers in the form of decent wages and a safe workplace. Owners want fixed fees for LIs and reliable skilled workers. LIs say they want to help workers and employers.

Most intermediaries and workers agree about the useful role of LIs in helping people find jobs. Workers generally did not have negative things to say about LIs and particularly did not connect LIs to workplace conditions or exploitation and harassment. Workers and intermediaries agree with each other about the importance of both parties being honest, and to keep agreements, including payments, payment schedules, and working hours. Informality allows for flexibility to respond to changing markets and tastes. Working and opening hours, for example, can be adjusted easily as these are not set in contracts.

At the same time, there are some conflicting interests, including labour costs and labour conditions. There is no mechanism for people to hold each other accountable. When a third party, such as an owner of an establishment, does not pay the workers or the LI, neither workers nor LIs have many options to pursue to get their payment. The work is in the informal economy, and agreements are mostly verbal and without a contract. Wage theft, late payments, excessive overtime, sexual harassment, poor accommodation, or low-quality food are reported as problematic by both intermediaries and workers.

Poor regulations create uncertainty, which can cause a reluctance to invest and improve in these sectors. This puts stakeholders in these sectors in a tough spot.

### 3.4 Cross-cutting: formal and informal labour economy

Nepali and foreign labour migration employers both rely on ILIs to find workers. The official agencies that help people migrate for labour abroad also rely on ILIs (Kharel *et al.* 2022b).

LIs find creative solutions to get people to their job abroad using the permits or cover of a third agent, for example, a travel agent. International labour migrants who are dodging immigration laws need to know how to answer questions at airports. This has created new business opportunities. Many shops in Kathmandu offer guidance to workers to help them answer the questions for a fee. These businesses operate in broad daylight, showing how blurry some of the lines are between formal and informal, and legal and illegal labour migration.

### Figure 3.3 Travel and counselling services for Nepali workers



Two shop fronts in Nepal advertising support for travel abroad.

Source: Authors' own (Neelam Sharma).

In this complicated system, with its many unwritten agreements and expectations, problems and misunderstandings emerge easily. For example, a worker may pay a fee to a person or company abroad directly, assuming that this is part of the arrangement between the Nepali LI and the person abroad. The worker may not be entirely clear on how much of the costs are for their visa, air ticket, food, etc., and the extra amount they have to pay for getting them abroad. While there is information inequality between the worker and the LI, the intermediary may also miscalculate some of the costs involved. When the money disappears, nobody can rely on systems or processes to solve conflicts and clear up murky situations. This leaves the LI exposed. As a 39-year-old female international LI said: 'I do not take money. I just helped them. But I just got blamed. The workers called me and shared that I sold them. After one week, they were sent back.' When ILIs do receive money, they cannot get an official receipt for their services. This allows for a highly opaque labour market in these sectors.

In sum, the current policies and regulations that distinguish formal and informal economic activities result in multiple and complicated constraints for Nepali workers, LIs, and employers. Hospitality, entertainment, and wellness do provide employment, but it is mostly informal and unregistered, and as such it lacks clear government regulations on employment and social protection. Women and girls face particular disadvantages in this political economy.



### 3.5 Cross-cutting: gendered labour constraints

Nepali women and girls experience a range of gendered constraints, exploitation and abuses in the hospitality, entertainment, and wellness sectors, notably sexual harassment, wage theft, and being expected to do unpaid time-consuming tasks such as preparing for performances. This is all within a wider well-documented context of gender inequalities in the national labour market and education which limit women's ability to develop their full potential (Acharya 2014; Serrière 2014; Yamamoto *et al.* 2019).

Although there was a gender balance among the LIs interviewed, the people they help find employment in health, entertainment and wellness are mostly relatively young women. LIs are aware of the sexual harassment and other abuses that women suffer but downplay the importance. Perhaps this is because unless they are also employers, they are not necessarily in a position to take action. Some of the attitudes expressed towards young women are patronising and inconsistent, such as expecting girls to be professional dancers while complaining when they want to charge for their skills.

The international labour recruitment agencies are not set up for women who work in the hospitality and entertainment sectors. Gendered labour restrictions place the state in opposition to the interests of women and their households (O'Neill 2001). They diminish the mobility and income-generating opportunities for women who want to migrate, (re)enforcing existing gendered patriarchal norms on male and female mobility, unpaid care, and sexuality (Grossman-Thompson 2019; Chetry and Pande 2019). Restrictive international migration policies force women to work informally or find other, possibly more risky ways, to work abroad, using informal networks. Although the restrictions may have been imposed with good intentions, they also result in greater risk of exploitation of women and girls somewhere along the way (O'Neill 2001; AATWIN 2022).

### 3.6 Cross-cutting: trafficking and exploitation

Because women cannot earn a decent living in Nepal, international labour migration is an attractive alternative. With legal international migration routes closing, people are finding other ways to migrate.

There are reports of labour exploitation, sexual exploitation, and human trafficking in both worker and LI labour trajectories and experiences. Human trafficking, sexual exploitation, and labour exploitation in the hospitality, entertainment, and wellness sectors both in Nepal and internationally are due to systematic economic and regulatory conditions and lack of clarity and enforcement of existing policies. The high mobility of workers between jobs shows that there is freedom of movement and (restrained) choice.

Awareness exists among both LIs and workers of the risks of workers being exploited and/or trafficked without accountability internationally and domestically. But workers generally do not appear to associate the person who helped them get a job with the subsequent working conditions. The trust in an LI is mainly based on knowing this person and dissociated from the working conditions.

Care should be taken not to label some of the abuse and exploitation as human trafficking. A focus on human trafficking, which is a specific crime detailed in the Palermo Protocol and with legal definitions, can easily distract from other forms of systematic and gendered exploitation that do not match the strict legal definition of trafficking.

Our findings caution against binary thinking of trafficked victims versus traffickers. In line with other critical observers of LIs and brokers, the team found that some LIs are structurally disadvantaged people (McAdam and Gerasimov 2022). Many LIs are part of the social circle of workers and were, or still are, also workers who perform, dance, cook, and serve. There is a risk that many citizens will be collateral damage of human trafficking in a context where LIs are close to the workers. Anti-trafficking efforts could end up 'criminalising citizens as traffickers' (Bhagat 2022).

## 4. Conclusion

The use of vague terms by researchers, policymakers, and donors involved in anti-trafficking efforts such as 'Adult Entertainment Sector' ('AES'), 'AES hotspot', or 'Entertainment Sector' is confusing. The term 'AES hotspot' is misleading because the 'hotspots' are in neighbourhoods where many types of (informal) economic activities are mixed with residential activities. Both the assumption of a single economic sector and the conception of a geographic location that is exclusive to these businesses and their workers is stigmatising. It also distracts from the available and emerging research on migration infrastructures, labour dynamics, and the complicated relationships between highly diverse workers and LIs (Shrestha and Yeoh 2018; Kook 2018). The researchers hope that this research helps to 'open the black box of brokerage' (Axelsson *et al.* 2022).

Businesses and venues such as massage parlours, dance bars, *dohoris*, cabin restaurants, and guest houses are part of the hospitality, entertainment, and wellness sectors. LIs are part of the same socioeconomic ecosystem but have different roles, positions, and status; for example, they can be friends or relatives of workers, or owners with multiple businesses. Our findings confirm research which found that there are many reasons for the emergence of brokers and LIs, although their legitimacy and morality are often questioned. There is a need for them in a context with restrained opportunities for decent work and high levels of migration (Shrestha and Yeoh 2018).

Male and female LIs, workers, and owners of 'AES' venues have fluid identities in the growing, highly competitive informal sectors. Their roles can overlap each other simultaneously or at different moments in their life. They are men and women who came to entertainment and hospitality at a young age, developing practical skills, building a network of trusted people, and learning to be savvy about who to trust and who to avoid. They combine the role of LI with being an owner or manager of a business, and they may have been or still are workers.

Trust is a key form of social capital that helps to grow social networks that can be used for political and economic benefits. LIs and workers both feel that people who they know are more secure and trustworthy than strangers. Both articulate idealistic expectations and images of the LI as a generous benefactor with a wide network. Trust-building is important to gain social capital, which gives a competitive advantage in an informal sector without clear government oversight, in which labour mediation is embedded in webs of kinship, ethnic ties, as well as friends and co-workers.

The incorrect perceptions about the typologies and motivations of LIs who function in the vital informal sector of Nepal and foreign labour migration, as well as the exclusive legal focus on sexual exploitation and forced prostitution, prevent the development of interventions that are based on the accountability of stakeholders who operate at strategic points in the labour trajectories. Neither recruitment agencies nor any other perpetrators can be prosecuted for crimes related to labour trafficking under the current laws (AATWIN 2022).

The situation of ILIs working in hospitality and entertainment is similar to ILIs who help, mostly male, workers to find work abroad in different sectors (Kharel *et al.* 2022b). Both are needed to mediate between supply and demand for labour, formal or informal. But a difference is that there are more female workers in hospitality, entertainment, and wellness. The exploitation of these workers is based on and (re)enforces structural intersectional gendered inequalities.

Although these informal sectors may give criminal networks opportunities, it is important to distinguish informal from criminal to improve the reputation of these sectors and the working conditions. An improved reputation could, for example, help to attract different audiences who are less prone to harass staff and who may want to pay for the quality of the services, reducing the reliance on alcohol sales.

Women are unable to migrate abroad due to gendered migration restrictions that aim to protect women. But in Nepal, women and girls are looked down upon when they work at night in 'AES' venues. This adds insult to injury because sexual harassment by customers in some establishments is widespread. As a result of reduced opportunities to migrate legally to escape these prejudices and increase their income, they have to find other ways to migrate, which exposes them to increased risks of trafficking both domestically and internationally.

Our findings show that ILIs are connected to workers and businesses in areas with elevated levels of trafficking. Trafficking does take place in some of these venues or areas. When it comes to accepting responsibility for human trafficking, sexual harassment and other abuses of workers, everyone points fingers or looks away. But targeting or labelling venues that offer massage, music, food, shelter, or dance floors as high-risk places for trafficking is likely to be considered as stigmatising or even criminalising by everyone involved in these businesses, with the effect that they are further pushed underground. This makes it extremely difficult to improve these sectors, which would require the input of workers, owners, and investors. Anti-trafficking efforts should use clear terms that avoid unintentional harm to legitimate businesses and citizens.

Businesses operating in the 'AES' (re)enforce structural gendered inequalities such as restrictions on female mobility, gender pay gaps, and norms on female reproductive and sexual roles. Human trafficking efforts currently fail to contest these norms as it may not be part of their ambition or scope. But the focus of anti-trafficking efforts on women and girls does not help individuals – of any gender – against abuses that fall outside the narrow scope of human trafficking.

## 5. Recommendations

1. Acknowledge that *dohori* entertainment is part of a diverse Nepali creative industry. Encourage investment to strengthen the creative industry to cater to different tastes and purses, and the inclusive development of talent of all genders and backgrounds.
2. Business leaders (owners, group leaders, managers) should have the responsibility and the authority to set boundaries and accountability for customers, such as codes of conduct or house rules focused on harm reduction, rather than outlawing alcohol sales and consumption. They could exclude drunk people from entering an establishment, prevent the sale of alcohol to intoxicated people, and ban commission on alcohol sales. These measures can be strengthened by linking with public health (road safety, work safety).
3. Ensure that workers, LIs, and owners know their rights and have access to appropriate guidance for minimum and maximum rates, working hours, and social protection systems that suit sectors with many small and family-owned enterprises. Moreover, given the current conflicting interests, gendered biases, and labour and wage inequalities, guidance would best be checked, developed, and revised with stakeholders of all genders.
4. Support professionalisation and organisation of LIs, including fixed rates, fees and salary scales, certification, and accountability mechanisms.
5. Support the private sector by making it easy for informal small and medium-sized hospitality, entertainment, and wellness businesses to register and operate formally while acknowledging the need for urban businesses to adapt quickly to changing tastes.
6. Avoid the confusing terms 'Adult Entertainment Sector' and 'hotspot' in anti-trafficking efforts.
7. End Nepali anti-trafficking policies and interventions that restrict women's mobility for work and create a demand for rogue services by LIs that avoid the law.
8. Trafficking-related interventions in the hospitality, entertainment, and wellness sectors should be part of labour market reforms that support decent work and mobility for everyone working in those sectors.
9. Check that sociocultural norms on gender, labour, and sexuality are taken into consideration in anti-trafficking research, policy, and activism.

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