CHAPTER –I
INTRODUCTION

1.1 Background

Nepal, a federal democratic republic country which is land-locked by the big two economic power countries India and China.And suffering from the problem of under employment. In Nepal no more fexrtile land, no industry, no more infrastructure, so the destination of employment of Nepalese people is abroad. Due to the lack of employment opportunities in country, skilled, semi skilled and unskilled all types of people have shown interest to the foreign employment. To search for better opportunities of employment migration from one country to another country, particularly from developing countries to developed countries I not new for Nepal.

There are very few opportunities for employment and to earn the money. So, Nepali people have shown the interest to work outside of the home country. They go abroad for employment and they earn some amount of money and send back to the home country which is known as remittance income. Simple meaning of remittance is transfer of money by foreign to his or her home country.

Remittance donates household income from foreign economics arising mainly from the temporary or permanent movement of people to those economics. Remittance include cash and non-cash items that flow through formal channels, such as via electronic wire of through informal channels such as money or good carried across border. They largely consists of founds and non-cash items sent or given by individual, who have migrated to a new economy and become residents there, and the net compensation of border, seasonal other.

Signing of peace and friendship Treaty between India and Nepal in July 1950 A.D was the turning point in the movement of Nepalese worker for employment in India. Many Nepalese people had gone India to work in Cole mines, Guard in richest people's building and other house hold work. Some of them returned back but most of them settled there. In the beginning stage of migration, they come back to their mother land or they sent or brought money.

The recorded remittance from India is only countable, which comes in the from of alary and pension to Nepalese people who are working in Indian army and other formal sector. So, the source of remittance to Nepal was that amount which comes from British Army. After that, the second remittance to Nepal was that who are working in Indian army other formal sector. So the first source of remittance of Nepal was that amount which comes from India by Nepalese people employed in India army.

Political freedom and economy globalization have been contribution to an increasingly diversified pattern of destination by the migrants. Existing poverty limited employment opportunities, deterioration agriculture productivity, political instability, are underling ling factor increase international labor migrant. There are many villages in Nepal where the labor migration has been established a culture of experienced of placement in different geographical location.

Recently Government of Nepal opens the 109 country for the Nepalese people to working the per-capita US $ 729 of Nepalese people. The ratio of remittance to GDP that stood 11.2 percent in fiscal year 2004/05 reached 28 percent by fiscal year 2013/14. Remittance income that has grown merely by 4 percent (Economic Survey 2014/15) which is the main role of remittance.

No doubt, remittance is one of main source of income of many Nepali Household. Nepalese economy is heavily dependent on agriculture, with engaging around 73.9 percent of total population of country (MOF, 2010/2011). However cultivation system is traditional and subsistence. On the other hand, growth rate of population is alarmingly high. Moreover industrial development is at its infancy problem is very high. The contribution and the agriculture sector's contribution to GDP have changed. According to economic survey 2014/2015 per capita income is increased to us $ 729 from us $ 721, which is only due to the increasing trends of remittance income.

Recent income consumption scenario of rural areas is not as before. Most of the people have some for foreign employment so there is shortage of young male for any activities. The sources of income have changed in flow if remittance income in house hole it become tools decrease the poverty more than 10 percent, but that I commonly spent on consumption, such as for purchase of land and building. If remittance is used to increase the permanent income of rather than only temporary income, than receiver's welfare – enhancing effects may be significantly increased. Increased in consumption and education means to decrease in saving.

National economic development remittance can contribute significantly to local regional and in migrant sending in reducing poverty as they flow mainly to poor and marginalized families or rural families. In recent day, the unemployed youth don't get job in Nepal. So they are going to foreign countries or an other countries or an other countries to seek job in order to fulfill basic needs.

It is growing acknowledge in Nepal that foreign labor migration helps promote national economic growth, cases the pressure of unemployment bring in much needed foreign exchange through remittance and increased consumption saving and investment at both the house hold and national level.

1.2 Statement of the Problem

This is the fact remittance has larger benefit to the receiving village in an aggregate level as well as in household level. The age of globalization, remittance has become a difficult position of development for any developing country. The developing countries in this age can't even take track ahead without external assistance like remittance & foreign aid. Remittance reflects the local labor working in the global economy remittance improves the integration of the countries in the global economy.

While the remittance income of house hold increase certainly change the pattern of consumption remittance has helped to boost education, reduce poverty provides temporary financial relief to household in study area. This crucially depends on the productive use of remittance or investment in the economy.

Issue regarding the use of remitted money and its contribution on rural people is very burning one but very few studies were conducted in the past. While observing the past research documents it is seen that most of the studies have not clearly delivered information on socio-economic contribution in its specific attention, rather a general survey is found.

In my study area many people have gone to foreign employment and earning money. The remittance has contributed abnormally in the promotion of rural people's socio-economic condition but it has not yet been systematically estimated. Also local media and some research reports concluded that major serving of the remittance is used for meeting household consumption and paying of loans borrowed while going abroad. Only a few people use remittance in directly productive sectors like agriculture, livestock, small business and small type of manufacturing (CBS, 2011).

Main research question of this study is to find out the socio-economic contribution of remittance in rural people. No past study has been conducted regarding remittance issues in this VDC. This study mainly attempts to address the following research questions.

- How are remittances used in the household economy?
- What are the area where remittance is utilized?

- What are the changes before receive remittance and after receive remittance?
- What is contribution of remittance in social and economic sector?

1.3 Objectives of the Study

The general objective is to analyze the socio-economic contribution of remittance in rural people of the Study area and the specific objectives are:

- To analyze the nature and status of remittance flow.
- To analyze the remittance utilization pattern
- To compare the Socio-economic status of remittance recipienthousehold before and after receiving remittance.

1.4 Significance of the Study

The study focus on the contribution of remittance for rural economy as well as Nepalese economic development.Now a days the remittance income is using only the advantage of the migrated people and their family only. If the remittances are invested in the productive sector like industries and other development activities then only effect of remittance income can be felt by the other rural people as well as Nepalese citizen.

Hence, the study aims to analyze the trends, flow, utilize pattern, role and relation between investment of remittance on household being provided by rural people for economic development of rural area in various aspects.

It helps minimize poverty and helps to economic position of research area as well as research helps provide investment pattern and notifies the remittance income contribution to the study area.

1.5 Limitation of the Study

Every study has its own limitation. In the same way this study will not be free from the limitations. We may be guided by some partialities. We cannot be free from our own assumption towards the lack of sufficient time.

The studies were not cover the research of the whole nation, rather the research area were only Leguwa VDC ward 1, 2, 3, 9Dhankuta District. Research is to be conducted on sample study of 91houses. The question is to be asked to the people of age 25-60.

- This study is based on trends of labor migration and remittance for last five years of VDC level and its impact on household investment.
- This study is concentrated on a particular area of Leguwa VDC of Dhankuta. To examine the social cost and social benefit of remittance and use of remittance on investment.
- Conclusion of generalization of this study may or may not be applicable in other parts of nation.
- This study is mainly based on primary data but secondary data can also be used if needed and simple statistical tools are used to analyze the data.

1.6 Organization of the Study

This study is classified into five chapters. The first chapter deals with the introduction including background of the study, statement of the problem, significance of the study, objectives of the study, limitations of the study and organization of the study. In the second chapter of literature review includes. This chapter reviews the related concepts. In addition, the review of the different journals and articles and the past thesis are also presented in this chapter. The third chapter includes research methodology, research design, data collection population and sample size, and the tools used to achieve the objectives of the study are presented. The chapter four includes the presentation and analysis of data. Chapter five were summarizes the whole works with some recommendations and conclusion.

Finally, References and the Appendices are presented at the end of the study.

CHAPTER – II
REVIEW OF THE LITERATURE

In general, review means a looking back on presentation view of survey, as past event of experience so that every scientific research must be based on past knowledge. Ignore previous studies cannot because they provided the foundation for present study. Therefore, this chapter contains review of the relevant literature found by the published book, journal, articles thesis, newspaper, report, websites and previous theoretical and empirical research work which are related to support the present study.

As the issue of migration and remittance, labor migration has always been a top research issue of researcher (scholar) and research organization we can look through huge pool of different literature. Proceeding from main propose of the research during literature analysis all literature will be to capture and specially theoretical consideration (International) and empirical (National context) and article resources are comparison to be used in practical in nature.

2.1 Concept of Remittance

Remittances are an important source of income for households, in particular in developing countries. The flow of remittances is the least influenced by economic downturn and remains a stable source of income. Remittances have been identified as the third pillar of development as their volume is second to foreign direct investment and higher than overseas development assistance. Analytical studies have shown that remittances contribute to poverty reduction in home countries. These are some of the reasons why remittances have been receiving increasingly the attention of politicians and analysts.

In general use remittance is known as the sending of money to someone at a distance. But usually worker remittances have generally been understood as a portion of earnings migrants send from a country other than their own to a relative in their country of origin for the purpose of meeting certain economic and financial obligations. Remittances are earnings from abroad sent to families of immigrants they are also foreign savings like earnings from trade, or foreign investment and aid. Remittance transfers may be domestic or international. Domestic remittances means when there is migration from rural to urban areas within a country and money transferred between them and international remittance is defined as cross-border payments, i.e., send money to their families in their home country. But usually the term remittance is refers to international remittance.

"Remittances" has now become a commonly used term, which is however rarely defined. Analytical studies define remittances as the sum of selected balance of payments flows. In some studies, the sum of workers remittances and compensation of employees (Anne Harrison 2003 and DFID 2003), in others the sum of the above balance of payments component plus migrants' transfer are used as proxy for remittances.

Remittance are not a new phenomenon in the world since several European countries such as Spain, Italy and Ireland have been heavily dependent on remittances received from their emigrants during the 19^{th} and 20^{th} century. In the case of Spain remittance amounted to the 21 percent of all of its current account income in 1946. All those countries created policies on remittances after significant research efforts in the field. For instance, Italy was the first country in the World to enact a law to protect remittances in 1901 while Spain was the first country to sign an international treaty (with Argentina in1960) to lower the cost of the remittances received.

2.2. Status of Remittance in Global Context.

Crisis that hit the western financial markets in 2008 has led to a severe global economic recession, which impacted and is still impacting migrants and migration policies worldwide. Despite the growing vulnerability of migrants, remittances have remained stable during and after the global economic downturn. Indeed, they continue to be a significant source of income for families and play a crucial role of co-insurance or risk mitigation in times of hardship. Moreover, remittances have proven to be a more sustainable source of foreign currency for developing countries than other capital inflows such as foreign direct investment, public debt or official development assistance. However, the nexus between remittances and development remains complex, especially with regards to the movement of people, which contributes to the spread of global interdependence at all levels – social, economic and political.

International migrant remittances are perhaps the largest source of external finance in developing countries. Officially recorded remittance flows to developing countries exceeded US$125 billion in 2004, making them the second largest source of development finance after foreign direct investment. Remittances were certainly larger if flows through informal unrecorded channels are also included. As the development community continues the search for additional resources to finance the Millennium Development Goals, remittances—pro-poor and cyclically stable, compared to other capital flows—appear to be a promising source.

Remittances also appear to be the least controversial aspect of the overheated debate on international migration. Both remitting and recipient countries are considering the long-term economic implications of these transfers. Anumber of remittance initiatives are underway. The Sea Island G-8 Summit in June 2004, for example, called for "better coherence and coordination of international organizations working to enhance remittance services and heighten the developmental impact of remittance receipts" (U.S. Department of State 2004).

The World Bank, the International Monetary Fund, and the United Nations have formed an interagency, intergovernmental technical group to improve remittance statistics. The Bank for International Settlements and the World Bank have formed a special task force on international retail payment systems, to improve transparency in remittance transactions. An interagency task force on remittances led by the U.K. Department for International Development and the World Bank has been in operation since the International Conference on Migrant Remittances: Development Impact, Opportunities for the Financial Sector, and Future Prospects held in London October 9–10, 2003. Regional development banks, bilateral aid agencies, and other international agencies have also started ambitious programs to collect information and facilitate remittance flows. Both source and destination countries are eager to understand these flows and their policy implications.

2.3. Status of Remittance In Nepalese Context.

Bhadra(2007) aim to analyze the international labour migration of Nepalese women and the impact of their remittance on poverty reduction. The design of this study is pre-and post recall. In the absence of designed this study to measure the impact of remittance on poverty reduction based on retrospective pre and post recall by the respondents. Among the various methodologies applied in research this study adopted the qualitative method, a sample survey was conducted for qualitative method, focus group discussions were held and study were done. A purposive sampling was adopted in order to reach the respondents. The total sample is of study was 91 household. Semi-structured questionnaire, Key informant interview and focus group discussion.

Poverty indicators used in this analysis are inadequacies in food, housing, clothing, and schooling for boys and girls medical care, social expenses, religion expenses, land and income. The conclusion of this research is that Nepalese women's international labor migration is mainly promoted by poverty at home and significant impact of their remittances on overall poverty deduction at the household level.

Remittance income in developing countries has become a lifeline for economic development. By remittance we mean sending income in terms of money or goods in home by the migrants or workers who have their earnings outside their home country. Now a day, this source of foreign income has been growing rapidly in each year in developing countries. Since long time in Nepal, many migrants have been transferring their income through the unofficial channels. Today due to the establishment of different agencies like Western Union, International Money Express (IME) etc. in several district headquarters of the country, the remittance flows has become popular for transferring cash or money in time to the recipients. However, it is difficult to calculate the exact size of remittance flows in Nepal due to the emergence of unofficial channels even though it has recorded in balance of payments account. In this regard, it is estimated that unrecorded flows through informal channels are believed to be more than 50 percent of the recorded flows in developing countries (Ratha, 2005).

The remittance income in Nepal was Rs. 204.3 million in 1974 and Rs. 809.1 million in 1985. It was drastically increased from Rs. 12,662.3 million in 1999 to Rs. 47,216.1 million in 2000. The remittance income remained below Rs.50, 000 million till the 2001. The trend of remittance income has dramatically increased over the recent decades till 2009 but sharply fell in 2010. The remittance and its contribution on national economy can be measured with remittance to GDP ratio. The contribution of remittances to the GDP has been ranging through 11% to 23% during the period of 2000/O1 to 2010/11. The remittance to GDP ratio was higher in 2008/09 (23.06%) but sharply decreased in 2010/ 11(11.81%). This ratio is relatively higher as compared to other South Asian countries. The 28% share of remittance in GDP period of 2014 and 1400 people leave country for overseas jobs over 527,000 in 2013/14(UNDP Nepal Annual Report, 2014).

2.4. Remittance Inflow

2.4.1 Remittance and GDP

Remittance provides not only significance portion of the GDP but it is also contributes in saving and investment. The growth of remittance depends on the number of labor force working outside the country, the level of earning and portion of income that sent back home. There are various sources of remittance like government transfer, investment made by nation in other countries the size of remittance also determine the availability of foreign currency in the country. Nepal Rastra Bank the central of Nepal published data to remittance continuously.

Table 2.1:Remittance Inflows

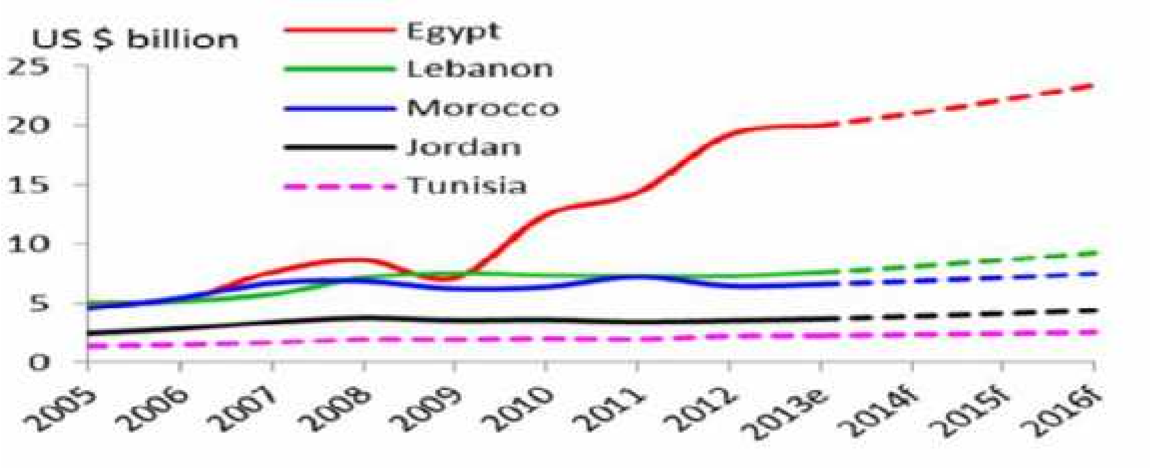
	2009/10	**2010/11**	**2011/12**	**2012/13**	**2013/14**	**2014/15**
Remittance inflow (Rs. In billion)	231.7	253.6	25936	434.6	543.3	371.0
Percentage change	10.5	9.4	41.8	20.9	25.0	4.0
Ratio of GDP	19.4	18.5	23.5	25.7	28.0	
Share of Remittance income in current Transfer Income	80.5	81.5	84.0	87.3	86.0	88.2

Source : Nepal Rastra Bank, 2015

The growth rate of remittance to Nepal may have slowed from double digits to single digits In recent year, but the country ranks among the top five in term of the share of remittance of the Gross Domestic Product. Nepal is among the top five countries with remittance amounting to 28 percent of the GDP, Tajikistan, Tonga, Lesotho and Moldova are rank ahead of Nepal. Among the least developed countries, Nepal is Placed second behind Bangladesh(WB 2011).

Along with agriculture which contributes more than 30 percent of GDP, remittance and the service sector have reemerged as major contribution to GDP. Remittance has contributed significant to the reduction of poverty in last 15 years. The second Living Standard Survey had sighed remittance as the major contributor behind the de4cline in people living below the poverty line from 31 percent to 23.8 percent.

Figure 2.1:International flow of remittance



Source: The World Bank, Migration and Development

2.5 Empirical Review on Remittance

Harris and Todaro (1976) sates that migration is stimulated primarily by rational economic consideration of relative benefit which is mostly financing earning decision to migrate is influenced by the expected income between two place he added that, probability of getting job in new area inversely related to unemployment rate in the new area.

World Bank (2012) showed that remittance fund received from migrants working abroad to developing countries have grown dramatically on recent year from US $

18 billion in 1980 to over US $ 126 billion in 2004. They have become the second largest source of external finance for developing countries after foreign direct investment, both in absolute term and as a proportion of GDP. Furthermore unlike other capital flow, remittance rends to be stable even during period of economic downturn and crises. The development potential of these flows is increasingly being recognized and therefore interest in remittance and their impact is growing among governments, international organization and private sector. Yet research in remittance in sparse and limited mainly to expand their customer base. Furthermore this topic is empirically interesting became because a priority the link between remittance and financial sector development are unclear. Remittance might have positive impact on credit market development if a individual receive sizable transfer from that are shown to be stable, banks become more willing to extends loan to remittance recipients.

On the other hand remittance might help relax individual financing constraints these flow might also lead a lower demand for credit and have damping effect in credit market development. At the same time whether we observe a positive relationship between remittance and financial development measured in term if depositing funds with Banks.

Adams(1992), In this study of labor migration and remittance income shows that both internal and international remittances have an essentially neutral impact on rural income distribution in Pakistan. When internal remittances are include the Gini coefficient if inequality rise less than 3 percent, while the thermodynamic entropy (disaggregation). Increase less than 9 percent virtually the same result hold for international remittance.

Lee (1966) has proposed the 'push-pull obstacles' model of the migration on the basis of Regenstein theory. According to Lee, the decision to migrate and process of migration are determined by the following four factor which include: Factors associated with the place of origin (push), Factors associated with the place of destination (pull), intervening obstacles which lies between the place of origin and destination (distance cost or lack of transport and communication etc.), and personal factors (age, sex, education and race).

Owiafe (2008) analyzed the impact of external remittance on poverty reduction in Ghana. The study employed mainly secondary microeconomic time series data analysis. All data were taken from INF, International financial statistics government, Finance statistics and the World Bank and the state of Ghanaian economy. Data were analyzed to add in the descriptively and quantitatively. Charts such as trend graphs and table were employed to add in the descriptive analysis. This study adopt newly developed auto regressive distributed lag econometric model

This study conclusion that remittance have indirect impact on economy growth through human capital development and the lack of capital constraints, its direct impact is nil, where poverty is concern remittance seems to have direct impact on poverty reduction through the direct increase in the economy of the poor, thus smoothening household consumption and eating capita constraints.

Stark & Lucas (1988) in the new economic of labor migration, the household determines the decision to migrate. In this respect, the family manages the transaction cost required to migrate at the first instance and expects some reciprocal behavior from the immigrants later. Even through a selfish migrant can violate the family constricts, which are never in written for, the migrant would have to cut the ties with the family. However, an implicit family contract can be enforced because of mutual altruism and social connectedness with the origin community.

Giuliuno& Ruiz (2005), found that if the remittance relationship with per capita GDP is not statically significant, remittance do have a robust positive impact on financial development. Employing on empirical methodology that controls for relationship between remittance and financial development and a new remittance data set for middle and low income economies only. The researcher found that remittance are correlated with indicator of financial development. Moreover threshold analysis ravel that remittance appear too subtitle for well developedfinancial system by promoting growth more robustly in those country with weal financial system.

Tumbe (2011), provided a fact sheet of domestic and international remittance at the state level and across household characteristics and discuss the extend of remittance dependency. It's growth since 1990's the different uses of remittance across the state. The possibke impact on source region inequality and it importance in enhancing financial inclusion. Data from the 49th and 64th round migration related national sample survey. The Reserve Bank of India (RBI) and 2001 census were used for the analysis some of the finding were :

a) The domestic remittance market was estimated to be US $10 billion in 2007-08, 60 percent being inter-tate transfer and 80 percent towards rural household.
b) Domestic remittance financed over 30 percent of household consumption expenditure in remittance receiving household that formed nearly 10 percent of rural India.
c) Domestic remittance dependency was high in Bihar, Utterpradesh and Rajistaan and has generally growth since the 1990s most noteby.
d) The top 25 percent household receives around 50 percent domestic remittance suggesting that remittance could be increasingly source region inequality.
e) 70 percent of domestic remittance were estimated to be channeled in the informal as an against 25 percent in China revealing a huge opportunity for financial institutions to serve migrant worker.
f) Kerala, Panjab and Goa accounted for over 40 percent of remittance flow are among the top remittance dependence economies of the world.

Arifeen (2013) Presented a research paper in an international organization for management. This paper attempts to see the contribution of the migrants, remittance to Bangladesh, socio-economic development both at macro and micro economic prospective by using various relevant literatures published by different organizations. The macro economics base mainly focuses on GDP including foreign reserve and balance of payment (BoP), capacity of importing goods and service. The micro economy focuses utilization of remittance for family social security, consumption and investment at house hold and community level. The researches found by remittance through international migrant are relatively stable form of income. In the last 31 years increased remittance flow has been contributing to the economic development of Bangladesh. It is evident that remittance not only increase household income but also have the potentiality to increase local and national economic growth. However some major challenges are considered as implements to further socio-economic development of Bangladesh.

Ratha& Shaw (2007) conducted migration and remittance according to their study following conclusion were formed; 74 million or nearly half of the migrants from the developing countries residing in other development countries. However they believe that this estimate is likely to below as the official trends to understand irregular migrants. Irregular migration is probably even more common south to south than to north to north migration because of tight restriction on immigration in many developing countries with limited enforcement, the high cost of travel document and unclear immigration role in south.

Almost 80% of south to south migration is estimated to take place between countries with contiguous border and most appears to between countries with relatively small difference in income. Inn contract while approximately can be important in shaping south to north migration, ;large income different encourages migration over great distance.

The impact of south to south migration on the income of migrants and native is smaller than south to north migration. However even small increasing income can have substantial welfare implication for the poor and cross migration can improve the match between scale and requirements in countries involvement thus raising efficiently and welfare.

The cost of south to south remittance are higher than these of north to south remittance because of lack of competition in the remittance market, a lack of financial development in general and high foreign exchange commission at both ends of transaction.

Leduygy (2004) argued in his study that remittance to Turley from the estimated over 3.5 million Turkish eigrants living abroad are continuing and preassembly account for sizeable part of the4 country economic development; it is still no easy task to pinpoint the dynamic nature of link between remittance and economic development certainly among the main consequences of labor immigration for sending country like turkey are beneficial impact of incoming workers remittance. As a developing country, Turkey has always needed external capital to support development project and has always faced perennial shortage of foreign found to play for imported foods and service and foreign debt.

Anyanwu and Erhijakpor (2010) tried to seek the answer to question "Do international Remittance affect poverty in Africa?" The data set consists of 33 African countries and 75 observation. The poverty measure of used here are from the world Bank's percale net database which incorporates three major of income poverty. First the poverty incidence (head count poverty) which measure the percentages of population living on less below the poverty line day. Second is poverty depth (poverty gap) which is the mean distance below the poverty line as a proportion of the poverty line third I poverty severing (squared poverty gap) which is the mean of squared distance below the poverty line as proportion of the poverty distribution of the poor below the poverty line.

WaqusBionDilshas (2013) investigated the impact of workers remittance on economic growth through time empirical regression and correlation analysis it is identified that workers' remittance have impact on economic growth in Pakistan and there exist a significant positive relationship between workers' remittances and economic growth in Pakistan. Besides all the negatives of high migration and the factors which are causing high migration like poor economic conditions, unemployment, poverty etc. It I recommended that Pakistan should make policies that encourage and motivate the inflow of remittance through proper channel because some remittance are still sent through hundy due to non-friendly policies. Pakistan should utilized these inflows of remittance efficiently for economic growth and development. Pakistan should focus on these remittance are not only a source of economic growth but also these remittances are reducing poverty as well as these remittances are a major source of foreign exchange and helping to overcome the problem of balance of payment. If these remittances are utilized properly in efficient way these could help in overcoming the problem of brain drain and high migration and the effective utilization of these remittances can help in achieving sustainable development.

ILO-DFID (2002) Nepal has also long history of international Labour migration. Around 200 year ago, Nepalese started to seek work abroad and send remittances back to their families in Nepal. N early 19th century, for instance, the first men migrated ti Lahore (In today's Pakistan) to join the army of Sikh ruler, Ranjit Singh. They earned the nickname "Lahore" which is still used today for Nepalese employed in foreign armies abroad. In 1815/16, the first British army of India and were then and still are called "Gorkhas". Since then, international labor migration of Nepalese has never ceased. Especially in the recent decades, it has greatly increased and diversified in pattern.

NLSS (2010/11) concludes Nepalese people went to abroad for work but they are not skilled and not well educated, in this context people are facing many problems in destination country and they are not able to using their income in productive sector, in order to remittance productive and beneficial to rural development peoples and Government should bring the policy and program to encourage and motivate people towards the saving and investment with reducing their unnecessary consumptions.

MOF, (2014/15) a total of 329.070 foreign employees have gone abroad through licensed companies by the end of first eight month of current fiscal year 2014/15. Likewise, 364,740 foreign job aspirants have gone abroad for foreign employment with labor permit in the first eight months if current fiscal year. Of this, 6,378 received permit on their own while 29,292 are among those undocumented returnees who flew back abroad with permits. Of the outbound foreign employees to major labor destination countries with labor permit, 15,939 are female while 348,801 are male.

The ratio of remittance to GDP that stood 11.2 percent in FY 2004/05 reached 28 percent by FY 2013/14. Remittance income that had registered a growth of 34.1 percent during the first eight months of the previous fiscal year has grown merely by 4.0 percent to Rs.371,0 billion in the same period of current fiscal year.

Ghimere (2005) concluded that – however, plan and polices seems good but the remittance are stilled transferred less by formal channels. The diversion in to productive sector has not been materialized according to desire of Tenth plan. It has only reduced the debt liability of a family of migrant workers.

Aryal (2006) focused on the impact of migrant remittance on household welfare and the land conservation investment in Mardi watershed of Nepal. His study concerned increase income and consumption as the indi9cator of household welfare and the land conservation investment as the major indicator of land uses sustainability. Further, it will also inquire if internal and international migration remittance have differential impact on household welfare and land conservation. The study summarized that the increase in remittance has a positive effect in the household welfare and soil conservation investment. Household production a well as consumption level have improved similar result are found in case of soil conservation investment of the household.

Panta (2008) mentioned that migration is stimulated primary by rational economic consideration, relatively benefits which are mostly financial. Decision to migrate for foreign employment is influence by the differences between expected incomes between two places. The probability of getting job in new area is inversely related turn employment rate.

Sherpa(2010) found that a Nepalese migrant worker in India, typically earn around Rs 240 per day (earned Rs 7200 per month if worked every day and Rs 43200 in 6 month) n an average half of gross earnings were used for food and living expenses as the cost of living in higher than in Nepal and there are consumables to tempt to migrants. Around 9% was used to cover the travelling to from India and 11% on repayment of the loan for migration. This left around R 12,800 or 30% of, which

more than third was spent on gift for family and friend (food, cloth, kitchen utensils, electronic goods, watches, jewelry,
and so on) and reminder was remitted in monetary form, he also find that the use of remittance varied from person and with family size and economic status. There is no culture of having and investment and people are lacked of awareness in potential benefit of remittance. Most people simply spent what they earn and migrate in order to bring back food and money for the live 4 to 6 month. Labor migration bought a new skill like driving, construction, cooking, electronic skill and house painting when they return their home but opportunities, entrepreneurship and access to market all are discouraged. The few who did invest or start a business were generally the once who were not in such a bad hand-to-hand-mouth situation and did not have to worry about feeding their family for the remaining month.

Shrestha (2011) in his article analyzed from Nepalese macro-economic data concludes that expenses in education in underdeveloped country does not finance brain drain but highlights the potential role of skilled emigration in improving human capital investment in developing countries like Nepal. Moreover wage gap between the developed and underdeveloped countries enhance the private investment for children education in the underdeveloped countries so that new generation can compete in the global market.

Dhakal (2013) concluded his research that sources of remittance, use of remittance on consumption is increasing positively. Remittance inflow and its current situation in the study area are high a and a in national scenario. Remittance is major sources if foreign currency and contribute positively to recipient national balance of payment on macro level, remittance are vital sources of foreign currency, which helps to stabilize the balance of payment deficit. But in micro level, study shows that remittance is spent primarily on consumption of goods and expenditure on education and service. Such goods usually are imported. If such tendency is being continuously increasing, then it will fuel a trade balance and which make Nepal venerable to certain shocks. The study insists that most obvious effect of remittance is that, it increase the income of recipients would increase consumption. The long term problem of remittance as being sources of income on household economy is not well understood. The study supports the question that is the most of remittance income is being use for consumption, purchases land and education level is being increasing as the remittance income increases. Due to the lack of job opportunity in the country, most of people are migrated for foreign employment. Job not found in country, to decrease family loan, to earn high amount of money are also found as major causes for migration to abroad employment.

Sapkota (2014) states that, for a small land locked economy battered by a long a decade ling moist insurgency (1996-2006) prolonged instability slows growth rate and large exodus, high inflow of remittance bear a huge significance both at micro and macro level. Exploring various factor of high migration and remittance. This article shows remittance include Dutch disease effect and policy laxity to improve investment climate in Nepal.

Thus, from the beginning from the present studies, this study intends to examine socio-economic contribution of remittance on household remittance from case study of Leguwa VDC of Dhankuta District which is not done by any source.

CHAPTER-III

RESEARCH METHODOLOGY

This chapter basically deals with the methods employed by the researcher on the research topic. Method is guideline, which adds the researcher to research in scientific and systematic. It provides the brief introduction of the study area; the sampling methodology employed the process of Data collection, analysis and conceptual framework for the study.

3.1. Research Design

The research design is an organized approach and not a collection of loose, unrelated parts. It is an integrated system that guide the researcher in formulating, implementing and controlling the study.

The research was conducted under 'Descriptive Research Design' because the study describes systematically the major socio-economic contribution of remittance. The research was aimed at describing the condition of remittance use and its impact based on information collected using field survey.

3.2 Rational for the Selection of Study Area

As remittance significantly affects the socio-economic contribution on rural people of Leguwa VDC of dhankuta districts, where most of the youth from this VDC were going foreign countries in search of job opportunities. This study area is focused on ward no. 1, 2, 3 and 9. Many people from these wards have gone abroad in search of good job. Most of them were sending money to their family, relatives to buy their daily consumption goods, investing in child education and many few in creating small enterprise or business. The socio-economic lifestyle of rural people of this VDC greatly influenced and depended upon remittance.

3.3 Nature and source of Data

The nature of data were both qualitative and quantitative. This Study were based on primary source of information.

3.3.1 Secondary Data

Besides, primary date secondary also needed to fulfill the research objectives, so the source of available data was taken from official and unofficial sources. The secondary sources of data was taken from books, journals, publication of National Planning commission secretarial, central Bureau of statistics (CBS), Nepal Rasta Bank, reports and dissertations etc.

3.3.2 Primary Data

Among the selected household members were taken interview with samples household structured questionnaire and relevant information's collected through the medium of questionnaire. The questionnaire included both open & closed types. Researcher took personal interview and filled up the questionnaire. The primary source of data collected from opinion survey through questionnaire, key informant interviewand information received from the respondents.

3.4. Population, Sample and sampling procedure

In order to gain information on multiple dimensions of socio-economic aspects of the households of both before and after receiving remittance. For data collection Leguwa VDC, ward no. 1, 2, 3 and 9 were purposively selected for the purpose of study because in these area the number of foreign employee is more than in others wards. In the study area, these are altogether 307 households receiving remittance which is universe of the study. Considering 30% sample size. It was evidenced during field visit. Out of 307 households 91 households were selected randomly. All the respondents are migrant’s family as the purpose of the study is to analyze the socio-economic condition of remittance. The sample is 100 percent of universe.

Table 3.1: Sample Size of Respondents

Ward No.	Total Number of Households	Total Sample Households(30% of total number of household)
1	80	24
2	70	21
3	75	22
9	82	24
Total	**307**	**91**

3.5 Techniques and tools of Data collection

The required data was collected by following tools and techniques.

Table 3.2: Technique and tools of Data collection

S.N.	Techniques	Tools
1.	HH survey	Questionnaire
2.	Key informant Interview	Interview guideline questionnaire
3.	Focus Group Discussion	Checklist FG guideline

3.5.1 Household Survey

Household survey were conducted as technique for which structured questionnaire were developed as tool. These questionnaires mainly included remittance inflow in the study area, using pattern of remittance and socio-economic condition of remittance holders before and after. The formatof household survey in annex I.

3.5.2 Key Informants Interview

This Study were conducted by descriptive method. For the truthful data key informant interview were showed with three educated persons. They are working at banking sector , money transfer company andcooperative. The format of key informant interview guideline in annex II.

3.5.3 Focus Group discussion

This study were conducted by descriptive method. For the reliability data, focus group discussion were conducted with different stakeholders. They are working at banking sector, head of family, chairman of VDC, money transfer company and cooperatives. The no. of participants were 10.The format of focus group discussion guideline in annex III.

3.6 Data analysis

Collected data from primary as well a secondary data, which was collected through structure and open ended question, the field survey from the respondent, key information and case study of the selection area. When the task of data collection was over, collected data was processed and tabulated manually and systematically. Tabulated data was interpreted based on percent distribution, and was presented in graph, etc. With help of computer program by SPSS, EXCEL, ACCESS etc.

CHAPTER-IV

PRESENTATION AND ANALYSIS OF DATA

The collected data and information edited, classified and tabulated in present table form for data analysis. The chapter has been organized as:

4.1 Introduction of the Study Area

4.2 Socio- economic Information of Respondent

4.3 Status of Remittance Inflow

4.4 Remittance use Pattern

4.5 Comparison of socio-economic condition

4.6 Negative Impact of Remittance

4.1 Introduction of the Study Area

Geographically, Dhankuta district is located in between $26^{0}0$ $53^{'}$ to $27^{0}9^{'}$ north latitude and $87^{0}08'$ to $87^{0}33^{'}$ longitude. The elevation of the district ranges from 120m to 2702m. The district fall under the monsoon region. The maximum temperature of the district remain 24.4^{0} c and minimum temperature is 14^{0} c. The average precipitation is 66.92 mm (Koshi Basin Field Office,2000)

Administratively, Dhankuta district is located in Eastern Development Region which is the head-quarter of this region. The total area of Dhankuta district 891 Skm^{2} and the total population is 1,63,412 (CBS 2068). The lowest place in Dhankuta known as 'KokahaKinar' is situated in River side of SaptaKoshi which lies in the ahale VDC and the place called 'patekDanda' is located in the highest range of dhankuta district and shich is situated in theMurtidhunga VDC. The district is covered by the border with terathum and Panchthar in the east, Bhojpur and Udaypur in the west, sankhuwasabha in the north and Morang and Sunsari in the south. The Koshi highway lines Dhankuta with Terai section in the south.

Leguwa VDC is a study area one of the 2 municipality and 28 VDCs, Located at about 2 hours by the Bus distance west from the district headquarters, DhankutaBazzer. Population density is simply higher than other neighboring VDC chanuwa . There is diversity in population composition by caste, religion, language and culture etc. Gives the distinct taste and colour in a sense of unity in diversity. The village has scattered Settlement of the people. The total household of the VDC is 1,081 and total population is 4,722 where females cover 2,551 and 2,171 males (CBS,2068).

4.2 Socio-economic Information of Respondent

4.2.1 Age and Sex Structure

Age and sex structure of the population is the major explanatory variable in demographic analysis. Importance of age and sex in not only limited to demographic analysis but also different socio-economic and development planning of a country. The age and sex composition is shown in the following table.

Table 4.1 : Distribution of Migrants by Age and Sex

Age	Sex		Total	
	Male	Female	Total no.	Total percent
Below 15 year	2	0	2	2.20
15-30	14	3	17	18.68
30-45	36	2	38	41.76
45-60	25	9	34	37.36
Total	77	14	91	100.00

Source : Field Survey 2016

Table No. 4.1 shows the distribution of emigrants by age and sex. According to table the highest proportion of male in the 30-45 age group and highest female proportion is age in 45-60. We can see in the total figure below 15 age group is the lower proportion and the highest proportion is in 30-45 age group respectively. Similarly the share of male labour emigrants is 77 percent and female labour is 14 percent in the study area.

Most of the males go to foreign country only females are left here because male are more responsibility in economy than female so that ratio is high of male than female.30-40 age group people highly go to foreign country because they are independent, strong in health condition, energetic than other age group so the ratio of 30-40 age group is high.

4.2.2 Education Status

Education is one of the most importance social characteristic of population. It is a vital and key factor for foreign employment. The quality of work and wages depends upon the migrant's skill and education.

Table 4.2 : Distribution of Migrants by Education status

Particular	**Frequency**	**Percentage**
Illiterate	16	17.58
Literate	75	82.42
Total	**91**	**100**
of Literate		
Who can read and write	17	22.66
Primary	12	16
Lower Secondary	16	21.33
Secondary	15	20
10+2	7	9.34
Bachelor	5	6.67
Master Degree	3	4

Source: Field Survey, 2016

Above table no. 4.2 shows that the migrants having higher level education is low, where in 10+2, 9.34 percent, in Bachelor 6.67 percent and in Master 4 percent Likewise the highest proportion of who can read and write of literate migrants are 22.66 percent and 21.33 percent are lower secondary of literate people.

The percentage of the who can read and write is at the highest only became of their poor economic background. Because of being poor they can not continue their study upwards. They have to work for income. So that Masters Degree literature percentage is low in study area.

4.2.3 Marital Status

Marital Status affects the migratory movement of people. It is found that married are more migrants than unmarried, divorce and widow because they are compelled to care after their conjugal family life.

Table 4.3 : Distribution of migrant on the basis of Marital Status

Marital Status	Frequency	Percent
Married	50	54.95
Unmarried	32	35.16
Divorce	6	6.60
Widow	3	3.29
Total	91	100.00

Source : Field Survey, 2016

Above the table No. 4.3 shows that 54.95 percent of the migrated people are married, 35.16 percent people are unmarried, 6.60 percent people are divorce and 3.29 percent are widow.

It shows that majority of the married are migrate to foreign employment because people are conscious after married than before married. People are wantto well lifestyle after married and increase in family responsibility. So that married people highly go to the foreign country others.

4.2.4 Family Type

Family of migrants of Leguwa VDC categorized into two classes. First is nuclear class which consist Household wife and their children. And second is Joint family, normally it consist of member who at least belongs to three generation, husbands and wife, their married and unmarried children and as well as their married and unmarried grand's children.

Table 4.4 : Distribution of Migrants Household by Types of Family

Types of family	Frequency	Percent
Nuclear	33	36.27
Joint	58	63.73
Total	91	100.00

Source : Field Survey, 2016

Table No. 4.4 shows that there is majority of respondents control by joint family. The proportion of joint family and nuclear family are 63.73 and 36.27 percent respectively.

Most of the joint family going to abroad becausethey are high responsibility in the house planning, highly pressure of economic condition, pressure in lifestyle than that nuclear family.

4.3. Status of Remittance Inflow

4.3.1 Land Holding Pattern

Ownership of the land is one of the important indicators of economic status of people in society. If we have seen the domination of occupation. We can get agriculture is dominant occupation of Nepal. But this scenario being changed since last two decades. So here is the great question is that if agriculture is dominants occupation, how much land by the family of labour migrants. Following table shows that the holding land situation of migrant's family. In this study total; respondents are 91. So here is 91 people are divided into 100 percent.

Table 4.5 : Distribution of Migrants Household by Size of Land Holding

Land Amount (Ropani)	Type of land		Total	
	Wet Land	Dry Land	Total No.	Total Percentage
Below 5	38.1	14.3	50	52.4
5-10	22.9	2.8	25	25.7
10-20	10.5	0	6	10.5
Above 20	11.4	0	10	11.4
Total	82.9	17.1	91	100

Source : Field Survey, 2016

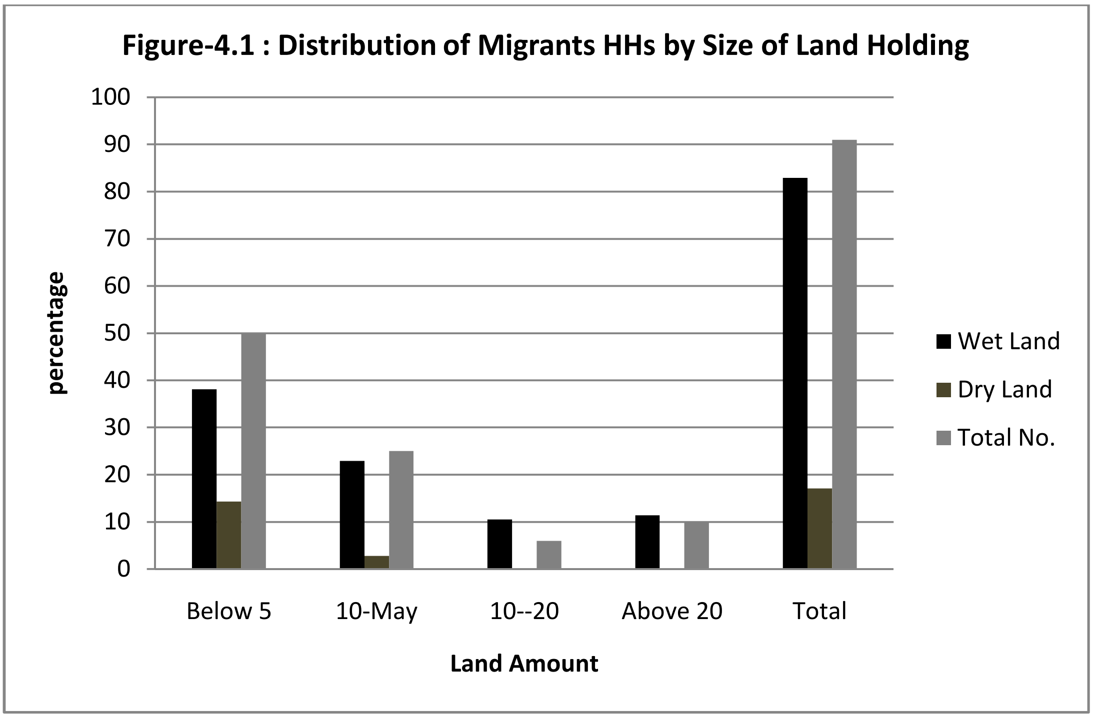


Table 4.5 and figure 4.1, shows that the largest proportion of the respondent are holding below 5 Ropani land and lowest proportion of the respondents are holding 10-20 Ropani and respectively.

More expensive of dry land and they are not interested in agriculture they are interested in business so they have highly wet land than dry land. They are spent their remittance in household consumption, education, health service and other basic need so almost people have below 5 ropani land.

4.3.2 Amount of Remittance

From the surveyed households, people have gone to the different countries for employment. They have different level of income. Since they are employed for different jobs they earn different level of salary as per their jobs which is shown in the table below.

Table 4.6 Amount of Remittance

Monthly Send Money	No. of Respondent	Percentage
Below 10,000	4	3
15,000 to 20,000	5	6
20,000 to 25,000	17	19
25,000 to 30,000	20	22
Above 30,000	45	50
Total	91	100

Source: Field Survey, 2016

Above table 4.6 shows that, among the foreign employment about 50 percent (highest percentile) sending money between the ranges above 30,000 per month. Similarly, 22 percent employee sending Rs.25000-30,000 per month. However, 3 percent employee transfer money below10, 000 per month.

The table clearly shows that the highest 50 percent foreign employment were sending money (above 30,000) per month.The workers from the surveyed households have gone for medium level of salary income jobs. That is why their income is also medium level because of this reason the percentage of employees who send more than thirty thousand per month is higher than other category of employees.

4.3.3 Remittance Receivers

The money sent by the employees is at home. The remittance receivers are not the same. In the surveyed households there are different remittance receivers which is shown in the table below.

Table 4.7 Remittance Receiver

Money Receiver	No. of Respondent	Percentage
Head of family	40	44
Wife/husband	51	56
Total	91	100

Source: Field Survey, 2016

Above shows that, actually who work abroad out of the country. Mainly, high score receiver amount of wife/husband 56 percent and the parents receiving second highest amount of 44 percent.

The highly ration of receiving remittance is wife/husband than head of family because the highly ratio of go to abroad after married than single.

4.3.4Channel of Receiving Remittance

Income transfer depends upon availability of means of transfer and facilities, their reliability and awareness of users about the system. The channels are categorized into four different heading such as banking, Hundy,friend / relatives and money transfer agencies. To find out the channels used by sample population in the study area, collected data has shown by table 4.7.

Table 4.8channel of Receiving Remittance

Medium	No. of Respondent	Percent
Bank	20	22
Hundi	15	17
Friends/Relatives	10	11
Money transfer Agency	46	50
Total	91	100

Source: Field Survey, 2016

Above table shows that most of the household were found receiving through of official channels. Most of the remittance receiving household remittance from money transfer agencies which is 50 percent. 22 percent of total remit income were found remitted from Bank. 17 percent of total income were found remitted from Hundi. Similarly, 11 percent of their remittance income were found from relatives.

Money transfer agencies are easy, fast, reliable and they are in access to everyone. They are available easily. It is found that Bank is also used for sending remittance / money it is because the reliability channels are also working so that money transfer agencies are more useable for receiving remittance.

4.4. Use Pattern of Remittance

4.4.1 Expenditure Pattern

Foreign employment is considered as the second major way of earning livelihood after agriculture in Leguwa VDC. In case of gild countries around 28 percent respondents said that they have relatives low paying job and had gone abroad by taking loan. So obviously, they give the first priority to pay debt. Large proportion of the remittance is used for meeting daily expenses such as food, festival, environment, education etc.

Table 4.9: Expenditure Pattern in Household Level

Use of remittance	Frequency	Percent
Buying Land	10	10.99
House build	15	16.48
Education	20	21.98
Health	5	5.49
Buying food and cloth	9	9.89
Payment debt	13	14.29
Saving level	19	20.88
Total	91	100

Source : Field Survey 2016

Figure 4.2 Expenditure Patterrn in Household Level

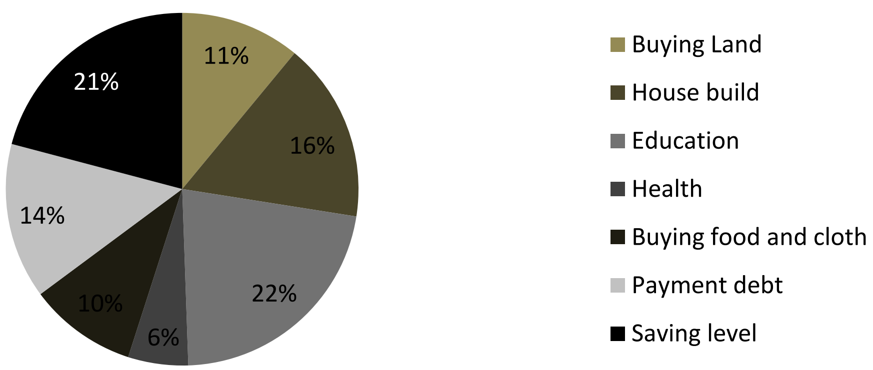


Table 4.9 and figure 4.2, shows that about 21.98 percent of the total expenditure used in education last year. This is importance and higher than others. Likewise, Saving level is the second highest source of expenditure that is 20.88 percent of the total expenditure. And the lowest proportion is in health service.

Many of the people are literature in the surveyed area. The education level of the surveyed households is higher than others.

4.4.2 The Pattern of Expenditure on Education (Annually)

Education expenditure plays significant role to develop education status. Educational expenditure provides glowing picture of the education. Various factors influence the educational expenditure patterns such as income, family size, geographical situation etc. Here an attempt is made to illustrate the education expenditure in the study area. The result shows below table.

Table 4.10 The Pattern of Expenditure on Education (Annually)

Particular	Total Amount (Annually)	Amount in per House
Fee	16,37,818	17,998
Dress	3,52,170	3,870
Books	3,43,980	3,780
Copy/Pen	5,74,756	6,316
Tuition Fee	3,19,956	3,516
Computer/Email/Internet	3,66,912	4,032
Snacks	4,50,93,048	4,95,528
Others	24,72,288	27,168
Total	5,11,60,928	5,62,208

Source: Field Survey, 2016

The table shows that, out of total education expenditure in the sample households on various heading. The table shows that, out of total education expenditure, 495,528 amounts spending on snacks which are the highest amount of share comparing with other heading. Similarly, 17,998 amounts and 3,870 amounts are spending on fee and dress respectively. Out of total educational expenditure 3,780 amount spending on books. They have spent 6,316 amount of copy/pen and 3,516 amounts spend on tuition fee respectively. Similarly, out of total educational expenditure, 4,032 amounts spending on computer/email/internet. And 27,168 amount spending on other which second highest expenditure with other heading.

4.4.3 Household Expenditure Patterns on Daily consumption Goods (Annually)

It is found that the surveyed households have used the money received from foreign employment in different purposes. Different households have their own kinds of necessities and the use of money is also accordingly.

Table 4.11 Expenditure Patterns on Daily Consumption Goods (Annually)

S.N	Expenditure & Investment	Amount in Per House (Annually) (Average)
1	Food	1,10,000
2	Clothes	50,000
3	Others	15,000
	Total	1,75,000

Source: House Hold Survey, 2016

The table 4.11 shows the annual expenditure in various types on daily consumption goods. The table shows that out of their total expenditure 1,10,000 amount spending on food which is the highest amount of share comparing with other expenditure.Similarly, out of their total expenditure, 50,000 amounts spending on clothes and 15,000 amounts spending in others topic.

They are more spending money in food because that is highly basic daily consumption goods that others.

4.5 Change in Socio Economic Condition due to Remittance

4.5.1 Change in Assets

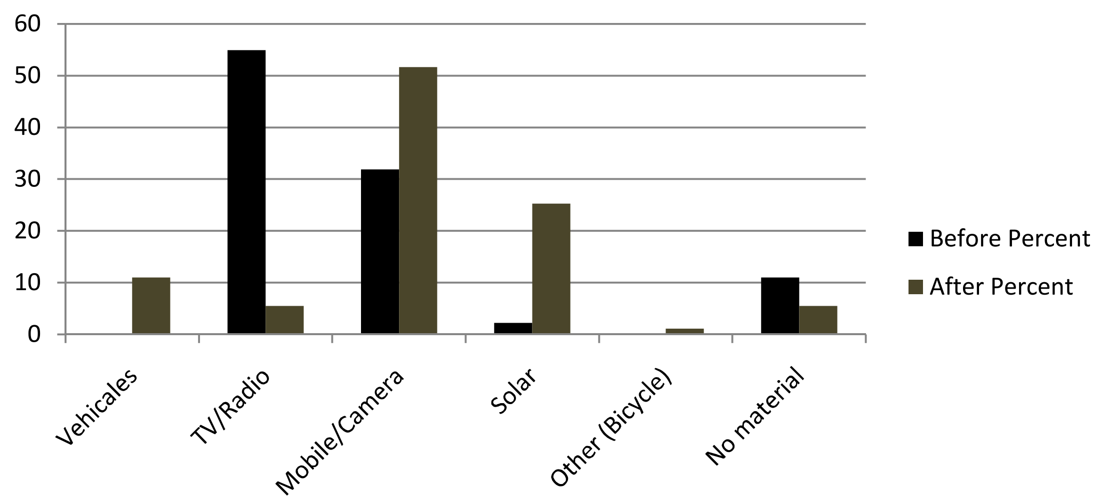
In the study area, there modern facilities like furniture (table, chair and cupboard), gas stoves, television, and vehicles. The living standard of some household have changed drastically after the involvement of their family member in the foreign labor migration which is shown in table 4.7

Table 4.12:Change in assets before and after receiving remittance

Categories	Before		After	
	Frequency	Percent	Frequency	Percent
Vehicles	-	-	10	10.99
TV/Radio	50	54.95	5	5.49
Mobile/Camera	29	31.87	47	51.65
Solar	2	2.20	23	25.27
Other (Bicycle)	-	-	1	1.10
No material	10	10.99	5	5.49
Total	91	100	91	100

Source : Field Survey 2016

Figure 4.3: Percentage of Household by living Standard facilities (Before& After)



The above tableshows that most of the sample households have mobile camera which is 51.65 percent after receiving remittance before remittance they have 31.87 percent. This table shows that more remittance contribution in mobile camera after receiving remittance.

The above table shows that the facilities have been change after the employment. It is because the economic conditions of the families have been uplifted due to the foreign employment. The number of cemented houses have been more. Which is the positive side of remittance / foreign income. Surveyed household have been able to spend money for different assets after the remittance. It is because their economic condition is uplifted. They have regular income source.

4.5.2 Change in Housing Condition

The household structure is the most important indicator of income. Do household's structure shows the economic and social status of respondents in the society in Nepalese context. The types of household structure in this area are shown in table below

Table 4.13: Change in housing condition before and after receiving remittance

Types of House	Before		After	
	Frequency	Percent	Frequency	Percent
Pakki	5	5.49	15	16.48
Ardhakachhi	40	43.95	35	38.46
Kachhi	46	50.56	41	45.06
Total	91	100	91	100

Source : Field Survey 2016

Above table shows that 5.49 percent house are pakki in before and 16.48 percent house are pakki after going abroad. Likewise, 38.46 percent are ardhakachhi and 45.06 percent are kachhi. This shows that pakki house made is increasing with going abroad than others housing condition.This table shows that more pakki house makes in after receiving remittance.

The above table shows that the structure of the houses have been change in pakki after the employment. It is because the economic conditions of the families have been uplifted due to the foreign employment. Which is the positive side of remittance / foreign income.

4.5.3. Change in food sufficiency

Income of remittance has positive impact in food sufficiency. Households have increased food sufficiency along with the increment of income source. The impact of food sufficiency due to the remittance has been shown in the table below:

Table 4.14 : Change in Food sufficiency

Effect on food sufficiency	No of respondents	Percent of Respondents
Increased	55	60.44
Constant	30	32.97
Decreased	0	0.00
Don't know	6	6.59
total	91	100

Source : Field survey 2016

Figure 4.4: Percentage of Food sufficiency Due to Remittance

Table 4.14 and figure-4.4 shows the effect on food sufficiency due to remittance income, out of 91 respondents, 60.44 percent respondents had increased food sufficiency due to remittance income, 32.97 percent respondents had constant and 6.59 percent respondents they don't know what the impact in food sufficiency due to remittance were.

This table further indicates that the remittance has increased food sufficiency level significantly in the study area.

There is positive impact of remittance in the food supply because of the improved economic condition in the surveyed households.

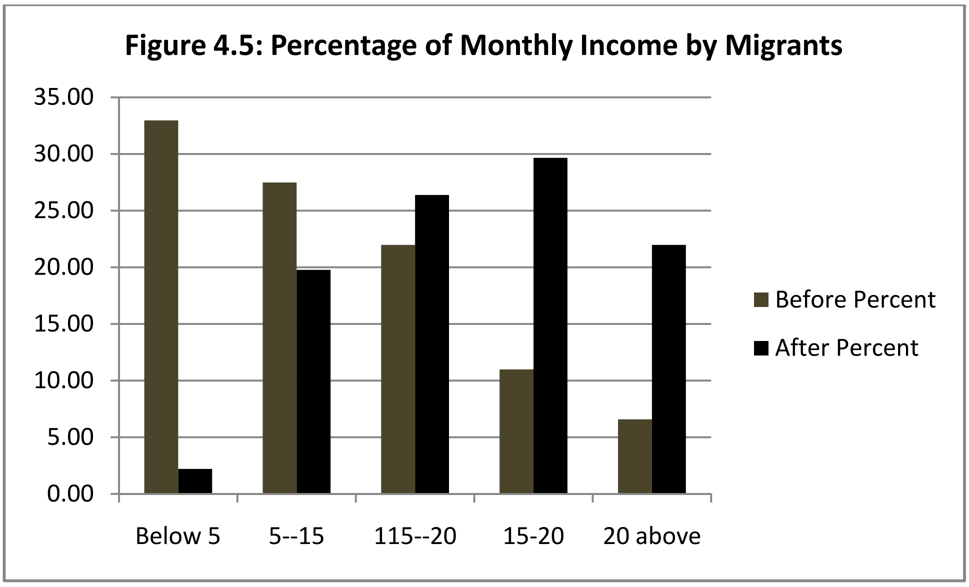
4.5.4Changesin Income Structure

Income is one of the most importance factors for taking decision to migrate. Income gives the higher social stats in our society. So, these people are taking decision to migrate whose income osllower than other member of society to income more. Income factor can play a great ole for makind decision to migrate. In Nepalese context the major occupation is agriculture and it is seasonal occupation, most of the people are seasonally employed. Directly we can see that people are taking decision for labor emigrants because of unemployment and low income, The income of labor immigrants before and after going abroad is shown in given table.

Table 4.15 : Change In Income Structure before and after receiving remittance

Monthly Income(In Rs' 000)	Before		After	
	Frequency	Percent	Frequency	Percent
Below 5	30	32.97	2	2.19
5-10	25	27.47	18	19.78
10-15	20	21.98	24	26.37
15-20	10	10.99	27	29.67
20 above	6	6.59	20	21.97
Total	91	100	91	100

Source : Field Survey 2016



Above table4.15 and Graph figure 4.5 showsthat, among the migrants about 32.97 percent were earned in origin or before going abroad below 5 thousand rupees per month. Similarly 6.59 percent earned 20 thousand and above before going abroad. But most immigrants are earning more than 5-10 thousand after going abroad. Even the highest rank of earner is 15-20 thousand and 21.97 percent people are earning above 20 thousand.

There was not any proper income source before going abroad for employment. Because of the income generation after foreign employment, the number of employees who have high income shown more than before foreign employment.

4.5.5. Change in Job Structure

The job structure is the most important indicator of income. Does job structure show the economic and social status of respondents in the society in Nepalese context. The types of Job structure in this area are shown in table below:

Table 4.16 : Change In Job Structure before and after receiving remittance

Categories	Before		After	
	Frequency	Percent	Frequency	Percent
Student	60	66	31	34
Business	31	34	60	66
Total	91	100	91	100

Source : Field Survey 2016

Above table 4.16 shows that, 66 percent was student in before receiving remittance and 34 percent are student after receiving remittance. Similarly, 34 percent was involved in business in before receiving remittance and increase in business 66 percent after receiving remittance.

There was not any proper money or income source before going abroad for business but they generatemoney after receiving remittance so the ratio is high in business after receiving remittance.

4.6 Negative Impact of Remittance in the society

Remittances can reduce labor supply and create a culture of dependency that inhibits economic growth. Remittances can increase the consumption of non-tradable goods, raise their prices, and appreciate the real exchange rate of society, thus damaging the receiving country's competitiveness in world markets.

Remittances increased migration like one society to another society, village to town, one district to another district, one region to another region, one country to another country etc. that caused negative effect of society as well as country because that result brain drain, lack of skill manpower in society.

Because of remittance lower labor force participation in societal work, and noticeable consumption. At the household level, remittances rise ease budget, raise reservation wages, and through an income effect, reduce the employment likelihood and hours worked by individuals receiving remittances.

While research have pointed out that remittances curtail the labor force participation of household members, others show that the impacts of remittances on labor supply can be complex, varying by gender and type of employment, formal or informal.

The study expressed is that remittances change consumption patterns among receiving family members, often resulting in the purchase of nonessential goods.

The negative effect of labour migration shown many diseases in the society.Remittance reduce exports, and damage the society’s competitiveness in the local markets.

Chapter- V

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

A thesis conducted in 'Socio-economic contribution of Remittance on Rural people: a case study of Leguwa VDC of DhankutaDistrict'. The general objectives of the study are to analyze the socio-economic contribution of remittance in rural people on society. The specific objectives are nature and status of remittance flow, utilization pattern and socio – economic status of before and after receiving remittance at study area. This study has limited in 91 households.

This study has been carried out on the basis of descriptive research design. It is based on the qualitative and quantitative both method. This study has been based on the primary as well as secondary data, the structure questionnaire survey, key informant interview and focus group discussion. These methods were applied to the households level than find out the socio-economic contribution of remittance in rural people.

During the field survey, the total sample households found to be 91. We can see the majority of migrants are married in this study area which is 82.9 percent and unmarried are 18.1 percent respectively. Education status is 82.42 percent and illiterate are 17.58 percent and there is highest proportion in who can read and write.

In the field the household characteristic is 17.9 percent are pakki house and 42.9 percent house are kacchi even pakki house is increasing after going abroad. The drinking water facility in this study all household are not fascinated by drinking water the people are using drinking water from Natural source (Dhara, Padhera).

The majority of the receiving money for wife/husband (56%) in the study area. The most of the respondent money withdraw for money transfer agency (50%).

In the study area, expenditure in education of total received remittance which is the highest percent of share comparing with other expenditure. The majority of the Pakki houses are 16.48 percent after receiving remittance. The monthly income of before receiving remittance is below 5 thousand and the highest amount earning money monthly the range of 15-20 thousand. The highest amount of expenditure on education and second highest amount on saving.

There are many kind of changes after receiving remittance than before receiving remittance. The changes in household assets, mobile and camera and electronic goods and services which are related to living standards. The changes in household condition which is 5 percent is pakki house before receiving remittance but increasing 16.48 percent pakki house after receiving remittance. In the remittance receiving households, all goods and services are increasing after going abroad.
Mostly 60.44 percent households improved increased food condition after remittance.And increased income condition after received remittance.

5.2 Conclusion

Remittance contributes largely to the national economy. The remittances sent home by the migrants affect development at both the household and national levels. This thesis does not focuses upon the overall contribution of remittance overflow in the nation, rather it presents an analyzation of the status of remittance, flow in the study area, analyzation of the utilization pattern of remittance in the study area, and comparison of the socio-economic condition of the remittance holders before and after receiving remittance.

The study concludes that unemployment, lack of agricultural land and low level of agricultural production are the major factor that encourages foreign employment. There are highest population is literate which is 82.42 percent and mainly married people are going to abroad. Almost people send the money to wife/husband by the money transfer agency.

The large part of remittance is being used in the education, health, paying loan, house made,household consumption, buying land, and other individual purpose.

There are many changes after receiving remittance than before receiving remittance in the study area. The changes in assets.Most of the people have mobile and camera after receiving remittance than before receiving remittance. There are changes in household condition many people made pakki house after receiving remittance. There are changes in food habit, income structure as well as job structure.

5.3 Recommendation

Remittance can generate a positive effect on the economy through various channels such as saving, investment, growth, consumption, poverty and income distribution. From the present study about the impact of remittance, following recommendations are forwarded for the policy prescriptions.

- There is a need for policies to increase literacy level and encouraging remittance-recipient households to continue investing in education.
- Government of Nepal should provide loans to the poor people in the change interest rate so that the rate of people who are unable to afford for foreign employment would reduced And, remittance overflow would increase and the use of remittance can be used in different sectors to help in national economic development.
- Nepalese economy has received large amount of remittance but it is still being transferred through informal channels. So formal channels need to be promoted.
- Technical training institutions are essential to be established in several areas especially for the language and skill required in foreign destination.
- Large portion of economically active population of Nepal has engaged in foreign employment for earnings. And remittance income has a positive impact in society to increase the personal income and social prestige. But it has hampered to agriculture production and productivity. So the government or policy makers should conduct such activities, which promote the agricultural production.

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APPENDICES

ANNEXE-I Questionnaire

Questionnaire for Household Survey 2016

Central Department of Rural Development

Tribhuvan University

(For the purpose of M.A. Thesis)

Socio-Economic Contribution of Remittance in Household Sector of Rural People

(A Case Study of Leguwa VDC, Dhankuta)

1. **General Information of Respondents**

Name of Respondent ………………………………………………………..

Age ………………………….Sex …………………. Caste ………………..

Occupation ………………………….. Religion …………………………….

Ward No ……………………..

Mother Tongue …………………………… Education …………………….

Relationship with household head ………………………………………..

Here,

Age :

Below 15 year	A
15-30	B
30-45	C
45-60	D
60 Above	E

Education :

Illiterate	A
Literate	B
Of Literate	
Who can read and write	B_1
Primary	B2
Lower Secondary	B3
Secondary	B4
10+2	B_5

Bachelor	B_6
Master	B_7

2. Household Information

A) Family Background:

S.N.	Name	Age	Sex	Education	Profession	Marital Status	Remarks

Here,

Age :

Below 15 year	A
15-30	B
30-45	C
45-60	D
60 Above	E

Education :

Illiterate	A
Literate	B
Of Literate	
Who can read and write	B_1
Primary	B2
Lower Secondary	B3
Secondary	B4
10+2	B_5
Bachelor	B_6
Master	B_7

Profession :

Agriculture	A
Business	B
Government Job	C
Others	D

Marital Status :

Married	A
Unmarried	B
Divorce	C
Widow	D

B) Income (monthly) in abroad : ……………………………..

C) What is the channel of remit transfer : ……………………..

Banking	A
Money transfer(IME)	B
Friends and relatives	C
Hundy	D
Self remittance	E

D) Who is the receiver of remittance : ……………………

Head of family	A
Wife / Husband	B

E) What is the skills and trainings of foreign employer : …………….

Yes	A
No	B
If Yes, how did taken about skills :	
Waiter	A_1
Cooking	A_2
Carpenter	A_3

Wiring Driving Computer Other	A_4 A_5

F) Education Status of foreign employer : ……………

Illiterate	A
Who can read and write	B
Literate	C
Primary	C_1
Lower Secondary	C_2
Secondary	C_3
10+2	C_4
Bachelor	C_5
Master	C_6

3. What are the sectors that you have spent the remittance income : ………….

Health	A
Education	B
New Job starts	C
Food	D
Clothes	E
Festival and entertainments	F
Investment in agriculture	G
Debt repayment	I
To purchase land	J
Marriage	K
Joyllerry	L
Saving	M
Others	N

4. **Education Status before receiving remittance: ………and after receiving remittance : ……………**

Illiterate	A
Who can read and write	B
Literate	C
Primary	C_1
Lower Secondary	C_2
Secondary	C_3
10+2	C_4
Bachelor	C_5
Master	C_6

5. **Your family is migrated?.......... If yes, where from ……………………**
6. **Do you have any alternative sources of income beside remittance before receiving remittance : ……………and after receiving remittance : …………..**

Yes	A
No	B
If Yes, what are the income sources :	
Crop	A_1
Food	A_2
Vegetables	A_3
Livestock	A_4
Starts new business	A_5
Government Job	
Other	

7. **What types of house you have before receive remittance…………..and after receiving remittance ……………….**

Pakki	A
Ardhakacchi	B
Kachhi	C

8. What types of toilet facility you have before receive remittance …………and after receive remittance …………….

Pakki	A
Ardhakacchi	B
Kachhi	C

9. What are the things buying before receive remittance …………and after receive remittance ………………

Land	A
Ornament	B
Vehicle	C
Others	D

10. What about changes seen before receive remittance ………and after receive remittance ……………

In economic condition	A
In daily life spending	B
In social status	C
In skill development	D
Other	E

11. How much money have you saved (monthly)?

(………………………………………….)

Annex II

Questionnaire used in Key Informant Interview

Information provided by informants remains fully confidential and the data has been collected for personal use. The information gained through this interview will not be published anywhere.

Description of Informant

Name:

Age:

Gender: Male ☐ Female ☐

Address:

Educational Qualification: Below SLC ☐ SLC ☐ +2 ☐

Bachelor ☐ Master ☐ Above ☐

1. What is to be done to systematize remittance flow?
2. What are the sectors that expenditure yours remittance income.
3. What are the positive and negative impacts of remittance?
4. What about changes seen before receive remittance and after receive remittance

Annex III

Questionnaire used in Focus Group Discussion

Information provided by informants remains fully confidential and the data has been collected for personal use. The information gained through this focus group discussion will not be published anywhere.

Description of Informant

Name:

Age:

Gender: Male ☐ Female ☐

Address:

Educational Qualification: Below SLC ☐ SLC ☐ +2 ☐

Bachelor ☐ Master ☐ Above ☐

1. How much money receive by remittance, what are the expenditure sectors of remittance income and how much money saving?
2. What about changes seen before receive remittance and after receive remittance?
3. What are the positive and negative impacts of remittance?