

IMPACT OF FOREIGN EMPLOYMENT AND REMITTANCE
(A CASE OF SITAPAILA OF NAGARJUN MUNICIPALITY OF KATHMANDU DISTRICT)

A Thesis Submitted to the Central Department of Economics
Faculty of Humanities and Social Sciences in the
Partial Fulfilment of the Requirements for the
Degree of Master of Arts in Economics

Submitted by

Siddhanta Adhikari

Roll No. 215/ 066

TU Regd. No: 5-2-37-556-2004

CENTRAL DEPARTMENT OF ECONOMICS

TRIBHUVAN UNIVERSITY, KIRTIPUR

KATHMANDU

May 2016

LETTER OF RECOMMENDATION

The thesis entitled **Impact of Foreign Employment and Remittance (A Case of Sitapaila of Nagarjun Municipality of Kathmandu District)** has been prepared by Siddhanta Adhikari under my supervision and guidance in partial fulfilment of the requirements for the degree of Master of Arts in Economics.

I forward it with recommendation for approval.

.....
Prof. Dr. Sohan kumar Karna
Central Department of Economics
Tribhuvan University, Kirtipur
Kathmandu, Nepal

Date: May 2016

APPROVAL LETTER

The Thesis entitled **Impact of Foreign Employment and Remittance (A Case of Sitapaila of Nagarjun Municipality of Kathmandu District)** submitted by Siddhanta Adhikari to the Central Department of Economics, Faculty of Humanities and Social Sciences, Tribhuvan University, in partial fulfilment of the requirements for the degree of MASTER OF ARTS IN ECONOMICS has been found satisfactory in scope and quality. Therefore, we accept this thesis as a part of said degree.

Thesis committee

.....
Prof. Dr. Ram Prasad Gyanwaly
Head of the Department

.....
Prof. Dr. Ram Khelawan Shah
External Examiner

.....
Prof. Dr. Sohan Kumar Karna
Thesis Supervisor

ACKNOWLEDGEMENTS

I would like to express my sincere gratitude to my thesis supervisor Prof.Dr.Sohan Kumar Karna of Central Department of Economics, Tribhuvan University, who had provided timely guidance and constructive suggestions from early to final stage and encouraged me to complete this study.

I would like to thank all the teaching and non-teaching members of Central department of Economics and all the staff of Central library, TU Kirtipur, for the help they extended to me during thesis in several ways.

I am equally indebted to Mr.Mukul Gupta for this valuable supports in computer works. I am grateful to the residents of Sitapaila who helped me during data collection by providing the valuable information to me.

I would like to thank my parents and friends for their encouragement to complete this research work.

SiddhantaAdhikari

May2016

TABLE OF CONTENTS

LETTER OF RECOMMENDATION	ii
APPROVAL LETTER	iii
ACKNOWLEDGEMENTS	iv
TABLE OF CONTENTS	v
LIST OF TABLES	vii
ABBREVIATION AND ACRONYMS	viii
CHAPTER I	1
INTRODUCTION	1
1.1 Background of the Study	1
1.2 Statement of the Problem	3
1.3 Objectives of the Study	4
1.4 Significance of the Study	4
1.5 Limitations of the Study	5
1.6 Organization of the Study	5
CHAPTER II	6
REVIEW OF LITERATURE	6
2.1 Theoretical Review	6
2.2 Empirical Review	12
2.3 Nepalese Review	17
2.4 Research Gap	18
Chapter III	20
RESEARCH METHODOLOGY	20
3.1 Selection of Study Area	20
3.2 Research Design	20
3.3 Nature and Sources of Data	20
3.4 Sample Selection Procedure	20
3.5 Tools of Data Collection	21
3.6 Methods of Data Analysis	21
CHAPTER-IV	22
PRESENTATION AND ANALYSIS OF DATA	22
4.0 Introduction	22

4.1 Age composition of Migrant Workers.....	22
4.2 Educational Status of Overseas Migrant Workers	23
4.3 Gender Description of Overseas Migrant Workers.....	24
4.4 Cast/Ethnicity of Overseas Migrant Workers	25
4.5 Marital Status of Overseas Migrant Workers	27
4.6 Annual Income of the Family except From Overseas Migrant	28
4.7 Major Destination of Overseas Migrants	29
4.8 Causes of Overseas Employment	30
4.9 Total Cost Paid for Overseas Employment	31
4.10 Medium used for going Overseas Employment	32
4.11 Skill Status of Overseas Migrant Workers.....	33
4.12 Annual Income of Overseas Migrant Workers	34
4.13 Remittance Received by Households Per-Annual	35
4.14 Composition of Household Annual Income	36
4.15 Medium of Remittance Transfer	36
4.16 Duration Spent on Overseas Employment	38
4.17 Job Type of Overseas Migrants Workers.....	39
4.18 Use of Remittance on Productive Sector.....	40
4.19 Spending pattern of the Income from Remittance	41
4.20 Impact of Remittance on Monthly Expenditure of Family	42
4.21 Impact of Remittance on various Socio economic Indicators	43
4.22 Impact of Remittance on Major Household Economic Indicator	44
4.23 Impact of Foreign Employment on other Socio economic Indicators	44
4.24 Major Problems Associated with Foreign Employment and Remittance	45
CHAPTER V.....	47
SUMMARY, CONCLUSION AND RECOMMENDATIONS	47
5.1 Summary of Findings.....	47
5.2 Conclusion.....	48
5.3 Recommendations.....	48
REFERENCES	50
APPENDIX	52

LIST OF TABLES

Table No	Title	Page No.
4.1	Age Composition	20
4.2	Education Status	21
4.3	Gender Description	22
4.4	Cast/ethnicity	24
4.5	Marital Status	25
4.6	Annual Income of Family except from Remittance	26
4.7	Major Destination of Overseas Migrant	27
4.8	Causes of Overseas Employment	28
4.9	Total Cost Paid for Overseas Employment	29
4.10	Medium Used for Going Overseas Employment	30
4.11	Skill Status	31
4.12	Annual Income of Overseas Migrant Workers	32
4.13	Remittance received by Households Per-Annum	33
4.14	Composition of Household annual Income ³⁴	
4.15	Medium of Remittance transfer ³⁵	
4.16	Duration Spent on Overseas Employment	36
4.17	Job Type of Overseas Employment	37
4.18	Use of Remittance on Productive Sector	38
4.19	Spending Pattern of the Income from Remittance	39
4.20	Impact of Remittance on Monthly Expenditure of Family before and after Remittance	40
4.21	Impact of Remittance on Various Socio-economic Factors	41
4.22	Impact of Remittance on Major Household Economic Indicators	42
4.23	Impact of Foreign Employment on other Socio economic Indicator	43

ABBREVIATION AND ACRONYMS

\$	Dollar
BOP	Balance of Payment
CBS	Central Bureau of Statistics
CDR	Central Development Region
DOFE	Department of Foreign Employment
FDI	Foreign Direct Investment
F/Y	Fiscal Year
GDP	Gross Domestic Product
IMF	International Monetary Fund
NRB	Nepal Rastra Bank
UAE	United Arab Emirates
UK	United Kingdom
UN	United Nations
USA	United States of America
VDC	Village Development committee

CHAPTER I

INTRODUCTION

1.1 Background of the Study

With the development of human civilization, people needed more facilities, more knowledge and easier life, that way there has been rapid growth in transportation, education and communication sector in the world. Almost all the underdeveloped countries like Nepal concerned with the main problem of the unemployment. Every year more than 4,00,000 educated unemployed produced in Nepal. All of them do not get job so they need to go overseas for generating income. Nepalese migrate specially to India, gulf countries (Saudi Arabia, Qatar, Malaysia, UAE), and developed countries like USA, Australia, UK and some other European countries for income generation. Human resources are the wealth of nation and its role has explosion increased in these days for unskilled, semiskilled and skilled people have shown explosive inclination towards foreign employment resulting in the substantial growth of the remittance economy (Dahal, 2004). Remittance is important to the countries that receive them are growing rapidly and have the potential to promote the economic development of the poorest nations in the world (Goldbery & Levi, 2008).

Nepal is an agrarian country where agriculture is the main occupation of Nepalese people. In Nepal sectors like agriculture, industry, infrastructure are least developed so the destination of employment of Nepalese people are abroad. Now a day remittance is the backbone of the Nepalese economy. Generally more than 1500 people from Nepal go to foreign countries per day for employment. Recently government of Nepal opens 108 countries for the Nepalese work. As per Nepalese survey 069\70 per capita income of Nepalese people is about \$800 which is due to remittance.

Remittance is an increasingly source of external finance for developing country like Nepal. The Remittance to GDP ratio increase from 10.3 percent in fiscal year 2001/02 to 17.6 percent in fiscal year 2012/13. Now days, Remittance is the main source of people for so many of economic functions like consumption, investment, production, etc.

Foreign employment is a traditional “lahure” pattern in Nepal for 176 yrs when we observe to the period from 1814 to 1990 A.D. In term of number and education, its characteristics have been changed but it is very limited to the countries including the Britain and India. The economic policy could not response it with economic aspects. Therefore, it seems to be a non policy preference and response. The remittance was important but not thought as at present. It was limited in household economy. Lack of generalization, limited its scope and its contribution to national economy was very insignificant. Therefore, it was not well discussed about it. Thus, it could not receive specific attention (Bista, 2008).

The rural economic was supported by limited extent of remittance but now the situation has changed to great extent. Now days, it plays a vital role in rural economy. More than 35% household income is contributed by non agricultural income and has helped to make their living standard above the subsistence level although there is chronic food grain deficit in rural areas. The total number of worker gone for foreign employment during the period between 1994/95 and FY 2011/12 has reached 24,37,111. Based on official and unofficial records, more than 3 million people are out of country for foreign employment. Till 2014 Nepal stood as the second largest country in the world in term of contribution to the nation GDP (Migration and Remittance fact 2013, World Bank).

Remittance generally reduces the level and severity of poverty and lead to: higher human capital accumulation; greater health and education expenditure; better access to information and communication technologies; improve access to formal financial sector services and reduces child labour. Officially recorded remittance to developing countries was an estimated \$404 billion in 2013, an increase of about 3.3% over the previous year. Global remittance flows, including those to high income countries, are estimated at \$542 billion in 2013. The top recipients of officially recorded remittances in 2013 are India (\$70 billion), China(\$60 billion), The Philippines(\$25 billion). Other large recipients included Nigeria. Egypt, Bangladesh, Pakistan, Vietnam, and Ukraine. However, as a share of GDP remittances were large in smaller and lower economy country; top recipients relative to GDP were Tajikistan, Kyrgyz Republic, Nepal (25%) stood in third (World Bank, 2013).

Sitapaila is a beautiful place lies in the western part of Kathmandu district. It is surrounded by kalimati in east, Syuchatar in south and Ramkot in west and Ichangu in north. It covers area of 3.35 sq. km and lie at the alitude of 1300m from sea level and located at the coordinate 27.72°N 85.28°E.

The total population of Sitapaila is 17,909 with 9,174 male and 8,735 female population. Total number of household is 4,524. Hindu, Buddhist, Muslim and Christian are the religion of this area. In term of race, there are Brahmin, Chettri, Newar, Rai, Limbu, etc. Farming, business, services are the main occupation of the people (CBS,2014).

1.2 Statement of the Problem

Despite a constant rise in remittance earnings, the productive use of remittance has been the matter of concern. While the direct economic impact of remittance to alleviate poverty is not much controversial, the non pecuniary consequence of remittance, such as impact on health, education, gender issue, social participation, politics and cultural and social changes in origin, societies have been still under-plowed areas. Apparently, for instance, the increased income recently from remittance inflow huge households to reconsider their decision on health and education expenditure. In addition, the increase in household consumption resulting from remittance income, provided that they were locally, can transmit the impact to other households in the community through increase economic activities.

As the number of foreign employment is increasing, the volume of remittance is also increasing in the national economy which has been one of the important sources of livelihood to Nepalese people. Yet another less explored area so far regarding remittance is how the people going abroad to finance their migration cost. Most of the people going for foreign job belong to the families who are economically very poor and they often live in the areas where there is acute financial crisis.

In such situation, present study has been conducted to understand and analyze some of the issues of foreign employment and remittance that is value of remittance, role of remittance in household economy, use of remittance and problems associated with remittance earning on the basis of comprehensive survey of “Sitapaila” of Kathmandu district. The study was based on following main research questions:

- i. How are remittance used by people?
- ii. What are the problems associated with remittance and foreign employment?
- iii. What are the impacts in living standard of people due to foreign employment and remittance?

1.3 Objectives of the Study

The general objective of this study is to analyze the impact of foreign employment and remittance on Sitapaila ofNagarjun municipalityof Kathmandu district. The specific objectives are as follows:

- i. To Study the structure of foreign employment and use of remittance in Sitapaila.
- ii. To analyze the impact of foreign employment and remittance .
- iii. To identify the problem associated with remittance and suggest appropriate measures to overcome them.

1.4 Significance of the Study

Overseas employment has reduced the share of poverty and unemployment to certain extent. The lifestyle of household who succeeded in going for overseas employment has changed. But they have not been able to utilize and invest the whole remittance in the productive sector. Therefore, production and utilization of remittance has emerged as a major problem in the field of overseas employment. This study sketches the outlines of the condition of foreign employment in “Sitapaila”. So it is not only useful to those who to known about the condition of foreign employment in Sitapaila but else to those who are keenly interested to know about the situation of foreign employment of our country as a whole. The study will provide a significant insight to the different agencies of the society which plays a key role for the development of the society.

Considering the huge, 300 billion (NRB,2013) amount of remittance coming into Nepal from foreign labour migration and its important role in the Nepalese economy, it is hoped that this study will provide some understanding as to the factors contribution to the prospects, potentialities and promises from the foreign labour migration and the problem and issues. Constraining the effective management and monitoring of the labormigration for the benefit of the migrant and their household as area as the nation.

In the past, the kind of Nepalese workers used to get abroad was only the assumed force. After

the restoration of democracy, international job market was opened in the numbers of countries thus in the phenomenon of entering into the WTO, efficient and skilled labour force is required and diversification in the skill and destination in the skill and destination. This study will concentrate on the role of remittance in rural Nepal and guide to make. Most of the remittance income is used in the unproductive field like house building, land purchasing, purchasing of luxurious goods and consumption etc. In other words, in these days the remittance income has been used in the advantage of the migrated people and their families only. If the remittance income is invested in the productive sectors like industries, development activities then only the effect of the that remittance income can be felt by other citizens of Nepal.

1.5 Limitations of the Study

The limitations of the study are as follows:

- i. Study area covers only SitapailaofNagarjun Municipality in Kathmandu district.
- ii. Immigration for permanent settlement has not been the subject of investigation.
- iii. Most of the analysis is based on primary and secondary data. So any distortion of the reality from this study may be due to the biasness of the respondents.
- iv. The study covers the period from May 2015 to Dec.2015.

1.6 Organization of the Study

The study includes overall five chapters. The first chapter gives the general introduction of the remittance in Nepalese context as well as topic introduction including background, objectives etc. The study of review of theoretical and empirical is made in chapter two. The third chapter includes research methodology. The forth chapter includes data presentation and data analysis. The fifth chapter concludes the research including summary, findings and recommendations.

CHAPTER II

REVIEW OF LITERATURE

This chapter begins with the presentation of different literature available for remittances and foreign employment. It continues on to talk about the theoretical and empirical literatures which includes review of national and international literature related to this study.

2.1 Theoretical Review

The theory of remittance and its relation with different variable has not been yet established because it has no perfect relationship with other variables. Migration is the outcome of human psychology and behaviour. Any universal and uniform law can't define human psychology and behaviours. Migration is affected by its cause, place of destination, nature of the work in destination, environment of destination, policy of the destination and a lot of others variables. However, there is no any model but different scholars and academicians have tried to theorize their empirical outcomes of remittance. They have suggested that remittance can have both positive and negative impact on socio- economic growth and development of receiving countries. In theoretical debates, this study reviews both Nepalese and international context.

2.1.1 International Context

Faal (2013) has described that remittances are particularly important for sustainable development because the process is based on a continuous mode of self-help. In many poor countries, the volume of remittances is several times that of ODA (Official Development Assistant) and FDI, accounting for 10-15 percent of the national income of many medium-sized developing nations. He also stated that funds circulate more times in the recipient economy and are made directly to the households of ordinary citizens, thus improving the multiplier effect and increasing financial and civil empowerment. Studies have confirmed that remittances contribute to the relief of poverty and amelioration of human welfare in poor countries because the inflow are spent on food, shelter, health services, community projects and other activities in line with Millennium Development Goals.

Guruli (2012) has reflected that remittances tend to be more stable than private capital flows, thus diversifying the external financial means of the country. Especially if the country of origin and the host country are economic cycles have relatively low correlation which is the case of Georgia. We argue that when managed and used properly remittances can be used as sources of growth and development, thus overcoming the negative aspects and turning them into a potential growth opportunity. Understanding the effect and importance of remittances and exploring ways of forming a more effective policy for managing them is of vital importance.

Sanderatne (2012) has explained that the outmigration of Sri Lanka has no doubt contributed handsomely to the country's economy. However there are both benefits and adverse impacts of outmigration. The main positive impacts are that the remittances strengthen the balance of payments and contribute to GDP. They have also contributed to the improvement of living conditions and livelihoods. No doubt one of the ways by which poverty has been alleviated has been these remittances. These have enhanced incomes of the poor especially those in rural areas. No doubt the poor have improved their living conditions owing to remittances from migration. Employment in the country has been reduced by migration but availability of skilled labor has decreased and labor costs have increased. However there are several problems encountered by the migrants in foreign countries and has led to serious dislocation of family life and caring for children and parents left behind. Therefore national policy towards migration must consider all these facets, both good and bad, in determining policy.

IMF (2011) has presented more broad or formal definition of remittances that inculcates "compensation of employees" and "migrants' transfers" to workers' remittances. In the IMF statistics, compensation of employees is accounted for in the income components. Migrants' transfers are included in the capital transfer while workers' remittances form part of the current transfers.

Haas (2010) has argued that policies which improve the functioning of social, legal, economic and political institutions, the access of ordinary people to basic amenities and markets and which restore trust in governments, are crucial not only for creating a fertile ground for development in general, but also for compelling more migrants to return and/or invest in origin countries. Policy and scholarly discourses celebrating migration, remittances and transnational engagement as

self-help development "from below" shift attention away from structural constraints and the real but limited ability of individuals to overcome these. These extremities the crucial role states have to play in shaping favourable general conditions for human development to occur.

Ratha (2007) has stated that a strong flow of remittances can also improve the receiving country's credit worthiness, lowering their cost of borrowing money in international markets. A research and policy agenda to maximize the development impact of international remittances would include the following four elements: a) monitoring, analysis, and projection; b) retail payment system; c) financial access of individuals and households and d) leveraging remittances for capital market access of financial institutional or countries.

2.1.2 Nepalese Context

Sharma (2015) has described that remittance is used for buying and selling goods and luxurious goods like bike, mobile, etc and also in entertainment. The improvement is seen in the life style of rural and urban people both. It also claims the reduction of poverty by remittance. Remittance in the other hand hasn't help in the capital formation. If the remittance is not used for capital formation it couldn't increase the life standard of the family in long term.

Tripathi (2014) has concluded that remittance is just a quick fix to our economic woes; it's not a sustainable solution. Dependence on remittance is going to keep us as consumers forever, never really encouraging us to become producers. But that seems to be the very strategy applied by those at the helms of state affairs.

Bhatta (2013) has focused on the long run and short run relation between remittance and import and also remittance and trade deficit nexuses by using co integrating techniques and vector error correction method. This article has based on the monthly data of merchandise imports, workers remittance and trade deficit for ten years periods. The Error Correction method has shown the positive relationship of remittance into the import and trade deficit in the long- run whereas , in short -run remittance has used purchasing land, house, repaying loan and in consumption.

Acharya (2013) has mainly concentrated on providing a comprehensive commentary of the diversified Nepalese foreign employment sector. The recent trend of foreign employment has been covering a wide space in the world. Especially, least developed countries like Nepal, it is

not a new issue but foreign employment has been significantly contributing for transferring socio-economic transformation. He has found the foreign employment sector for Nepal has suffered from various challenges.

Kshetry (2013) has shown the social cost benefit of remittance in Nepal. According to him, remittance especially is important for low income countries. Remittance transaction is completed in three steps. In first step, the sender pays the remittance to the sending agent or institution using cash, cheque or money order or debit card using e-commerce and so on. In second step the sending agency instructs its agent in the recipients' country to deliver the remittance. In the third step, the paying agent or union operator make the payments beneficially. Formal remittance is periodically followed between sending agents and paying agents according to their agreed schedules. However, informal remittance is settled particularly through good trade. The cost of remittance transaction includes a fee charged by the sending agent , who is paid by the sender and the currency conversion fee for delivery of local currency to beneficiary in recipient country in such transaction , money transfer operators require the beneficiary to pay a fee to collect remittance. This fee may be charged to account for frequent exchange rate movements. They may earn as indirect fee in the form of interest by investing funds before delivering the amount of beneficiary.

Sapkota (2012) has referred remittance to be included Dutch disease effects and policy laxity to improve investment climate in Nepal. Since it is costly to sterilize the impact of remittances each year, it might be prudent to learn to live with it and gradually channel remittances to productive usages with a goal to boost productivity.

KC (2012) has emphasized that today; remittance has become an important source of revenue for government through tax and fees. These fees includes fees paid by manpower companies, passport fees, value added tax and other non-tax revenues. Similarly, remittance has become an important source of revenue for private sector as well. Various recruitment agencies, agents, medical institute, orientation institution, training institute, advertisement, photograph shop, air ticketing, local transport, hotels, restaurants etc has been collecting significant amount of revenue-Rs 107 million per day, since the foreign labor migration has become a common phenomenon. On the other hand, through 26 commercial banks, 2 financial companies and 45 money transfer agencies which are endowed with the responsibility of transferring foreign

currency in the domestic financial market, vacancies for different senior and junior post are not a new phenomenon in different media. Expansion of airlines network and training institution are increasing in proportion with increase labor migration. It is roughly estimated that about 0.34 million jobs are created all over the world by the phenomenon of labor migration - foreign employment, remittance and its contribution to the economy of Nepal. These employment opportunities are to be understood in term of hotel accommodation, transport, recruitment agencies and money transfer agencies etc.

IMF (2012) has presented the remittances are the main source of Nepal's foreign exchange receipts, equivalent to about 1/4 of GDP. The GCC countries, Malaysia and India are the main host countries, although anecdotal evidence suggests that Nepali workers in India receive lower salaries than those in GCC countries and Malaysia. Although remittances are essential to smoothing consumption and supporting Nepal's balance of payments, their impact on potential growth may be less significant. One explanation for the weak link is that the bulk of remittances finance consumption rather than investment and leak out through imports. Although remittances could boost consumption of non-tradable goods, inflationary pressures on these goods tend to rise as the result and jeopardize competitiveness, which are commonly seen in the cases of "Dutch disease".

Khanal (2011) has illustrated that receive income also experience the "spoil effect". It means that easy availability of remittance money sent from aboard creates distortion in the work efficiency and working mentality of the recipient members. As study in Kosovo showed that remittance made the youths reluctant toward seeking higher education and reduced their incentives to work. Similarly results have been observed in remittance heavy economics like the Philippines, Egypt and Somalia. Are such spoil effects present in Nepali society? Do we risk losing our youths to poor education and poor skill?

Pant (2010) has comprised that remittances are critical lifeline for Nepal .To meet the challenges emanating from the slow growth rate of remittances, the country needs to a) improve access to remittances in rural area, b) link remittances to additional financial services and product, c) develop productive rural investment channels for migrants and community -based organizations, and d) promote awareness -creation and foster an enabling environment for rural remittances. Microfinance is quite appropriate for addressing some of the core financial service needs

pertaining to remittances, given the relatively poor socio-economic background of the majority of remittances receiving households, and the small size of most of their financial transactions. Areas where microfinance institutions can contribute to leveraging the developing impact of remittances include money transfer services saving and cash management products and remittance linked lending.

Shrestha (2009) has discussed that Nepalese migrants used to leave the country for foreign employment with various motives long back ago. The demand for Nepalese labor abroad has relieved the unemployment problem to some extent and the remitted fund has contributed to reduce the poverty level of the country to a large extent. Among the various uses of remitted fund vary by reducing poverty, creating economic security and enhancing social status within the household and the community. Remittances have been playing pivotal role by relaxing foreign exchange constraint, increasing contribution to GDP and strengthening the balance of payment situation of the country. Various policy measures have been undertaken by the concerned authorities for encouraging remittances through official channels and use of the assets and skills of the returnees for themselves as well as for the economics development of the mutiny. Recent global economic crisis has compiled the concerned authorities with revise and program regarding foreign employment regime of the country.

Bista (2008) has mentioned that remittance is in simple income of out flowing labor from their foreign job. Monetary policy initiates remittances growth per BOP surplus, foreign exchange stability and availability, growth of deposits in the commercial bank and maintaining market liquidity but remittance completely depends on skill and number of labor, non discriminatory wage rate as well as foreign exchange rate. It is believed that the remittance income of national and household economy will strengthen the expansion of local and national economic activities.

Gaudal (2006) has represented the remittance is need for economic development. He argues that many workers from Nepal going abroad for employment are no doubt young, energetic, laborious and enthusiastic. They do hard work for earning large remittance income to support their families. However, the downside of remittance reflects the view that remaining young generation for long time outside without family may increase their vulnerability and ultimately they will have a tendency to leave their homeland. Thus in order to recover the loss of economically active laborforce to the domestic economy, they should be encouraged to come

back again with skilled knowledge for utilizing their savings and working experience for development to the productive areas in accordance with the priority so the national development plans.

2.2 Empirical Review

Remittance is the money sent by foreign workers to their home country from abroad. It has been proved to be one of the important development tools for developing countries. In this regard many researchers have investigated the importance, use and better utilization of remittances. They have concluded the various ideas about the better utilization of remittance. They have presented various principle, logics, concept and current issues relating to impact of remittance in their own way. Here, the study tries to review the national and international literature empirically similar to the objectives and topic of this research.

2.2.1 International Context.

World Bank (2015) has generally reduced the level and severity of the poverty and lead to higher human capital accumulation greater health and education better access to information and communication technologies improves access to formal financial sector services and reduces child labor. Officially recorded remittance to developing countries was an estimated \$404 billion in 2013, an increase of 3.3% over the previous. Global remittance flows, including those to high income countries, are estimated in India(\$70 billion), china(\$60billion). Other large recipients include Nigeria, Egypt, Bangladesh, Pakistan, Vietnam and Ukraine. However, as a share of GDP remittance were larger in smaller and lower economy country, top recipients relative to GDP were Tajikistan, Kyrgyz Republic, Nepal(25%) stood in third.

Skopje (2012) has mentioned the remittances have grown rapidly in recent years and remittances have proved a stable source of finance, which can be of relief during difficult economic times. While remittances can benefit households by lifting liquidity constraints, migration of a family member may have also a delirious impact on the household's well-being. The short - term effect of remittance is usually related to increase in consumption, poverty alleviation and income inequality that result in changes in labor market participation. While long term effect is more pertinent to socio- economic development and especially on education performance and health status improvement. Because remittances per se do not lower anyone's income, the impact on poverty is believed to be beneficial, but with limited effect to productive investments. There is

empirical evidence showing that remittances are spent mostly on basic subsistence needs, and after those are fulfilled, on housing improvement and eventually land purchases. There are also "social remittance", which may include issues such as ideas, behaviors, identities and social capital that flows from receiving to sending country communities with the flow of remittances with various social -economic implications to migrant sending countries.

Muchemwa (2011) has described how does remittance impact economic growth of recipient countries in Sub-Sahara Africa? He found that, the positive impact of remittance on economic growth in Sub-Saharan Africa happens mainly through the human capital economic channel. When remittances are used for human capital investments in the region, positive and increased economic growth can be realized. There probability that most households receiving remittances in Sub-Saharan Africa are utilizing them for education. When enrolment in primary, secondary and tertiary education is increasing, there is a simultaneous rise in the quality of labor force available for in a particular country. Quality labor force implies improved production which bears a positive impact on an overall economic growth.

Stephenson (2011) has attempted to study different categories of remittances. Out of them, one integrating category is spending effect of remittances income in Jamaica. He found that, remittances positively affect a household's willingness to spend on luxuries such eating out and visiting a salon, *ceteris paribus*. He also concludes that the share of spending on vices such as tobacco and alcohol were negatively related to reliance on remittances in Jamaica.

Singh (2011) states the impact of remittances being tremendous for both the household as well as the economy like India which is characterized by persistence of abject poverty and lack of opportunity for the able one in every aspect of their life. Remittance as a result of international migration, have emerged ad one of the most fruitful panacea to get rid of such economic problems.

Balde (2010) has commented that when remittance is saved or productivity invested, they can have an indirect positive impact in economy of the recipient countries. In his argument, he observes that remittances alone effect that is channelled through the generation of saving and investments.

UN (2010) has depicted that effort to increase the volume of remittances should also be supported by efforts in channelling the remittances to more productive uses for sustainable

reduction in poverty. Apart from providing food security to the households, if remittances are used for improving skills and productivity of the recipients they will have more sustainable impact on improvements of standard of living. Families receiving remittances should be allowed to use future remittances as collateral for procuring loans for education, house building or other activities like procuring fertilizers, machinery, etc for farms.

Duval & Wolf (2009) have found that, transfers are negatively correlated with both the sender's and recipient's levels of education. Remittances have a positive impact on indicators like "satisfaction", adequateness of food consumption and purchase of durable goods.

Adams (2006) found that in Guatemala both internal and international remittance payment reduce the level, depth and severity of poverty. The poorest 10 percent receive between 50 and 60 percent of total household income from remittances. Those households benefiting from remittances are more likely to spend more on education, housing and health, whilst those with no remittances spend higher proportion of their incomes on food and other consumer durables. Those households receiving international remittances spend 58 percent more on education than non-receiving households.

Adams &Page (2005) have pointed out the migrant remittances significantly reduce the level, depth and severity of poverty in the developing world. Their results suggested that, on average, and after controlling for the possible endogeneity of international remittances, a 10 percent increase in per capita international remittances leads to 3.5 percent decline in the proportion of people living on less than \$1 per person per day.

Ratha (2005) has shown the need of remittance in developing countries for development. According to him, remittance income in developing economy has become a lifeline for economic development. By remittance we mean sending income on term of money or goods in home by the migrants or workers who have their earning outside their home. Now, a day, this source of foreign income has been growing rapidly in each year in developing country.

2.2.2 Nepalese Context

NRB (2015) has entered in the country is increasing every year. According to the data of 2067BS, the total remittance received by the country was 231.72 Arab. This value now increased to 617.28 Arab in the year 2071BS which shows the greater improvement in the payment of the

employees in the overseas and increase in the number of employee going for the foreign employment.

Ghimire (2013) has pointed out the positive impact of remittance at the household level. Families receiving remittance are enjoying a comparatively better quality of life now than in the past. One can observe that these families have been slowly overcoming the debt burden, relatively comfortable houses with good toilets are being constructed, children are studying in private schools if they are available nearby, and television and mobiles have become common amenities. New market centres are emerging in the periphery; new kinds of small business such as public telephone booths and cyber cafes; beauty parlors and cosmetics shops, readymade outlets and stationery stores have increased; employment opportunities in private schools and colleges have expanded and families are shifted from rural areas to cities and new market centres.

Thapa (2013) has found that we are exporting cheap labor at the cost of stagnant domestic production. It has been evidently proven that income is consumed but insignificantly invested. Though positive, its contribution to growth is meager. Thus, remittance is necessary but not significant for growth because it is consumed but not invested. He also concluded that to check high domestic expenditure out of remittance and divert it to production investment, it is urgent to formulate and endorse a set of policies which guarantee the mobilization towards investment. This will boost up economic growth of the nation thereby increasing employment opportunity in the nation itself.

NRB (2013) has revealed that a growing trend of remittances worldwide has drawn attention of both academia and policy makers in recent years. Remittances income is emerging as one of the most significant and reliable sources of external finances for many developing countries. Not only in the macro level, has the contribution of remittances been direct and sizable in migrant-spending households in micro-level as well. A significant number of people in developing world are now receiving remittances earnings to finance their expenditure in home consumption, health and in children's education.

DOFE(2013) has said there are around 1.2 million Nepalese migrant workers in Gulf countries, 500000 each in Malaysia and Saudi Arabia, 400000 in Qatar and 100000 in Kuwait. Remittance by Nepalese abroad contributed 25.5% of GDP or \$ 4.9 billion. People opting employment has increased tremendously in the last year, on average only 100000 people used to go abroad for

foreign employment per year until 10 years ago. Today, more than 40000 people go aboard every year.

Bhatta (2012) has concluded that in Nepal, economic liberalization accessed the international labor market at one side and eased the international trade of goods and service in the other side. Thousands of young manpower migrating every year to work abroad is in increasing trend. Such an emigration rose remittance inflow sharply in the recent years. Remittance inflows helps provide hand to hand provision to the poor as well as improve the living standards of them. However, it might further deteriorate the trade balance, causing to increase in demand of consumable goods, most of which are imported.

Acharya (2012) has analyzed that with more investment in infrastructure and other productive sectors, the economy would generate its own economic return, making the domestic market stronger and entrepreneurship to improve. Such economic return would create more opportunities and incentives for future investment-creating a virtuous cycle. Greater economic return would have negative causality on migration; as opportunity within Nepal would have incentives for people to say. Gradually, the economy would emerge out of its remittance dependency. This essentially, would establish Nepalese economy to be self confident and competitive.

Dhungana (2011) has stated that Nepal has been experiencing growth in remittance inflow since last few years and as a result its disposable income has continued to rise as well. As per the Nepal Living Standard Survey (2011) 78.9 percent of total remittances are spent in daily consumption whereas 7.1 percent in repaying loans, 4.5 percent in household property, 3.5 percent in education and 2.4 percent in capital formation. The Nepalese economy is gradually becoming consumption oriented due to remittance income and other factors thereby causing hopeless plunge in savings and investment rates. Consumption oriented remittances have only increased our reliance on imports. Even if a fraction of remittance gets channelled towards productive sectors such as infrastructure development, it can have multiplier effects and push economic growth to a higher level.

Pant (2008) has argued that bringing recipient households into the formal financial sector is only the first step in using remittances more effectively. Country surveys indicate that, although households typically spend a large proportion of their remittances, their propensity to save can be

as high as 40 percent. For policy makers in Nepal, the challenge is to channel these savings into productive uses.

Bhadra (2007) has observed the mixed impact of the children of migrant mothers in Nepal; positive impacts were seen on the opportunities for education, health care and life style but worsening psychology of their children as their mothers were apart for a long time. By being able to earn an income, support the family financially and have freedom of financial decision-making, traveling to foreign countries with new experiences, seeing new places, and meeting with people from different parts of the world and interacting with them brings the feeling of independence and confidence for the migrants and this effect impacts their immediate family as well.

Karna (2004) has observed that after the Second World War, employment opportunities in India grew significantly and increasing number of Nepalese went there to find work, mainly in lower paid and menial jobs. This was widely considered a manifestation of Nepal's lack of development and helped encourage an emerging critique of Rana's failure to promote development in Nepal. After India independence (1947) and treaty of friendship (1950) with India, there were few travelling restrictions and no special permits required. Work could even be found in the public sector in the Indian army, the police force and civil service. Many Nepalese joined the Indian army and police force and even larger numbers sought employment in the private sector. He also argues that there is diverse migration in Nepal.

2.3 Nepalese Review

Banjade (2011) has tried to generalize the nature and role of remittance in Nepalese economy. He has found that to make the remittance income more productive in macro level to carry out effective and efficient public policies to channelize remittance in productive projects, the government has to look at what motives Nepalese have to send their money home particularly beyond individual family remittances, and craft its policies to take advantages from it. Therefore, to keep sustain foreign employment and income government of Nepal must adopt peace and sound policies to get multiplier effect from it especially on macro variables like as to maintain BOP, investment, saving and expenditure etc. Its role to some extent in rural areas for poverty reduction through solving hand to mouth problem but it is not sufficient, to make more beneficiaries in nationwide proper channelization needed in it. Thus, government must think in that direction in forthcoming days.

Parajuli (2011) has conducted the effort to identify the contribution of remittance on poverty reduction based on his study area. According to him, there is no doubt that remittance plays crucial role in Nepalese economy if it is utilized in proper and effective way. Hence, the government has to give priority to launch the program and policy for its proper utilization in different sectors. Capital formation program should be encouraged. State should create good environment for spending capital and encourage investment in productive sector like agriculture, hydropower ,tourism sectors, industry etc. for overall economic development of Nepal. It is equally important from grass root level to national level it has increased the economic condition of all remittance holders, there is positive change in the community level to national level. Therefore we can say that remittance income is playing vital role to reduce the poverty.

Upadhaya (2009) has attempted to analyze the economic impact of the foreign employment and inward remittance entering inside the country. He stated that with equal volume of remittance entering inside the country through informal channels, it has become a challenge for the government to bring the remittance entering inside the country to official fold to the extent possible. Although disrupting the informal channels would have an adverse effect on those who rely on Hindi networks for their income, formalizing money transfers will benefit the country in the long run through investments and the multiplier effect.

Regmi (2002) has attempted to identify the role of remittance to reduce rural poverty. He has presented the utilization of remittance to reduce the rural poverty based on his study area. He has found that the remittance are important sources to reduce the rural poverty, get various changes after gaining the remittance income, mentioned the direct impact to the education and at the real estate in the study area.

2.4 Research Gap

From the review of above literatures, it is concluded that remittance income is one of the most source of foreign capital inflow for the developing country like Nepal. It has positive as well negative impacts in the recipient country but it depends upon the utilization of remittance income. Most of the studies concluded that the productivity use of remittances income has alleviated the poverty either directly or indirectly which is crucial phase of development process. But in the developing countries only a small percentage of remittance are used for productive investment such as income and employment generation activities.

The main beneficiaries of remittance are countries having lower and middle level income. They receive nearly half of the remittance generated in the world and use as an alternative for financing the development project on the grass root level. Hence, remittance is effective tool for reducing poverty and enabling better care nutrition, housing and education. -The relationships between health, education, information access, women empowerment and utilization of remittance income will constitute a vital framework for this study. Especially, these studies were based on use of remittance only so my study will fill the gap by studying both cost and benefit by using current data. There are diverse opinions within migration literature when it comes to the question of whether remittances are mainly invested or consumed. The conventional approach presents positive effects of remittances only if they are invested properly. If remittances are only used for consumption then their potentiality of positive impact becomes questionable. This study synchronizes the available literatures and relates it to the study area context in an effort to fill the gaps on how remittances and its effects are related.

Chapter III

RESEARCH METHODOLOGY

3.1 Selection of Study Area

This study on foreign employment and remittance has been conducted in Sitapaila of Kathmandu district. Sitapaila is located in western part of Kathmandu. The organized data of migrant workers are not available but it is said that major population leaving for foreign employment are from this area of study.

The study site for this research Sitapaila of Kathmandu has been chosen for two reasons, first it lies in CDR which has significant share of remittance among the cities of Kathmandu district and it is convenient for the researchers to conduct study at this site to overcome time and resource constraints.

3.2 Research Design

The research design in the study is analytical as well as descriptive. The information collected is analyzed by quantitative research design. The quantitative data are presented by simple arithmetic tools like percentage, frequencies, ratio, pie chart and average to examine the objective of the research.

3.3 Nature and Source of Data

The nature of the study is descriptive as well as analytical. The study is mainly carried out through primary data collected from selected households and key informants of the study area. While on the other hand the use of secondary data was obtained from the published and unpublished documents of Ministry of Labour and Transport Management, NRB, CBS, VDC profile and others.

3.4 Sample Selection Procedure

The total number of household of Sitapaila is 4524 as recorded by census of 2068 BS. There are 1252 household for overseas employment. Due to limitation of time and budget, only 130 households for foreign employment are taken as sample which is not proportional. The samples of all wards of Sitapaila are considered as cluster and the desire sample taken randomly from

each ward.

3.5 Tools of Data Collection

This study based on primary data collected by using different tools of data collection. The data for study have been collected using various methods as follows:

a. Interview

Structured questions have been prepared to get the realistic and accurate data from the respondents. It was done as to collect necessary information for the completion of the study.

b. Observation

Observation has been one of the basic technique of data collection to document the present condition of the respondents. While interviewing the respondents, the researcher observed their physical appearance, clothing, social cultural and economicalactivities. This method has also helped to find out the reality between doing and saying as well as to understand the livelihood level of the respondents.

3.6 Methods of Data Analysis

The data collected from field survey were regrouped and reclassified to analyze. After that these information were analysed by constructing necessary tables. The quantitative data are presented by simple mathematical tools percentages, frequencies, ratio, pie chart and average to examine the objective set above. Regarding the qualitative data information has been collected through interview and observation in the study systematically and logically. Their behaviour which could not be obtained from interview where analyzed through observation to get the qualitative information.

CHAPTER-IV

PRESENTATION AND ANALYSIS OF DATA

4.0 Introduction

This section of the study presents comparative judgment of the various socio-economic aspects of migrant households. The comparison is initially based on the simple graphical and tabular presentation of the survey data. It provides description about the impact of remittance on economic indicators, utilization of remittance income and expenditure pattern of foreign earnings. It also includes discussion of various results being derived from data analysis.

4.1 Age composition of Migrant Workers

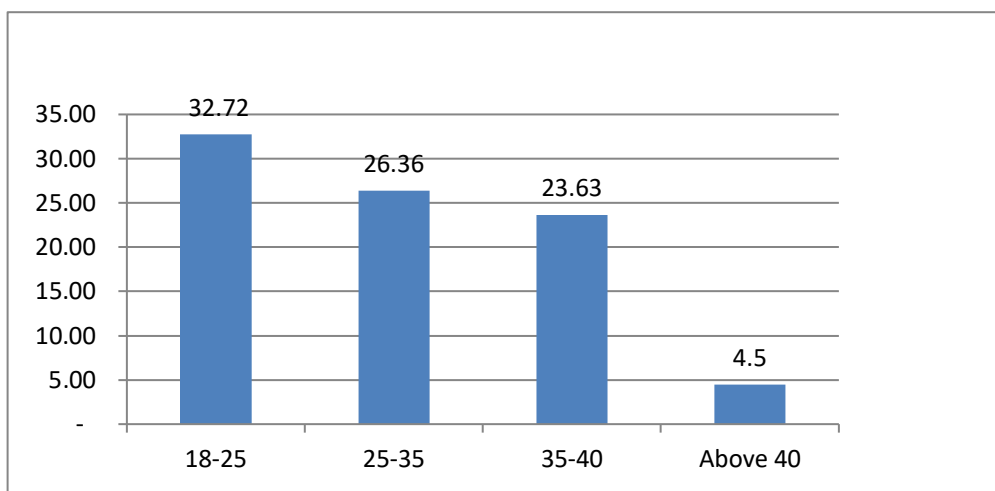
In this section, age description of migrant workers has been analysed which helps to know how many people have been to overseas country among these age groups. Usually youth of age group 18-25 are found to be working as the migrant workers in the study area.

Table 4.1
Age Composition of Migrants

Age Group	No. of the Respondents	Percentage
18-25	36	32.72
25-35	29	26.36
35-40	26	23.63
Above 40	19	17.27
Total	110	100

Source: Field Survey, 2015

Fig 4.1
Percentage of Age group of Overseas Migrants



Source: Based on the table 4.1

The table 4.1 and figure 4.1 shows, out of the total migrants only 110 households were the sampled households. Out of 110 migrant workers, 32.72 per cent are in the age 18-25 years. Migrants within the age 26-35 are 26.36 per cent. Similarly of age 35-40 are 23.63 per cent. Above 40 years migrants are just 17.27 per cent who have gone for foreign employment.

4.2 Educational Status of Overseas Migrant Workers

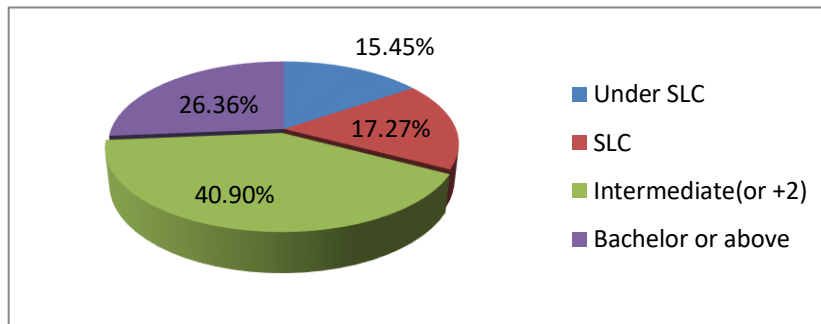
In the table 4.2 educational status of migrants has been shown which illustrates the educational background of the migrant workers.

Table 4.2
Educational Status of Overseas Migrant Workers

Education	No. of the Respondents	Percent
Under SLC	17	15.45
SLC	19	17.27
Intermediate(or +2)	45	40.9
Bachelor or above	29	26.36
Total	110	100

Source: Field Survey, 2015

Fig 4.2
Percentage of Educational Status of Migrants



Source: Based on the table 4.2

The table 4.2 and figure 4.2 show that the educational status of migrant's workers, 15.45 percent of them are under SLC. 17.27 percent have passed SLC, 40.9 percent have passed intermediate or +2. Workers with bachelor or above are 26.36 percent.

4.3 Gender Description of Overseas Migrant Workers

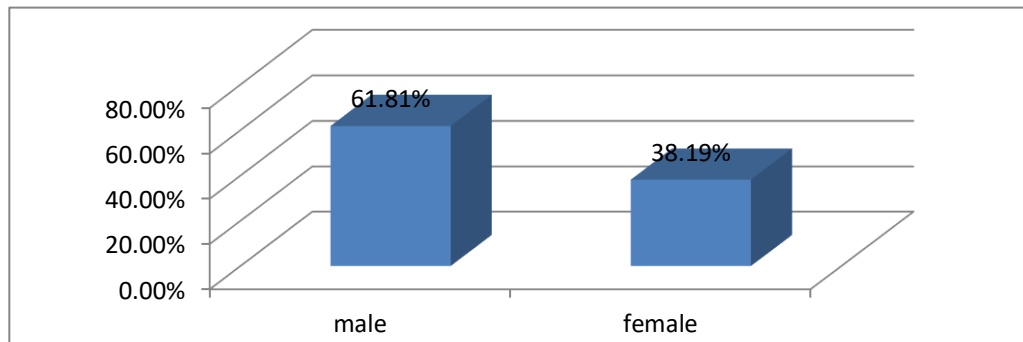
In this section gender description of migrant workers has been included and the table 4.3 shows how many people are male or female workers. In our country especially male are going for the foreign employment which is also reflected in the study area.

Table 4.3
Gender Description of Overseas Migrants

Gender	No. of the Respondents	Percent
Male	68	61.81
Female	42	38.19
Total	110	100

Source: Field Survey, 2015

Fig 4.3
Percentage of Gender Description of Overseas Migrants



Source: Based on the table 4.3

In the figure 4.3 and table 4.3 shows the gender description of the migrant workers, out of the total workers 61.81 percent of them are male and 38.19 are female. This trend shows most of the migrant workers are male because main responsibilities are taken by male and still shows the male dominant society. Due to security problem in the work place, nature of the work and due to family problem, female are found less in the overseas migrant. Now a days the trend of female worker is trying to increase because the government also has opened some of the countries and workers for the female only.

4.4 Cast/Ethnicity of Overseas Migrant Workers

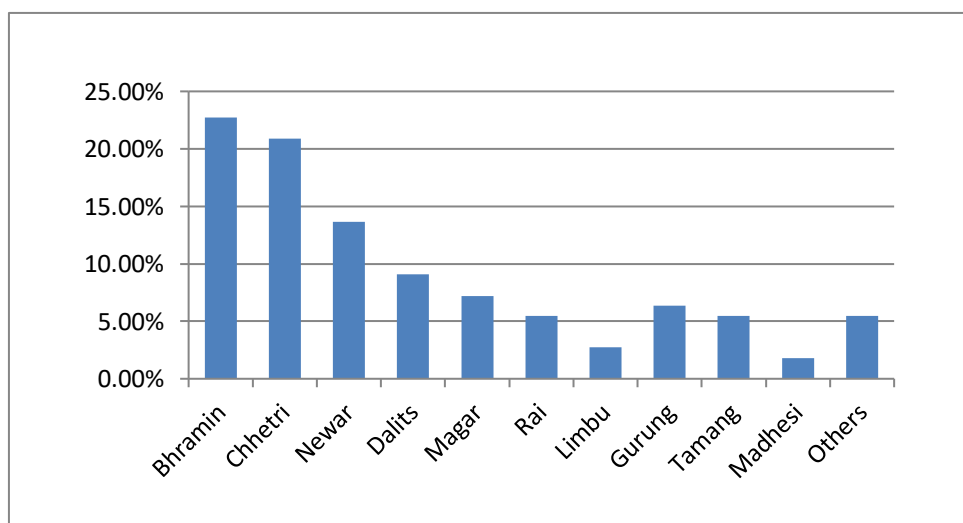
Cast/Ethnicity is also great issue of migration in Nepal. There are many cast/ethnic groups living in Sitapaila. As our country is made up of various cast/ethnics group, it is represented in my study area. The cast represents the multi cultural, multilingual and multi ethnicity of the society. In the study area almost bhramin and chhetri are dominant in the overseas employment. Other cast and ethnic group are found inferior in the society. The table 4.4 shows the caste/ethnicity composition of migrant worker.

Table 4.4
Cast/Ethnicity of overseas Migrant Workers

Cast/Ethnicity	No. of the Respondents	Percentage
Brahmins	25	22.72
Chhetri	23	20.9
Newar	15	13.63
Dalits	10	9.09
Magar	8	7.2
Rai	6	5.45
Limbu	3	2.72
Gurung	7	6.36
Tamang	6	5.45
Madhesi	2	1.8
Others	5	5.54
Total	110	100

Source: Field Survey, 2015

Fig 4.4
Percentage of Overseas Migrant Workers by Cast/Ethnicity



Source: Based on the table 4.4

The table 4.4 and figure 4.4 show Bhramins and chhetri are found dominant in the study area for overseas employment. Other caste like newar and dalits are also in the good position among migrant workers. Muslim, Chaudary etc are taken in the category of the others which are about 5 percent.

4.5 Marital Status of Overseas Migrant Workers

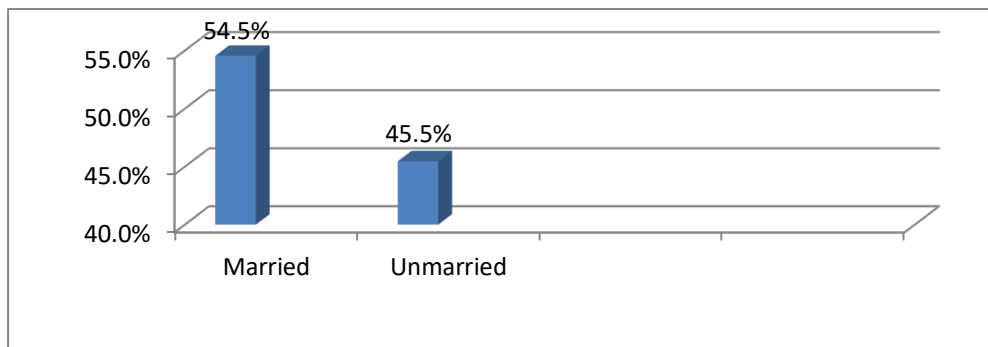
Marital status of migrant workers has been included in the table 4.5 with the help of this data we know that, how many people are married and how many people are unmarried.

Table 4.5
Marital Status of overseas Migrant Workers

Status	No. of the respondents	Percentage
Married	60	54.54
Unmarried	50	45.46
Total	110	100

Source: Field Survey, 2015

Fig 4.5
Percentage of Overseas Migrant Workers by Marital Status



Source: Based on the table 4.5

The table 4.5 and figure 4.5 show numbers of the married migrant workers are found slightly more in the study area. Due to social security, family burden after marriage, public relation developed after marriage is the reason for more number of the married migrant workers. The unmarried migrant workers are usually the students.

4.6 Annual Income of the Family except From Overseas Migrant

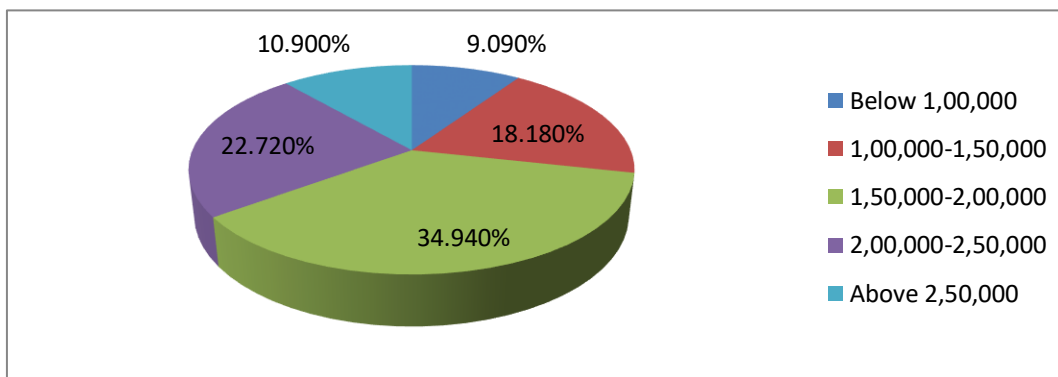
Families of overseas migrants are also engaged in income generation process to some extent. Some families are totally dependent on overseas migrants, some are semi dependent and some families are incoming their enough as it is not necessary to depend on overseas migrants. The families of overseas migrants are found to earn from agriculture, public services, labour, business and other activities. The annual income of the families of overseas migrants is as shown in the table below.

Table 4.6
Annual Income of the Family except from Overseas Migrants

Annual Income(in Rs)	No. of the Respondents	Percentage
Below 1,00,000	10	9.09
1,00,000-1,50,000	20	18.18
1,50,000-2,00,000	38	34.94
2,00,000-2,50,000	25	22.72
Above 2,50,000	12	10.90
Total	110	100

Source: Field Survey, 2015

Fig 4.6
Annual Income of the Family except from Overseas Migrants



Source: Based on the table 4.6

The table 4.6 and figure 4.6 show the poor economic condition of the family of the migrant works. Only about 11 percent of them have the income of above two lakhs and fifty thousand. Most of them have the income less than two lakh in a year which shows the bad economic condition of the people of the study area. About 34 percent have income from 1.5 lakh to 2 lakh.

4.7 Major Destination of Overseas Migrants

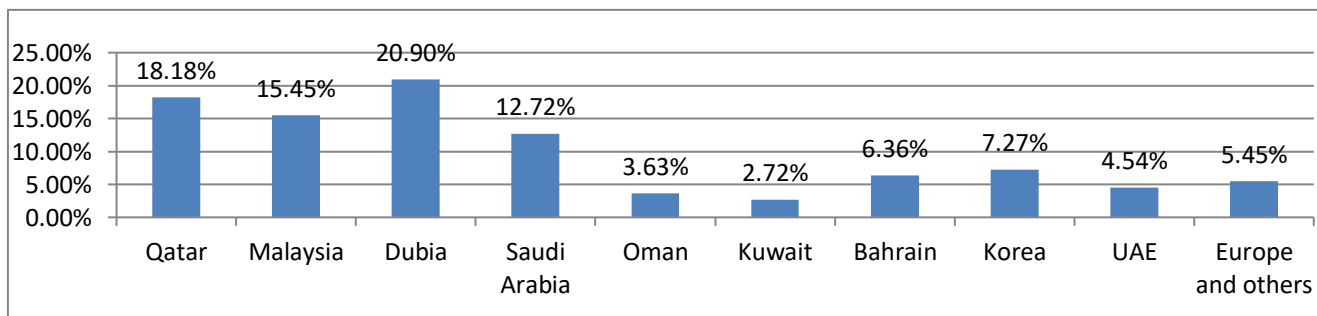
In this section, major destinations of overseas migrant workers have been included which help us to know how many people have gone in different countries from the study area.

Table 4.7
Major Destination of Overseas Migrant Workers

Country	No. of the Respondents	Percents
Qatar	20	18.18
Malaysia	17	15.45
Dubai	23	20.9
Saudi Arabia	14	12.72
Oman	4	3.63
Kuwait	3	2.72
Bahrain	7	6.36
Korea	8	7.27
UAE	5	4.54
Europe and others	9	5.45
Total	110	100

Source: Field Survey, 2015

Fig 4.7
Percentage of Major Destination of Overseas Migrants



Source: Based on the table 4.7

From the table 4.7 and figure4.7 it is seen that most of the migrant workers have gone in gulf countries like Dubai, Qatar, Malaysia etc. Few of them have gone for the developed countries like Korea, UK etc. Some of them have gone even in the African countries like South Africa , Singapore, Australia which is listed in the chart as the others. The poor economic condition of the people has forced them to go to the countries with low cost especially to the gulf countries. In the developed countries the visa process is difficult and most of them have gone as the process of the studying which in turn starts to work to earn the remittance. In some countries like in the Singapore.

4.8 Causes of Overseas Employment

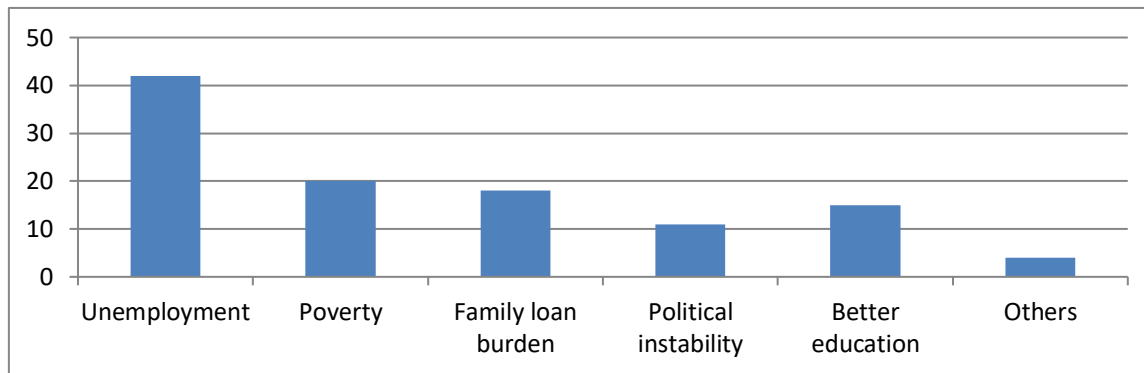
There are several reasons of seeking overseas employment. The reason might be economical, social and political. They may be related to the acquired skill and other reasons. To find out the causes the respondents were asked to identify the prime causes to go to overseas employment. They gave more than one reason but they were asked to point out the one major cause. The finding of the survey is shown as follows:

Table 4.8
Causes of Overseas Employment

Causes	No. of the Respondents	Percent
Unemployment	42	38.18
Poverty	20	18.18
Family loan burden	18	16.36
Political instability	11	10
Better education	15	13.63
Others	4	3.63
Total	110	100

Source: Field Survey, 2015

Fig 4.8
Percentage of cause of overseas Employment



Source: Based on the table 4.8

The table 4.8 and figure 4.8 show main causes of the overseas employment are found as unemployment and political instability. Some of them have gone for better education and also due to family burden. Around 38 percent of them have gone out due to unemployment and just about 3 percent have gone for better education.

4.9 Total Cost Paid for Overseas Employment

The cost paid for overseas employment depends on destination, company, agents etc. Minimum cost paid is 45 thousand. Table 4.10 shows that most of the people who want to go for overseas employment pay 90 thousand to 2 lakh.

Table 4.9
Total cost paid for overseas employment

Cost(in Rs '000')	No. of the Respondents	Percentage
Less than 70	10	9.09
70-100	14	12.72
100-130	17	15.45
130-160	38	34.54
160-190	15	13.63
190-210	7	6.36
Above 210	9	8.18
Total	110	100

Source: Field Survey, 2015

The table 4.9 shows that highest number of respondents i.e., 34.54 per cent have paid between one lakh thirty thousand to one lakh sixty thousand. The lowest number of respondent i.e. 8.18 has paid above two lakh and ten thousand. It is seen that many of the respondents have paid more than as fixed by the government due to various reasons. Also the cost of going for overseas employment has been increasing due to negligence of the government and business oriented mind of the man power companies.

4.10 Medium used for going Overseas Employment

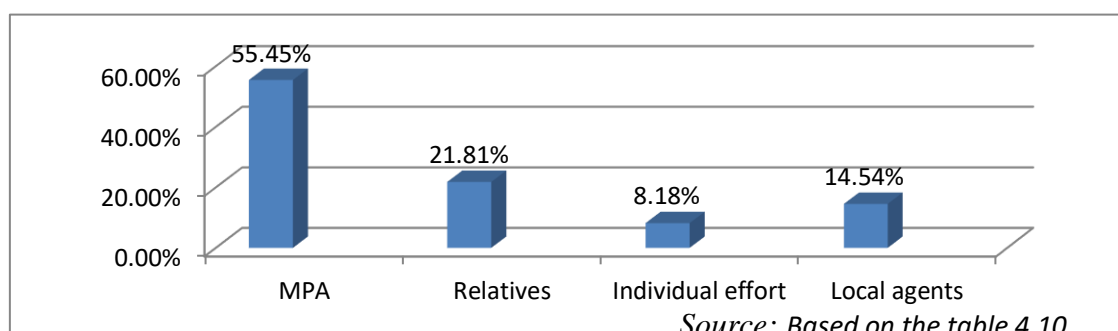
People who want to go overseas employment need to know the jobs, salary, the nature of contract and the cost of getting there. Generally government registered manpower agencies MPAs are supposed to cater the needs for overseas employment seekers. Various media were used by the respondents to go for foreign employment. The respondents have answer as in the following table.

Table 4.10
Medium used to go for Overseas Employment

Media	No. of the Respondents	Percent
MPA	61	55.45
Relatives	24	21.81
Individual Effort	9	8.18
Local agents	16	14.54
Total	110	100

Source: Field Survey, 2015

Fig 4.10
Percentage of Medium used to go for Overseas Employment



Source: Based on the table 4.10

The table 4.10 and figure 4.10 show most of the migrant workers have chosen the legal way to go to foreign employment. About 55.45% of them are going through MPA. But some of them are going abroad from their local agent which is through illegal route via India. Usually they take this route in order to go to those countries where permit is not allowed in the hope of handsome salary.

4.11 Skill Status of Overseas Migrant Workers

Skill is one of the most important factors which help to find the proper job and increase the purchasing power of labour. Anybody who is trained can earn more money and get better job than unskilled labour. Most of respondents show that they have gone for unskilled job because of various reasons.

Table No.4.11
Skill Status of Overseas Migrant Workers

Status	No. of the Respondents	Percent
Unskilled (labour, cleaner, caregiver)	40	36.36
Semi-skilled (sales person, security guard, waiter, driver)	55	50
Skilled (Engineers, sales representatives, administrative assistant, plumber, electrician, cook, nurse)	15	13.64
Total	110	100

Source: Field Survey, 2015

From the table 4.11, it is found that most of the overseas migrants are semi-skilled as it covers 50 percent out of total migrants. It includes workers like sales person, security guard, waiter/waitress, driver, etc. 36.36 percent of migrants are unskilled. It includes the workers like labour, cleaner, caregiver etc. Only 13.64 percent of workers are skilled which includes the jobs like sales representative, administrative assistance, nurse, plumber, electrician etc.

4.12 Annual Income of Overseas Migrant Workers

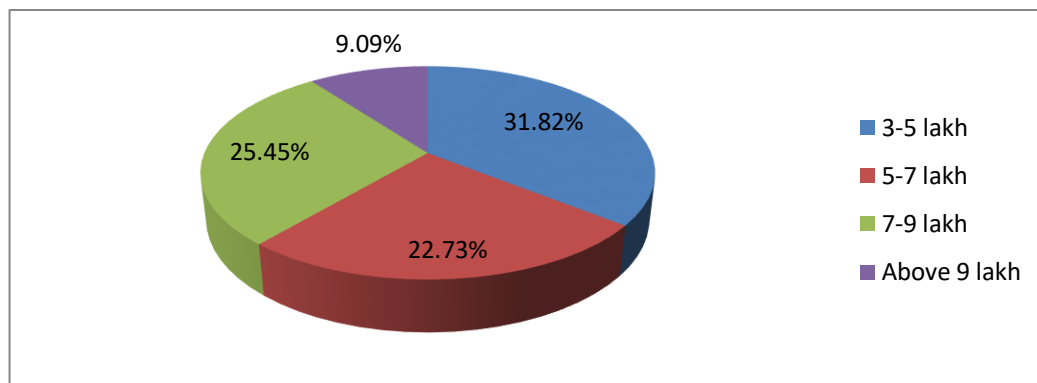
Generally people of our country go for overseas employment with the purpose of earning money. But most of the people go there with no skill. That is the main cause to earn less money. The annual income of the migrant workers is as below.

Table 4.12
Annual Income of Overseas Workers

Annual income	No. of the respondents	Percentage
Less than 3 lakh	12	10.91
3-5 lakh	35	31.82
5-7 lakh	25	22.73
7-9 lakh	28	25.45
Above 9	10	9.09
Total	110	100

Source: Field Survey, 2015

Fig 4.12
Annual Income of Overseas Workers



Source: Based on the table 4.12

The table 4.12 and figure 4.12 shows, out of 110 respondents, 31.82 percentages of them has income in between 3-5 lakh which shows the low income level due to lack of skill in them. Only 9.09 percent of them have good income which has come from skilled work. This table shows more than 60 percent of worker has income less than 7 lakh in a year. This can be increased by giving them training before going to overseas employment.

4.13 Remittance Received by Households Per-Annual

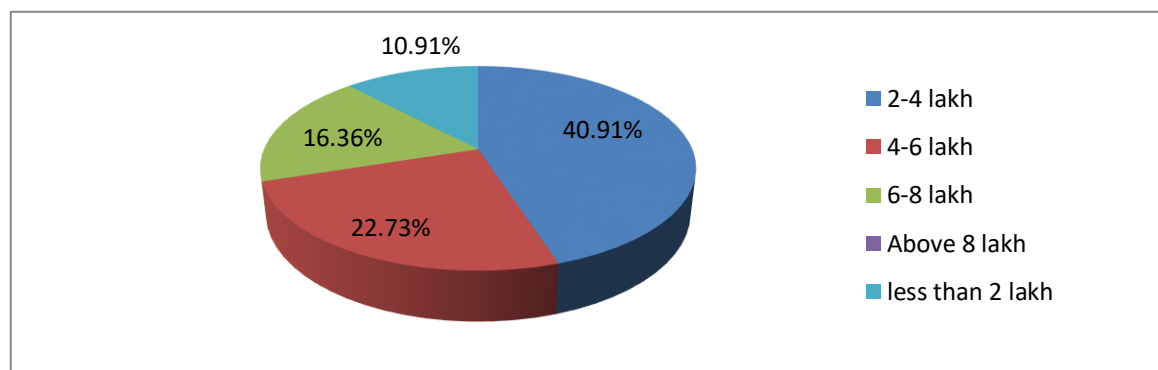
The migrants do not remit their total income in to their native country. However, the benefit of the remittance in native economy depends on how much they send the money they earn.

Table 4.13
Remittance Received by Household Per-Annual

Remittance (in Rs)	No. of the Respondents	Percent
Less than 2 lakh	12	10.91
2-4 lakh	45	40.91
4-6 lakh	25	22.73
6-8 lakh	18	16.36
Above 8 lakh	10	9.09
Total	110	100

Source: Field Survey, 2015

Fig 4.13
Remittance Received by Household Per-Annual



Source: Based on the table 4.13

The table and figure show more than 70 percent of the workers have sent less than 6 lakh annually in their home country. About 26 percent of workers send 6 lakh and above in their native country. The difference in income and remit money is seen which may be due to the personal use of worker during overseas employment.

4.14 Composition of Household Annual Income

In the study area even though the different people are engaged in the different occupations like agriculture, services, business and foreign employment etc, which are the main sources of income of the respondents family of the study area. The situation of the annual income is as shown in the table below.

Table 4.14
Composition of Household Annual income

Sources of Income	Number of the Households	Percentage
Agriculture	24	12.63
Business	45	23.68
Service	50	26.31
Foreign Employment	65	34.21
Others	06	3.15
Total	190	100

Sou

rc: Field Survey, 2015

(Note: Due to multiple answers the total no. of household is more than 110)

The above table 4.14 presents the income sources of the respondents of the sample area. The table shows the major source of the income in the study area is from remittance received from foreign employment. The other sources are services and business respectively. The agriculture has very small area in the source of the household income.

4.15 Medium of Remittance Transfer

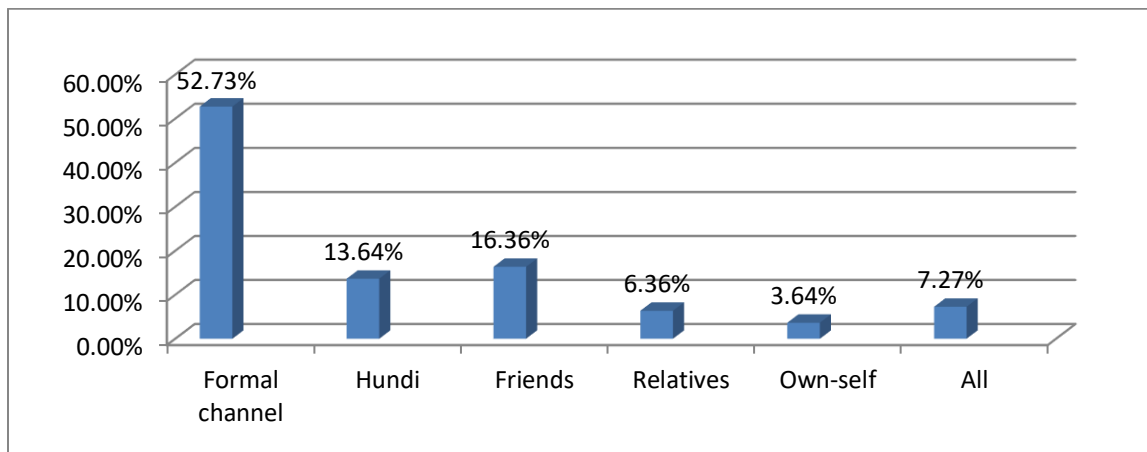
Overseas migrants have been transferring the remittance through various channels. Some are using formal channel while others are using informal channels. The following table explains the transfer of remittance mechanism.

Table 4.15
Medium of Remittance Transfer

Channels	No. of the Respondents	Percent
Formal channel	58	52.73
Hundi	15	13.64
Friends	18	16.36
Relatives	7	6.36
own-self	4	3.64
All	8	7.27
Total	110	100

Source: Field Survey, 2015

Fig 4.15
Percentage of Medium of Remittance Transfer



Source: Based on the table 4.15

From the table 4.15 and figure 4.15 it is found that most of the workers send remittance from the formal channel i.e. banks and money transfers. It is about 52.73 percent. Some of them send through friends. Even 13.64 percentages of them send through hundi. And some of them i.e., 7.27 per cent of them use all the media.

4.16 Duration Spent on Overseas Employment

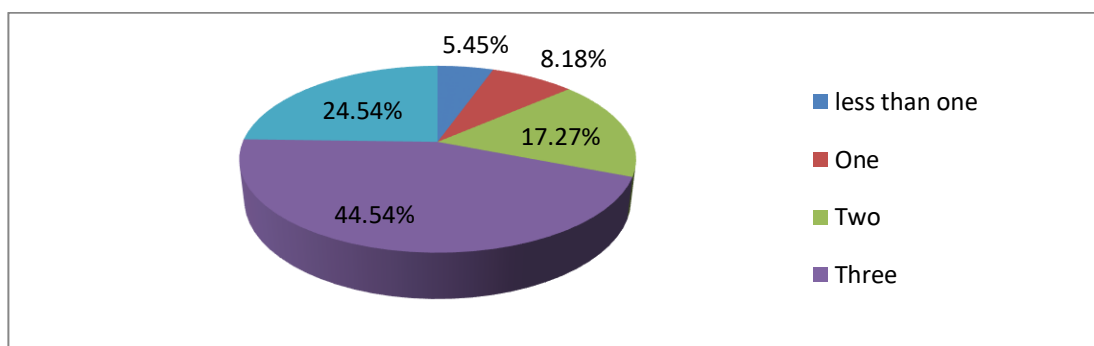
Duration of stay migrant workers depends upon availability of work, facilities provided by companies, salary rate, health condition, visa permit data and other various reasons. Generally, Nepalese workers stay abroad three years in a trip. The following table 4.16 and fig 4.16 shows the duration of the overseas migrant workers.

Table 4.16
Duration Spent on Overseas Employment

Year	No. of the Respondents	Percentage
Less than one	6	5.45
One	9	8.18
Two	19	17.27
Three	49	44.54
More than three	27	24.54
Total	110	110

Source: Field Survey, 2015

Fig 4.16
Percentage of Duration(years) Spent on Overseas Employment



Source: Based on the table 4.16

The table 4.16 and figure 4.16 show that most of the workers have spent three years in overseas employment. About 24.54 percent of the workers spend more than three years in the overseas employment. Very few of them have spent less than one year in overseas employment.

4.17 Job Type of Overseas Migrants Workers

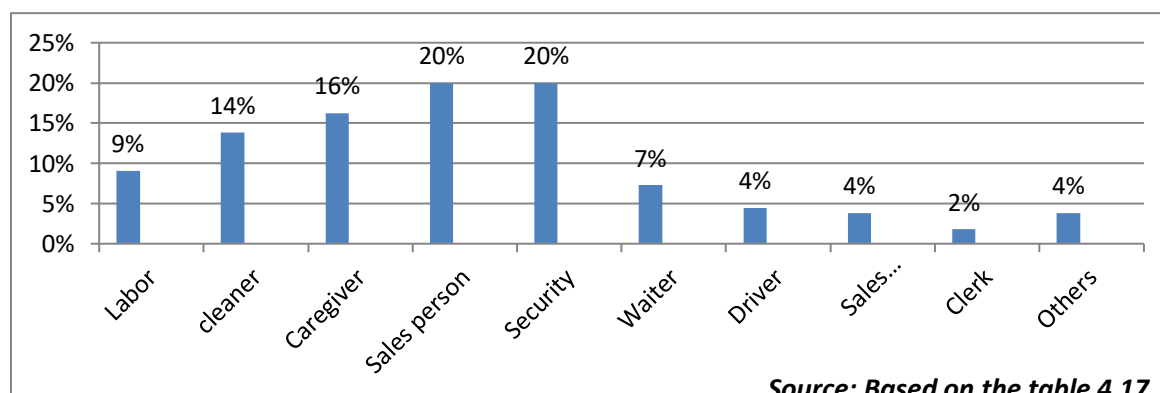
Concerning to the work abroad, most of the returnees do not like to express but realized that they perform inferior job there. Most of them perform either un-skilled or semi-skilled type of the job. Only very few of them are engaged in skilled or superior type of the job.

Table 4.17
Job Types of Overseas Migrant Workers

Types of Job	No. of the Respondents	Percentage
Labour	10	9.09
Cleaner	15	13.83
Caregiver	18	16.26
Sales person	22	20
Security guard	22	20
Waiter	8	7.27
Driver	5	4.54
Sales representative	4	3.83
Clerk	2	1.81
Others	4	3.83
Total	110	100

Source: Field Survey, 2015

Figure 4.17
Percentage of Job Types of Overseas Migrant Workers



From the table 4.17 and figure 4.17, it shows most of the migrant workers are gone for either sales person or security guard. 3.83 percentage have gone for skilled work like nurse, engineers etc. which is included in 'others' category. 16.26 percent of them have gone for the jobs like care giver in which only female are seen in the study area.

4.18 Use of Remittance on Productive Sector

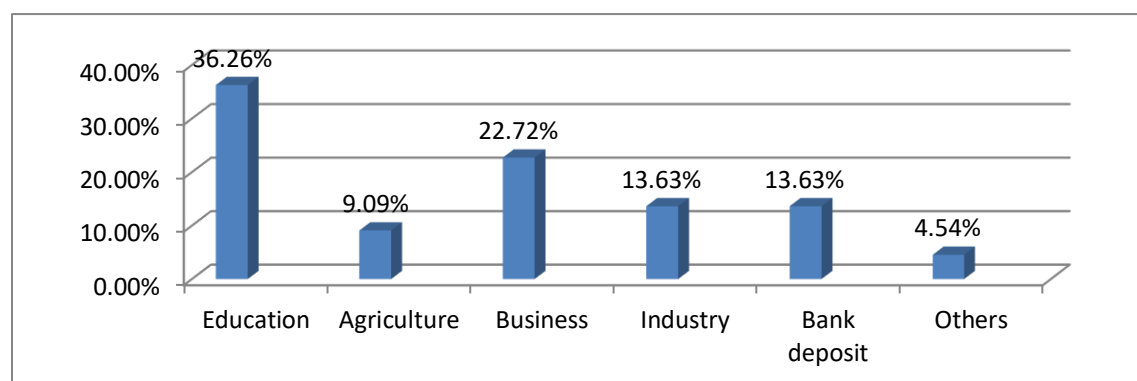
Nepalese migrant workers who earn some money use that in their home country in various productive sectors. Although only few percentage of the money is used in the productive sectors. Most of the income is spent in the non-productive sectors. The table below shows the use of the remittance in the productive sector.

Table 4.18
Use of Remittance on Productive Sector

Sectors	No. of the Respondents	Percentage
Education	40	36.26
Agriculture	10	9.09
Business	25	22.72
Industry	15	13.63
Bank deposit	15	13.63
Others	5	4.54
Total	110	100

Source: Field Survey, 2015

Fig 4.18
Percentage of Use of Remittance on Productive Sector



Source: Based on the table 4.18

The above table 4.18 and figure 4.18 show that most of the remittance i.e. 36.26 percentage is used in education. 22.72 percentage of remittance is used in business. Only 13.63 percentage of the remittance is deposited in the bank. As most of the family members of the migrant workers have very less land so, only 9.09 percentage of the respondent used remittance in the agriculture field.

4.19 Spending pattern of the Income from Remittance

The use of remittance depends on the priority placed by the individuals on different uses. It also depends on the size of remittance, the time of availability, opportunities for investment and several other factors. Majority of migrants workers go abroad because of the unemployment at home and poverty in the households. Each individual spent the earning in more than one use, but to find out the using pattern of remittance they were asked to point out the one major sector they made expenses more on it.

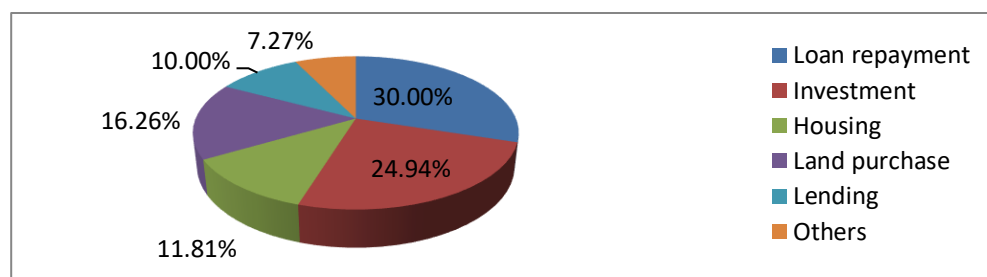
Table 4.19
Spending pattern of the Income from Remittance

Sector	No. of the respondents	Percentage
Loan repayment	33	30
Investment	27	24.94
Housing	13	11.81
Land purchase	18	16.26
Lending	11	10
Others	8	7.27
Total	110	100

Source: Field Survey, 2015

Fig 4.19

Percentage of Spending pattern of the Income from Remittance



Source: Based on the table 4.19

In the table 4.19 and figure 4.19 it is seen that 30 percent of the migrant workers use their money in repaying their old and new loans. The loan can be taken at their time of foreign employment or it may be taken for various purposes like construction of house, business etc. 24.24 percent of them use their money for investment like in the sectors of education, industry, bank deposits, agriculture etc. Few of them use it for housing and land purchases too.

4.20 Impact of Remittance on Monthly Expenditure of Family

The monthly expenditure of the workers' families has changed a lot. In many cases their expenditure has increased due to remittance. Therefore the remittance has shown the positive effect on the spending pattern of the people. The following table 4.20 and fig 4.20 shows the expenditure before and after receiving remittance by the people of the study area.

Table 4.20

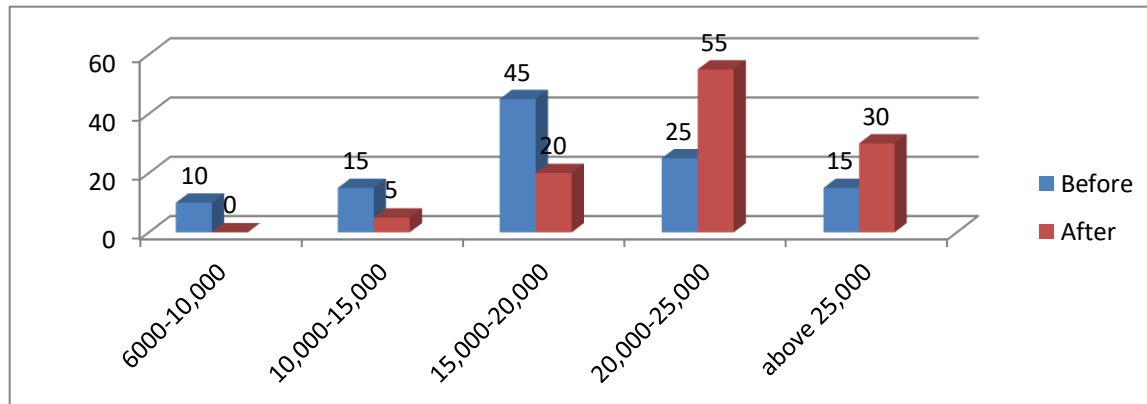
Impact of Remittance on Monthly Expenditure of Family

Expenditure(before remittance) In Rs.	No. of the Respondents	Expenditure(after remittance) In Rs	No. of Respondents
6000-10,000	10	6,000-10,000	-
10,000-15,000	15	10,000-15,000	05
15,000-20,000	45	15,000-20,000	20
20,000-25,000	25	20,000-25,000	55
Above 25,000	15	Above 25,000	30
Total	110	Total	110

Source: Field Survey, 2015

Fig 4.20

Percentage of Impact of Remittance on Monthly Expenditure of Family



Source: Based on the table 4.20

The table 4.20 and figure 4.20 show that the spending capacity of the families is increasing due to the inflow of the remittance from the overseas. Before receiving remittance the people have average of Rs.20,000 to be spent for the month. After getting remittance their expenditure has increased to range of Rs. 25,000. This shows the positive expenditure pattern of the families

against the remittance. The monthly expenditure of the families of the migrant workers have increased as explained by the table above. However there is not great change in their living standard as expected. It is due to the amount of the remittance supplied from them. Our people work abroad with less amount of salary and with unskilled job.

4.21 Impact of Remittance on various Socio economic Indicators

The table shows the comparison of the remittance receiving families on their various socio economic factors.

Table 4.21

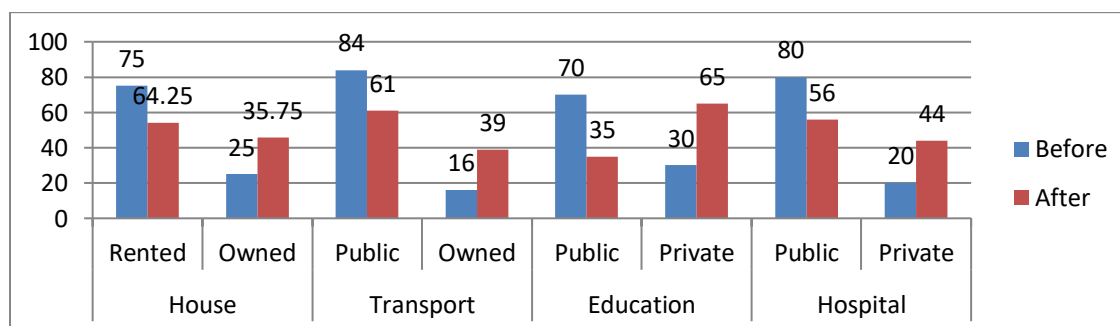
Impact on Various Socio economic Indicators

Indicator	House		Transport		Education		Hospital	
	Rented	Owned	Public	Owned	Public	Private	Public	Private
Before	75	25	84	16	70	30	80	20
After	64.25	35.75	61	39	35	65	56	44

Source: Field Survey, 2015

Fig. 4.21

Impact on Various Socio economic Indicators



Source: Based on the table 4.21

The table 4.21 and figure 4.21 show the positive impact of the remittance in the socio economic indicators of family of the study area. The greatest change was seen in the education pattern as 30% people used to enrol their child in private school before remittance but after remittance it reached to 65 per cent. Similarly family using private transport is also increasing which shows the buying capacity and spending capacity both are increased due to remittance. The percentage of people living in their own house has increase from 25 percent to about 35 percent. Now 44 percentage of people use private hospital after receiving remittance which was just 20 percent before receiving remittance.

4.22 Impact of Remittance on Major Household Economic Indicator

Remittance has widespread effect. Remittance not only affects the economic status but also every aspect of an individual's life. Some of the indicators have been evaluated to test whether remittance has the positive /negative impact on them. Regarding the impact of the remittance on household indicators land ownership and average income have been increased but loan burden has been decreased. The trend of keeping money in formal institution like bank has also been increased.

Table 4.22
Impact of Remittance on Major Household Economic Indicators

Indicators	No. of the Respondents			
	Increased	Decreased	No Change	Total
Land Ownership	54	6	50	110
Bank Balance	70	4	36	110
Loan Burden	10	80	20	110
Average Income	76	7	28	110

Source: Field Survey, 2015

Table 4.22 shows the impact of remittance in the major household economy. It is found that 54.11 percent of respondent have increased the land ownership while 5.54 percent of them have decreased the land ownership. About 64 percent of them have increased the bank balance and 3 percent of their bank balance is decreased. Similarly about 9 percent of them have increased the loan burden and about 73 percent of their loan burden is decreased. The average income of about 70 percent of respondent is increased and 6 percent of them have decreased the average income.

4.23 Impact of Foreign Employment on other Socio economic Indicators

It is often believe that if somebody receives foreign employment his household economy will improve. If the respondents are able to gain more than the income which is needed to run their family and also to pay their loans principle as well as their interest amount then only their economic standard can be improved and their poverty problem can be reduced. To find out the change in household economic condition due to foreign employment, the respondents were asked to give their own judgement about their economic condition before foreign employment and after foreign employment and comparison of these two periods. The answer given by them is presented in the following table

Table 4.23

Impact of Foreign Employment on other Socio economic Indicators

Indicators	Change in Conditions			Total
	Increased	Decreased	Remained Same	
Economic Status	75	10	25	110
Standard of living	83	7	20	110
Social Status	70	-	30	110
Skills	90	-	20	110

Source: Field Survey, 2015

From the table 4.23, it shows that about 70 percent of respondent's economic standard is increased. While about 8 percent of their economic standard is decreased. The decrement in economic status might have been resulted with high cost and low pay in the foreign employment or short period of foreign employment. Nearly 75 percent of them reported that their standard of living has increased and 5percent of their living standard is decreased. This might due to increment in the family debt. Similarly about 64 percent of them have increased their social status and about 82 percent of them have increased the skill status from the foreign employment. From the above table it can be concluded that most of the respondents felt that there was positive impact in them due to foreign employment

4.24 Major Problems Associated with Foreign Employment and Remittance

The above tables show the positive impact of the foreign employment and remittance in the society but we have numerous problems related with it. The respondents of the study area were asked about the major problems related with foreign employment and the remittance. Their opinions are listed below.

- 1) Lack of manpower in the Society: The foreign employment has created the remittance in the society but in the same time the number of working people in the society is also decreasing. This condition can bring the negative impact in the national economy in the long run.
- 2) Increment of the import goods: In the short time period, people enjoy the use of remittance by buying various expensive goods which are imported from abroad. This condition has helped in changing our economy towards the import oriented economy. This condition is not good for the country in the long run.
- 3)Decrement in the local productivity: As the working group of the people is maximum out of

the country for foreign employment, this has decreased the productivity of local goods in the society. People don't like to invest in the industry and agriculture as they feel easy to earn money by selling imported goods and earning from the remittance. The agricultural land is found barren in most of the areas due to same reason.

4) Being cheated by agents: Many respondents said that there is high risk of being cheated by the manpower agent during the process of foreign employment. In their views most of them are cheated for the types of job and some of them are cheated for the amount of the salary to be paid in the foreign employment.

5) Unsafe working place: Some of the respondents found that the working place of people is not safe for their health in foreign employment. Some of them are asked to work in the burning heat while other has to work for long hours without rest.

6) Ineffective government laws and policies: The government laws and policies are not so effective to help the overseas worker. From the initial stage to the final stage of preparation for the foreign employment, the worker is found cheated by agents in various fields like in the visa, ticket cost etc.

7) Use of remittance in unproductive sectors: This is the main problem related to the remittance in our country. Almost 80 percent of the remittance is used up in the day to day consumption. Only few percent of it is used in the productive sectors like in agriculture, business etc.

8) Low earning capacity: Many respondents said that most of their relative have gone for the foreign employment in the country with low salary scale. The overseas worker are mostly in the gulf countries where the salary scale of our people is low it is also due to lack of skilled with them in the related work.

9) Difficult to receive remittance: Only about 50 percent of the remittance received in the study area come from the formal channel. Other amount comes from many agents like hundis, relatives etc. It has brought the high risk of their money when sent from those informal areas.

10) Lack skill training centre: Most of the respondents said that they have no idea about the way of getting training before going to the foreign employment. Most of them go without skill and work as labor in low salary.

CHAPTER V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

The major findings of the case study of Sitapaila on foreign employment and remittance are summarized as follows:

- 1) Most of the people about 70% gone for foreign employment are male and between the ages of 18 to 35 years.
- 2) About 60% of people are below bachelor level of study.
- 3) Most of the overseas employees are from Bhramin, Chhetri and Newarcommunities.
- 4) Most of them are married.
- 5) Most of their family have income below 2 lakh except from remittance.
- 6) Major destination is gulf countries and few of them are in Korea, Europe and other.
- 7) Most of them send remittance through formal channel and spend 3 years and above in the overseas employment.
- 8) About 50% Of them have gone for semi skilled job and earn below 7 lakh yearly
- 9) About 60% of the remittance is used for education and business but about 30% of them use for loan repayment.
- 10) The expenditure of their family have increased to RS 25,000 monthly.
- 11) About 64 percent of them have rented house which was 75 percent before receiving remittance.
- 12) The percent of owned vehicle increased from 16 percent to 39 percent.
- 13) About 65 percent of them have access to private hospital which was just 30 percent before remittance.
- 14) The number of respondent reduces from 80 percent to 44 percent which receive health facilities in public hospitals.
- 15) Most of the respondents use remittance in the unproductive sectors.
- 16) Bank balance, land ownership and average income of the most of the household is increased whereas loan burden is decreased.
- 17) Economic standard, social status and living standard of the respondents of the study area is found increased.

5.2 Conclusion

Remittance has emerged as one of the premier source of foreign exchange of Nepal. Recently years they have been one important revenue of support for family members remaining at home. It seems migrant workers are the effective tools for poverty reduction. From the study, it can be said that, economic condition of the migrant workers are poor. Therefore, they have to go to the overseas employment through loan and most of the people spend their earning in repayment of debt. Because of being uneducated and unskilled manpower, they are facing many kinds of problems

Overseas employment helps to divert large amount of remittance into national economy. Remittances have positive impact on national economy as well as household economic condition but this is not satisfactory. Maximum parts of the remittance have been used in household expenses like loan repayment, house maintenance and social spending. Likewise, the study also reveals that bringing more remittance money through formal channels is critical. So the current need is for more effective migrant management to reduce the vulnerabilities of migrant workers and safeguard the rights of migrant workers.

5.3 Recommendations

To promote overseas employment and attract remittance more suggestion can be made. The important recommendations include the following:

- 1) Nepalese government has to carry out in depth study identifying the problems of migrant workers in home countries as well as in the potential countries where they are going for work.
- 2) Migrant workers must be aware of the general information about the destination country.
- 3) The labour contract or an agreement with the employer which is essential to overseas employment must be done in Nepalese language.
- 4) To invest the remittance income in productive sector, the government should initiate for the development of bonds like Remittance Bond, having higher rate of interest, or a kind of mutual fund. So that we can generate further income and employment from that remittance.
- 5) Formal channel for receiving remittance should be promoted.
- 6) The bilateral agreement should be done from the ministry level with all the labor

importing countries. Agreements done with UAE, Qatar and Korea can be the best example.

- 7) The labor desk should be established in the airports of labor migrating countries to help the Nepalese labor in various problems.
- 8) In case of woman migrant workers, policies are not encouraging to them and the problems faced by the women migrants in abroad is as usual.
- 9) It is also found that government has lack of proper vision and working mechanism to address the issue of international labor migration. Market promotion, market assessment, demand verification and the provision of labor attaché in the potential labor receiving country are still lacking, although the foreign labor migration has been developed as emerging business and a reliable source of national source income in the difficult situation of the country.
- 10) Surely remittance income is playing very positive role to reduce rural poverty of the study area and also it is improving the social as well as other economic indicators of this area but this is not satisfactory. Maximum part of the remittance is used in the unproductive sectors so, government should develop the policy as to encourage the people to use the remittance in the productive area which help the country to increase the economic standard.

REFERENCES

- Acharya, S. (2013). *Empirical analysis of remittance inflow*. Kathmandu: The case of Nepal International Conference on Economical Finance 20-22 April, vol.2. paper No. 7.
- Adams, R.H and page, J.(2006). *World Development*. Do international migration and remittances reduce poverty indeveloping countries? pp.1645-1669.
- Bhadra, C (2007). *International labor migration of Nepalese Women: The impact of their remittance on poverty reduction*. Asia-Pacific Research and Training Network on Trade, Working Paper Series, No.44, September.
- Bhatt, G.R. (2013). *Remittance and trade deficit in Nepal*. Online available: <<http://www.nrb.gov.np>>.
- Bista, R. B.(2008). *Nepalese economy and development*.Kathmandu: PrativaPrakashan.
- CBS (2014). *Village profile of Nepal*. Kathamndu: Central Bureau of Statistics.
- DOFE (2013). *Annual report on foreign employment*.Kathmandu:Department of Foreign Employment.
- Faal, G.(2013).*Remittance could be as suitable as international development finance*. Article online Published in the Independent Blog.
- Gaudel, Y.S.(2006). *Remittance income in Nepal: Need for economic development*. The Journal of Nepalese Business Studies Vol.III No. 1 Dec. 2006.
- Ghimire, P.(2013). *Productive use of remittance*. Report Published in Kathmandu Post.
- Hass, H.(2010). *Trend in migrantremittance*.InternationalMigrationReview, World Economic Outlook.
- IMF (2011).*International transaction in remittance* .Washington DC: International Monetary Fund.
- IMF (2012).*World economic outlook*.Washington DC: International Monetary Fund.
- Karna, S.K.(2004). *Remittance economy of Nepal*. Kathmandu: A Research Report Submitted to CEDECON, TU, Nepal.
- KC, S.(2012). *Effect of remittance in the economy of Nepal*.Kathmandu: Social Sciences and Humanity Studies Academic Blog.
- Khanal, D.(2011). *Macro economicspolicy*.Kathmandu: Institution of Policy Research and Development.
- Kshetry, D.(2013). *Remittance: cash and benefit*.Kathmandu:Annual Publication, Nepal

- RastraBank.
- NRB (2015). *Fifth household budget survey*. Kathmandu: Nepal Rastra Bank.
- NRB (2013). *Economic review*. Kathmandu: Nepal Rastra Bank.
- Pant, B.(2008). *Mobilizing remittance for productive use: a policy orient approach*. Kathmandu: NRB working paper,4 Dec.
- Pant, B.(2010). *Harnessing remittance for productive use in Nepal*. Kathmandu:NRB occasional paper.
- Ratha, D.(2005). *Remittance: A lifeline for development*. Washington: Woodland Publication.
- Ratha, D.(2007). *Leveraging Remittances for Development*. Washington DC: Migration Policy Institute
- Sanderatne, N.(2012). *Economics benefits and social Costs of Migration*. Article published in Sunday Times.
- Sapkota, C.(2012). *Economic growth and development policy*. Kathmandu: Article Published in The Kathmandu Post.
- Sharma, N.(2015). *Use of remittance*. Kathmandu: Article published in Himalayan Times.
- Shrestha, P.(2009). *foreign employment and remittance in Nepal*. Kirtipur: The Economic Journal of Nepal. Vol. 32, No.1. Jan-March 2009 CEDECON .
- Singh, P.(2011). *Remittance economy*. Himal south Asian.
- Singh, S.K.(2011). *International migration, remittance and its macro economic impact on Indian economy*. Ahmadabad: Indian Institute of Management.
- The World Bank (2013). *World Development Report*. New York: The World Bank.
- The World Bank (2015). *Migration and Development brief*. New York: The World Bank.
- UN (2010). *International migration, uncertain consequences*. New York: United Nations

APPENDIX

Questionnaire for Household Survey, 2015

Central Department of Economics

Tribhuvan University

(For the purpose of MA Thesis "Impact of Foreign Employment and Remittance: A Case of Sitapaila, Nagarjun Municipality, Kathmandu, Nepal)

A) Introduction of the overseas Employee

Name.....Age.....Sex

Education.....Cast/Ethnicity.....

Marital Status.....

B) During the process of Overseas Employment

1) Which country did you go?.....

2) Why did you go there?.....

Push Factors

a) Unemployment b) Poverty c) Conflict d) Family loan burden e) Others.....

Pull Factors

a) Employment b) Better living standard c) Better Education

d) Friends/Relatives e) Others.....

3) How much did you pay for foreign employment?

Rs.....

4) How did you go there?

a) Through MPAs b) Through Relatives/Friends c) Others

5) For what type of work have you gone for?

- a) Skilled (doctors, engineers, sale representative, administrative assistance, nurse, teacher, cook)
- b) Semi-skilled (sales person, security guard, waiter/waitress, driver, laundry)
- c) Unskilled (labor, cleaner, caregiver).....
- d) Others

C) Situation of Overseas Employment

6) How much did you earn in a year?

- a) Less than 3 lakh.....
- b) 3-5 lakh.....
- c) 5-7 lakhs.....
- d) 7-9 lakhs....
- e) 9-11 lakh.....
- f) Others.....

7) How much did you remit in a year?

.....

8) Which channel did you use to send remit?

- a) Formal channel (e.g. banks, money transfer).....
- b) Hundi.....
- c) Friends/Relatives.....

9) How long did you stay there?

..... Years

D) Using Pattern of Remittance

10) How did you spend your income?

- a) Loan repayment...
- b) Investment.....
- c) Housing.....
- d) Land purchase...
- d) Lending.....
- f) Saving.....
- g) Others.....

11) Where have you invested your money?

- a) Agriculture.....
- b) Business....
- c) Industry....
- d) Education... Others..

E) Impact of Remittance

12) What is your monthly expenditure?

Before receiving remittance Rs.....

After remittance Rs.....

13) What is your annual income?

Before remittance Rs.....

After remittance Rs.....

14) What is the main source of your income?

a) Agriculture b) Business c) Remittance d) Service e) Others

15) What type of housing do you have?

a) Before remittance: Rented..... Owned.....

b) After remittance: Rented..... Owned.....

16) What type of transport system do you use for your day to day work?

a) Before remittance: Public transport..... Owned vehicle.....

b) After remittance: Public transport..... Owned vehicle.....

17) What type of schooling/college do your family member has?

Before remittance: Public Private.....

After remittance: Public Private.....

18) From where does your family member receive health services?

Before remittance: Public hospitals Private hospitals.....

After remittance: Public hospitals Private hospitals.....

19) What is the impact of remittance in the following indicators?

- a) Land ownership: Increased.... Decreased..... Remained same
- b) Bank balance: Increased.... Decreased..... Remained same
- c) Loan burden: Increased.... Decreased..... Remained same
- d) Average income: Increased.... Decreased..... Remained same
- e) Economic Status: Increased.... Decreased..... Remained same
- f) Standard of living: Increased.... Decreased..... Remained same
- g) Social status: Increased.... Decreased..... Remained same
- h) Skill: Increased.... Decreased..... Remained same

20) What type of Problem have you faced due to foreign employment?

.....

21) What are your suggestions to those who are willing to go abroad?

.....

22) What is your opinion to make overseas employment productive?

.....