

**SOCIO-ECONOMIC CONTRIBUTION OF REMITTANCE
IN RURAL PEOPLE**

A Case Study of LeguwaVDC of Dhankuta District

A Thesis

Submitted to:

**Central Department of Rural Development
Faculty of Humanities and Social Sciences for the
Partial Fulfilment for the Degree
of Master of Arts in
Rural Development Studies**

By

MANOJ TAMANG

**Central Department of Rural Development
Tribhuvan University, Kathmandu
TU Registration No:6-2-9-382-2009
January, 2017**

LETTER OF RECOMMENDATION

The thesis entitled **Socio-Economic Contribution of Remittance: A Case Study of Leguwa VDC of Dhankuta District** has been prepared by **Mr. Manoj Tamang** under my guidance and supervision. I hereby forward this thesis to the evaluation committee for final evaluation and approval.

Date: 2073/10/26

.....
Lecturer Ramesh Neupane
(Thesis Supervisor)
Central Department of Rural Development
Tribhuvan University, Kathmandu

APPROVAL LETTER

The thesis entitled **Socio-Economic Contribution of Remittance: A Case Study of Leguwa VDC of Dhankuta District**, submitted by **Mr. Manoj Tamang** in partial fulfillment of the requirements for the Master's Degree (M.A.) in Rural Development has been evaluated and approved by the evaluation committee.

Evaluation Committee

.....

Prof. Dr. Prem Sharma

Head of Department

.....

Prajwal Man Pradhan

Lecturer

External Examiner

.....

Ramesh Neupane

Lecturer

Thesis Supervisor

Date: 2073/11/01

DECLARATION

I hereby declare that the work reported in this thesis entitled **Socio-Economic Contribution of Remittance: A Case Study of Leguwa VDC of Dhankuta District** submitted to Office of the Dean, Faculty of Humanities, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the degree of Master of Arts (MA) under the supervision of **Lecturer Ramesh Neupane** of Central Department of Rural Development, T.U.

Manoj Tamang

TU Regd. No: 6-2-9-382-2009

Date: 2073/11/01

ACKNOWLEDGEMENT

The present thesis on **Socio-Economic Contribution of Remittance: A Case Study of Leguwa VDC of Dhankuta District** is an outcome of direct and indirect cooperation from various personalities. With this regard firstly, I would like to extend my hearty thanks to Central Department of Rural Development who provided an opportunity to gain in depth theoretical and practical knowledge of the research, which greatly helps to gain the understanding the practical aspect of the subject.

I am deeply indebted to my supervisor Lecturer Ramesh Neupane and who has supervised throughout the completion of the research by his stimulating suggestions and encouragement that was required for the effective survey & for the overall completion of the work. I sincerely appreciate their cordial support, guidance and patience.

I am highly indebted to all the villagers of Leguwa VDC for their support and co-operation during the field study.

Finally, I would like to give my special thanks to my family members, friends and all the teachers who have supported throughout the completion of M.A. Study.

Manoj Tamang

ABSTRACT

Nepal has been one of the greatest shareholders of global remittance but the issue is how such flows have been used in the lifestyle of before and after receiving remittance at the households. This study conducts contribution of surveying both before and after receiving remittance households in Leguwa VDC of the largest migrant-sending VDC in Dhankuta District, and analyzes the contribution gain resulting from remittance flows and use pattern in the study area.

The research was conducted under 'descriptive and explanatory research design used to fulfill the objectives of the study area. A total no. of households 307 among them there were 91 households were selected by using purposive sampling. Both primary and secondary data were collected from different sources for the research. Primary data were collected through structured questionnaire survey for before and after receiving remittance household. Interview and Key informant interview were also carried out. While secondary data were collected from various published and unpublished information sources i.e. relevant literatures, books, journals, annual reports and other official sources.

The majority of migrants are married in this study area which is 82.9 percent. Education status is 82.42 percent literate. The majority of migrant by age and sex in the study area is 41.76 percent which is 30-45 age and male people.

The highest proportion (50 percent) of sent money between the range above 30,000 per month and 56 percent people receive remittance by wife/husband which is the highest ratio of receiving remittance in the study area.

In the study area the highest expenditure of remittance in education (21.98 percent) and second highest is saving level (20.88 percent) than others. They are used of remittance are paying debt, daily consumption goods, house build and health sector etc.

There are many kind of change after receiving remittance like as housing condition which is the pakki house is 5.49 percent before receiving remittance but 16.48 percent pakki house after receiving remittance. They are increase in the food sufficiency after receiving remittance because of improves economic condition. In the study area there are change in the income structure which is 6.59 percent income is before receiving remittance but 21.9 percent income is after receiving remittance.

TABLE OF CONTENTS

	Page No.
LETTER OF DECLARATION	i
LETTER OF RECOMMENDATION	ii
APPROVAL LETTER	iii
ACKNOWLEDGEMENTS	iv
ABSTRACT	v
TABLE OF CONTENTS	vi
LIST OF TABLES	ix
LIST OF FIGURES	x
ACRONYMS/ABBREVIATIONS	xi
CHAPTER-I INTRODUCTION	
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 REVIEW OF LITERATURE	
2.1. Concept of Remittance	6
2.2 Status of Remittance in Global Context.	7
2.3 Status of Remittance in Nepalese Context.	9
2.4. Remittance Inflow	10
2.5 Empirical Review on Remittance	11
CHAPTER – III RESEARCH METHODOLOGY	
3.1 Research Design	21
3.2 Rational for the Selection of Study Area	21
3.3 Nature and Source of Data	21
3.4 Population, Sample and sampling procedure	22
3.5 Techniques and Tools of Data Collection	23

3.5.1 Household Survey	23
3.5.2 Key Informant Interview	23
3.5.3 Focus Group discussion	23
3.6 Data Processing and Analysis	23

CHAPTER- IV PRESENTATION AND ANALYSIS OF DATA

4.1 Introduction of the Study Area	24
4.2 Socio-economic Information of Respondent	25
4.2.1 Age and Sex Structure	25
4.2.2 Education Status	26
4.2.3 Marital Status	27
4.2.4 Family Type	27
4.3 Status of Remittance Inflow	28
4.3.1 Land Holding Pattern	28
4.3.2 Amount of Remittance	29
4.3.3 Remittance Receiver	30
4.3.4 Channel of Receiving Remittance	31
4.4 Use Pattern of Remittance	32
4.4.1 Expenditure Pattern	32
4.4.2 Expenditure on Education	33
4.4.3 Expenditure Pattern on Daily Consumption	34
4.5 Change in Socio Economic Condition due to Remittance	35
4.5.1 Change in Assets	35
4.5.2 Change in Housing condition	36
4.5.3 Change in food sufficiency	37
4.5.4 Changes in Income Structure	38
4.5.5 Change in Job Structure	39
4.6 Negative Impact of Remittance in the society	40

CHAPTER-V SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary	41
5.2 Conclusion	43
5.3 Recommendation	44

References

Annexes

Annex I: Questionnaire for Household Survey

Annex II: Key Informant Interview Guideline

Annex III: Focus Group Discussion Guideline

LIST OF TABLES

Table No.	Title of Table	Page No.
2.1	Remittance Inflows	10
3.1	Sample Size of Respondents	22
3.2	Technique and tools of Data collection	23
4.1	Distribution of Migrants by Age and Sex	25
4.2	Distribution of Migrants by Education status	26
4.3	Distribution of Marital Status	26
4.4	Distribution of Migrants Household by Types of Family	28
4.5	Distribution of Migrants Household by Size of Land Holding	28
4.6	Amount of Remittance	30
4.7	Remittance Receiver	30
4.8	Channel of Receiving Remittance	31
4.9	Expenditure Pattern in Household Level	32
4.10	The Pattern of Expenditure on Education	33
4.11	Expenditure Pattern on Daily Consumption Goods	34
4.12	Change in assets before and after receiving remittance	35
4.13	Change in housing condition before and after receiving remittance	36
4.14	Change in Food sufficiency	37
4.15	Change In Income Structure before and after receiving remittance	38
4.16	Change in Job Structure before and after receiving remittance	40

LIST OF FIGURES

Figure No.	Title of Figure	Page No.
2.1	International flow of remittance	11
4.1	Distribution of Migrants HHs by Size of Land Holding	29
4.2	Expenditure Pattern in Household Level	32
4.3	Percentage of Household by living Standard facilities (Before& After)	35
4.4	Percentage of Food sufficiency Due to Remittance	37
4.5	Percentage of Monthly Income by Migrants	39

ABBREVIATION/ACRONYMS

AD	:	Anno Domini
BOP	:	Balance of Payment
BS	:	Bikram Sambat
CBS	:	Central Bureau of Statistic
CDR	:	Central Development Region
DOFE	:	Department of Foreign Employment
EDR	:	Eastern Development Region
EU	:	European Union
FDI	:	Foreign Development Region
FWDR	:	Far-western Development Region
FY	:	Fiscal Year
GDP	:	Gross Domestic Region
GNI	:	Gross National Income
GON	:	Government of Nepal
HHs	:	Household
ICIMOD	:	International Center for Integrated Mountain Development
LAC	:	Latin America and Caribbean
ILO	:	International Labor Organization
LDDs	:	Least Developed Countries
IMF	:	International Monetary Fund
MOL	:	Ministry of Finance
MWDR	:	Mid-western Development Region
NLFS	:	Nepal Labor Force Survey
NPHS	:	National Population and Housing Census
NRN	:	Non Residential Nepali

SAARC	:	South Asian Association for Regional Co-operation
SSU	:	Secondary Sampling Unit
UK	:	United Kingdom
UAE	:	United Arab Emirates
USA	:	United States of America