

**A STUDY ON REMITTANCE INCOME IN  
PHOKSING VDC OF GULMI DISTRICT**

**A Thesis**

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**By**

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## **LETTER OF RECOMMENDATION**

This thesis entitled an “A STUDY ON REMITTAICE INCOME IN PHOKSING VDC OF GULMI DISTRICT” has been prepared by Mr. Pashupati Sapkota under my supervision and guidance. I hereby recommend this thesis for approval as a partial fulfillment of the requirements for the Degree of MASTERS OF ARTS IN ECONOMICS.

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Date: Sep 29, 2013

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Pashupati Sapkota

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## **Abbreviations and Acronyms**

CBS	- Central Bureau of Statistics
GDP	- Gross Domestic Product
GNP	- Gross National Product
WB	- World Bank
US	- United States
UN	- United Nations
NPC	- National Planning Commission
FDI	- Foreign Direct Investment
IOM	- International Organization for Migration
NLSS	- National Living Standard Survey
ILO	- International Labor Organization
USA	- United States of America
VDC	- Village Development Committee
TV	- Tele Vision
UK	- United Kingdom
IME	- International Money Express
POP	- Population
MIG	- Meeting on International Migration
FCM	- Fourth Coordination Meeting

# CHAPTER I

## INTRODUCTION

### 1.1 Background of The Study

Remittance is one of the most relevant income or foreign exchange/currency in Nepal. Nepalese economy depends on the remittance income where as Nepal is one of the most labor exporting countries in recent years where approximately 25000 labors are leaving Nepal every month and remittance income comprises more than 22 percent of gross domestic product (GDP) of Nepal. The proportion of remittance receiving households has increased from 22 percent to 56 percent within the period of last 20 years and the proportion of remittance income to total income is 35 percent. Per household remittance income comes to be Rs. 80,436 per year which is about six times higher than the first Living Standard Survey (CBS, 2011). Flow of remittance to Nepal is around 400 billion in 2012 it is a huge amount in the contest of present situation where many migrants workers are entering into the international labor market like Malaysia, UAE, Qatar, Saudi Arabia and other European countries.

Nepal has also the long tradition of were as employment which started particularly after the people started migration to neighboring Indian cities. The trend now, however has shifted and the overseas employment has become one of attractive options for many leaving the country to work aboard. The arguments for peoples interest for foreign jobs, be it in neighboring country or overseas is attributed to low absorptive capacity of domestic economy caused by the sluggish performance of manufacture and non-manufacture sectors, rapid growth of population and labor force, prolonged political instability, changing attitude of the people I their live hood and others.

With growing number of people leaving for foreign jobs, the remittance has convincingly become one of the reliable source of foreign exchange for the Nepalese economy. Nepal in 2011/12 earned remittance income NRs. 217.76 billion which is about one third of its gross domestic product. This significant share of remittances indicates that any decline in remittance could potentially disturb the functioning of the economy at macro level particularly in external sector. A total of 2.4 million people went abroad as migrant workers, which is a significant number for its total 26.6 million people in the country (CBS, 2011). A majority of them have been to Qatar followed by Malaysia (Development of Foreign Employment, Ministry of Labor and Transportation in management GON). A number of villages in rural Nepal have been deserted of young working age individuals, turning the Nepalese economy from rural agro based economy into the remittance economy.

## **1.2 Statement of The Problem**

The direct economic impact of the remittance is seen about the reduction of poverty allegation in the present situation by its use in the productive activities even through positive impact seen in the society. By the increasing of remittance income we can see indirectly positive impact such as, impact on health, education, gender issues, social participation, politics, women empowerment and cultural and social changes. Remittance increases the households, social consumptions pattern and expands the overall economic activities, Besides the increased number of migration help to raise to local wage rate such a raise in wage rate, people are gaining those who are backwardness in the community.

Raising unemployment in the domestic economy due to the internal conflict, corruption, failure of domestic industries, lack of other employment opportunities in the domestic economy. Most of the labor sources are entering in international labor market as a working of low class, hard and risk work. There is rear as an official workers on one hand they are getting trouble with risky work on the other hand having a low wages rate Nepalese labors are compelled to work still abroad. The socio-economic impact of labor migration can be positive as well as negative. It is said that the high proportion of

remittance income goes to consumption at household level and to unproductive sector at national level. However, at the villages many development works have been observed. The specific research questions can be listed as;

1. What are the sectors remittances is used mostly?
2. Effect of remittance in villager's life style.
3. How do the recipients make regular expenditure of the remittance income?

### **1.3 Objectives of the Study**

The major objective of this study is to identify impact of remittance income in migrant – sending household in Phoksing VDC and effective use of remittances. The tentative specific objectives are:

1. To describe the role of remittance income of economic development of Phoksing VDC.
2. To identify whether migrant workers use their remittance earnings in productive or non-productive areas.
3. To know the income and expenditure of Treatment and Control households.

### **1.4 Significance of Study**

The critics say that although remittance income has improved standard of living in the short term, such trend will sluggish the overall growth in the long run. Even though the attractive salary and employment opportunity than domestic labor market, unskilled highly unaware, uneducated, lack of information, large share of workers are compelled to risky work with low salary or wage rate.

Yet another less explored area so far regarding remittances is how the people going abroad 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 areas where there is

acute lack of financial services. On this ground, this research also aims at identifying how migrant workers finance their cost of foreign trip.

Phoksing VDC also including one of the most remittance recipient VDCs in Gulmi District. With an enormous number of people residing outside for foreign job, however, the question is that how money sent by those workers in the VDC has affected the livelihood of their families and neighborhoods back in this society. This study is expected to answer this question by conducting a comprehensive survey in migrant-sending communities of the VDC.

### **1.5 Limitations of the Study**

1. Due to the time and constraint of resources and limited time, 90 households have been chosen out of 580 households.
2. The households are chosen randomly for the reason that this approach reduces bias in the estimation. However, this approach has a limitation that the wards may have the chances to concentrate in one area.
3. In addition, yet again because of limited budget and time constraint, this study takes account of only few socio-economic variables for the analysis and observes the impact of remittances on these variables.
4. It is also assumed that there is no recall bias. As per this assumption, the households are believed to be capable of remembering their household status within the recall period, which may not be accurate for all household involved in the survey.
5. The study has been conducted in Phoksing VDC of Gulmi district.

### **1.6 Organization of the Study**

This study has been completed on three phases: preliminary studies and review of literature, field works and the writing of the thesis. In chapter II, review of literature

based on previous writings, articles and research works has been summarized in national and international level and this part also reviews the available theoretical and empirical literatures. Chapter III details the methodology used to collect, present and analyze the data, sampling methods and the planning of the field works. Chapter IV elaborates the findings of the empirical study and finally, chapter V summarizes the whole works with some recommendations and concludes the thesis findings.

# CHAPTER II

## REVIEW OF LITERATURE

### 2.1 Theoretical Background

Now days, the remittance is one of the most importance income source in the contest of Nepalese households. The volume of remittance income is growing at an exponential rate in recent years. The renewed debate stated particular by after 1990s when it was observed that the dependency theory and structural views on remittances. Which dominated the debated of 1970s and 1980s and maintained a pessimistic view on remittances witnessed a downfall. The dependency theorists were of the view that remittance never contributes to the developed of underdeveloped countries mainly or reason that international migration encourages brain drain from the developing countries depriving them of the human capital that they desperately need to meet their development goals. Prior to the dependency and structural views, however, the developmentalist and neoclassical thinkers during 1960 and 1970s had maintained optimistic views on remittances believing that capital and knowledge transfer by migrants would help to achieve development needs of least developed countries in the world. The same views have taken incarnation at the start of this century bringing back the debate about remittance on the floor once again.

**Aryal (2006)** in his article, conducted a household survey in order to find out the effect of the internal and the international remittance on the household welfare and land conservation investment, the impact of 10 per cent increase in these remittance incomes have been simulated. The increase in remittance has a positive effect on the household welfare and the soil conservation investment. Households production as well as consumption level have improved. Similar results are found in case of soil conservation investment of the household. It is quite interesting to note that both the use of family labor and hired labor have increased with the increase in remittance income of the

households in the village. The positive impacts may be due to the increase in liquidity with the households having remittance earnings. That might help generate land rental and the labor hire market within the village, which in turn increases the income of the households that do not have remittance earnings. The inter-dependence across the household groups in the village and their behavior need to be studied carefully to understand clearly the factors explaining this relation.

**Gaudel (2006)** in his journal, remittance income in developing countries has become a lifeline for economic development. By remittance we mean sending income in terms of money or goods in home by the migrants income from outside their home country. Now a days, remittance income has been growing rapidly in developing countries. Since long time in Nepal, many migrants have been transferring their income through the official and unofficial channels. Due to agencies like Western Union, International Money Express (IME), and Commercial Banks, in several district headquarters and villages of the country, the remittance flows has become popular for transferring cash or money in time to the recipients. However, it is difficult to calculate the exact size of remittance flows in Nepal due to the emergence of unofficial channels even though it has recorded in balance of payments account. In this regard, it is estimated that unrecorded flows through informal channels are believed to be more than 50 percent. A remittance transaction is completed in three steps. In the first step, the sender pays the remittance to the sending agent or institution using cash, cheque or money order or a debit card using ecommerce and so on. In step second, the sending agency instructs its agent in the recipients' country to deliver the remittance. In the third remittances are periodically followed between sending agents and paying agents according to their agreed schedules. However, informal remittances are settled particularly through goods trade. This scheme of sending money has played an important role to deliver money transfer services in a convenient way. The cost of remittance transaction includes a fee charged by the sending agent, which is paid by the sender and a currency conversion fee for delivery of local currency to the beneficiary in recipient country. If remittance comes through commercial banks or financial institutions, they may earn an indirect fee in the form of interest by investing funds before delivering the amount to the beneficiary.

**UN/POP/MIG/(2006)** in its report, has endeavored to determine the relationships between migration, remittances and the different income sources of Mexican rural households. First of all, decomposing the households' net income into its different sources has been done that international remittances have a negative impact in the income distribution. That the individuals who migrate do not come from the poorest households, because international migration has a higher risk and cost, may explain this impact. This assertion is backed up with the econometric results from the equation used to model migration. There it is possible to see that the wealth index variable has a positive and significant effect. Meanwhile, the same variable squared has a negative and significant effect, suggesting an inverted-U relationship between migrants and their level of wealth. In other words, households who allocate international migrants are within the middle and middle upper income of the income distribution spectrum. The national remittances impact is a decrease in the Mexican rural households' inequality level. The lesser risks and costs of internal migration explain this effect. Hence, a higher number of households can engage in this activity, without regard to which part of the income distribution they belong. Furthermore, as the results from the migration function suggest, these households are the less wealthy, causing a decrease in the distribution gap. The econometric results indicate that the principal migration motivators, as the literature predicts, are the household size and the existence of migratory networks. In this manner, the remittances effects on the different income sources are not null. Migratory phenomena represent cost for households that allocate members to migration in the form of loss of work force, and reflected in the decrease of wages income. It also promotes other income sources such as the livestock and the agricultural sector. Additionally it influences directly the rural households' income capture. Establishing the net impact is among the future objectives of the present investigation.

**NRB (2012)** in the research report of 2012, revealed the impact evaluation of remittances in Dhanusha district that of the total 25 socio-economic variables the study took for granted, more than half of them received expected impacts from remittances. The land purchase was most significantly affected variable from remittance income. Similarly, the

agricultural income was also substantially affected by remittances. Remittance-recipient households experienced a substantial rise in agricultural income after they started receiving remittances. The households of migrant workers were also found to be allocating a significant amount of their income in educational expenses. Consistent with that, study hours at home of their children were also positively affected. This outcome was in contrary with the results some prior studies had revealed that educational efforts of the children of migrant-sending households had adversely affected. The positive effects were also observed in the access of communication means such as radio, TV, and telephone. In the same line, the migrant households' radio listening and television watching habits were also increased significantly. The results in women empowerment were mixed, however. The women's decisions regarding children's education and financial transactions were positively affected whereas the effects were negative for women's health consciousness and child birth. Besides, the remittance-recipient households were found to be less conscious on their health conditions. The tendency of using open toilet in bushes and fields, for example, was higher in remittance-recipient households than in non-recipient households. The analysis with only treatment households demonstrated that there was no female worker among those who went abroad for foreign employment. Middle East was the most favorite destination of the migrants in the study area followed by Malaysia. The income from migration per migrant worker stood NRs 169,000 resulting in income of NRs 14,000 per month, indicating that the income of migrant workers is relatively low. Most of migration expenditure was financed by borrowing and only a trivial amount from savings. In borrowing, the average interest rates these households paid was 28.3 percent per annum, which was mostly from moneylenders who charged them as much as 40 percent per annum on average. Only 14 percent of total borrowings of these households were from formal bank and financial institutions at the average interest rates of 16.6 percent per annum.

**Hildebrandt and McKenzie (2005)** in their study about the positive effect of migration on health outcomes of migrant households by matching increases in monetary and social remittances with increases in birth weights and reductions in infant and child mortality and they also show that migration results in less likely breastfed and vaccinated children

but also higher level of health knowledge among mothers and argue that remittances somehow fail to capture the positive impact of migration to the child health as the latter may be strongly correlated with the mother health knowledge. The authors also consider the impact of migration on preventive health care. The paper provides a first investigation of the channels through which these networks affect child health, and it shows that the migration process can result in improved health knowledge. The first avenue is the direct effect of migration on income and wealth through remittances and repatriated saving, which allows households to spend additional resources on food and health services. Second, migrants may gain health knowledge through exposure to destination country practices, resulting in a more effective use of financial resources and thus a higher health attainment. The authors find evidence that migration influences health outcomes through both of these mechanisms: it raises both wealth and health knowledge. They find that children of migrants are less likely than the children of non-migrants to be breastfed, fully vaccinated, or taken to a doctor in their first year of life.

## **2.2 Review of Empirical Study of Remittance**

Remittances are typically helpful to meet specific needs of the respondents' family members and thus tend to increase their standard of living. In lower class or poor households, they may finance their remittances to fulfill their basic needs, such as in consumption, housing, children education and health care and to pay for loan. In middle class or rich households, they may provide either loan for individuals going abroad or capital for businesses and entrepreneurial activities. From micro economic point of view, this source may be more stable than capital flows. It is said that more than 10 percent of GDP from remittances in Nepal in the late 1990s and it is increasing rapidly and has reached moreover; it would be highly beneficial to the country, where there is natural calamities, political conflict, people war, low investment in entrepreneurial activities and economic recession.

**WB (2012)** in its report shows the Outlook of Migration and Remittance follows that Nepal has ranked 6th among all countries across the globe that receive more remittances

as a share of gross domestic product in 2011, says a report released on 1st December 2011 of the World Bank on Migration and Development. The Outlook for Remittance Flows 2012-14 estimates that Nepal will receive around US\$ 400 million worth of remittances from its overseas workers and in 2011, making remittances stand at 20 percent of country's total GDP. "Tajikistan, Lesotho, Samoa, Moldova and Kyrgyz Republic are the top five countries receiving more remittances as a share of GDP, and Nepal stands at the 6th place," says the report. Remittances received by these top five countries were equal to 31 percent, 29 percent, 25 percent, 23 percent and 21 percent of their respective GDPs. The new report show that the top recipients of remittances among developing countries in 2011 are India (US\$58 billion), followed by China (US\$57 billion), Mexico (US\$ 24 billion) and the Philippines (US\$ 23 billion). Pakistan, Bangladesh, Nigeria, Vietnam, Egypt and Lebanon are other large recipients in terms of US dollar. The report estimates that remittance flows to developing countries in 2011 could have touched US\$ 351 billion. This is 8 percent growth over what those countries received in 2010 and well above the growth forecast of 7.3 percent that the WB had made earlier. When flows to high-income countries are included, the global remittance flows could touch US\$406 billion in 2012. "And this is the first time since the global financial crisis that remittance flows to all developing regions have increased in 2011", reads the report. The report attributes the rise in remittance flows to countries like Nepal to high oil prices, something which enabled Gulf countries to hire more workers and pay them better than the past few years. The depreciation of local currency, which enabled families back home enjoy net exchange rate gains, also contributed in the flow of remittances in countries like Nepal.

Such finding of the WB matches with the figures that the Nepal Rastra Bank (NRB) released recently. The latest macro-economic report that NRB made public on Wednesday says Nepal received some Rs 75 billion worth of remittances over the first quarter of this fiscal year, which is about 28 percent rises over remittances received in the same period last year. The WB predicts that the remittance flows to developing countries could continue in a range of 7-8 percent per annum and reach US\$441 billion by 2014. The remittances are expected to increase 8.0 percent to \$351 billion in 2011, 7.3 percent

to \$377 billion in 2012, 7.9 percent to \$406 billion in 2013, and 8.4 percent to \$441 billion in 2014.

### **2.3 Socio-economic Impact of Remittance Income**

The income of migrants from the foreign employment has not only increased their personal income but also their social prestige. The rural people lying below the poverty level have succeeded to uplift their economic standard receiving the opportunity of foreign employment. Moreover, the downside of remittance reflects the view that the shortage of labor due to emigration has not only compelled to keep barren land in rural areas but also hamper agricultural productivity and ultimately the country would be liable to import the large quantity of food grains. Despite these, remaining young generation from the families for long time may affect their reproductive age and their vulnerability may be subject to communicable diseases. It is also possible that if they come back with good skills and earnings, they may not normally cope with the environment of the homeland and consequently they will have a tendency to leave the country again. Thus, the remittances from foreign employment on the one hand, has played an important role to increase their personal income and thereby improve standard of living and a risk of diseases like HIV/AIDS through migrants on the other may enter into the country. More specifically, this type of communicable disease may be due to poverty, illiteracy, gender discrimination, women exploitation, insecurity, and the lack of legal advice as well as proper treatment. Thus, to minimize this problem, especially rural people should be made aware of the communicable diseases through mass media, education, health care and training cum workshops. Furthermore, a part of remittance income should set aside by the government through welfare scheme that may become the long run solution to the problem of communicable diseases. Recently, the decision made by British government has provided the permission for the permanent residence in U.K. to the ex-army of Nepal retired before 1997. From this decision, remittance as a major source of the Nepalese economy will have negative impact in the long run.

The theoretical review about the use and effects of remittance income from migrant workers pinpoints the fact that a high proportion of income has been used for consumption.

**Hass (2007)** in his book states that perhaps the most commonly used argument against migration as a potential source of development is that it deprives poor countries of their valuable human resources. Structuralist and dependency theorists have pointed to this brain drain to underpin their argument that migration undermines rather than stimulates development in origin countries, and reinforces rather than alleviates global inequalities. In recent years, this brain drain hypothesis has been increasingly questioned, allowing for a much more nuanced picture. First, not all migrants are highly skilled. Second, the brain drain seems to be only truly massive in a minority of countries. In a quantitative assessment of the brain drain

**Adams (2003)** In his conceptual of literature review states that international migration does not tend to involve a very high proportion of the best educated. In two-thirds of the 33 large labour-exporting countries he surveyed, less than 10 per cent of the best-educated (that is, tertiary) population had migrated. The emigration of highly educated migrants seems to be truly massive only in a limited number of smaller countries, such as various island states in the Caribbean and the Pacific. However, even in these cases mass migration of high-skilled workers should primarily be seen as a symptom of development failure rather than the cause of this failure as such. For instance, the migration of health workers is often claimed to be extremely harmful for sending countries, and is said to have created labour shortages in the health sectors in countries such as Ghana and South Africa. However, there is limited data available to underpin such claims. On the contrary, a recent study using a new database of health worker emigration from Africa suggested that Africa's generally low health staffing levels and poor public health conditions are the result of factors entirely unrelated to international movements of highly trained health professionals. Such factors include unattractive working conditions in the public health sector and the failure to provide basic health services, 24 which do not require highly trained personnel to deliver. This corroborates another study that concluded that

migration is a symptom, not a cause, for failing health systems, and that most elite health workers would not provide basic health care to those most in need if they had stayed. Third, labour tends to be much more productive in wealthy countries, which may, therefore, increase the capabilities of migrants and their families to improve their livelihood. Moreover, many developing countries now face mass unemployment among the highly skilled, which is often the partial result of misguided education policies (Development Research Centre on Migration, Globalization and Poverty 2006), which do not reflect the true skill and knowledge needs of developing economies. In other words, there is often overinvestment in higher education and underinvestment in primary and secondary education and vocational training. This all casts some doubt on the assumption that the emigration of the highly skilled would automatically represent a loss. In many cases, the long-term individual and collective gains may effectively outweigh the immediate costs of migration. In fact, many governments consider skilled labourers to be an export product and thus willingly create surpluses of certain categories of the highly skilled.

**Yang (2004)** in his recent study report in the Philippines shows that educational expenditure in origin households increased with remittances. In El Salvador, remittances tend to reduce the likelihood of children leaving school. Another survey shows that Mexican children in migrant households completed their schooling significantly more often, with the largest impact for girls in households where the mother has a low level of schooling. Based on an analysis of nationally representative household data in Guatemala, it was found that, at the margin, households receiving internal and international remittances spend 45.2 per cent and 58.1 per cent more, respectively, on education than do households that do not receive remittances.

**Ureta (2003)** in his working paper mentions that remittances have a large, significant effect on school retention. In urban areas, the effect of remittances was at least 10 times greater than the effect of other income. In rural areas, the effect of remittances was about 2.6 times that of other income. Two surveys conducted in Morocco equally suggest that remittances enable migrants' children, and particularly daughters, to go to school.

**Bencherifa (2003)** in his case study concludes that international migration and remittances have a positive effect on the education of children. Besides remittance-enabled investment in physical capital, investment in human capital is likely to be important for the long-term growth prospects of developing countries. Thinking of it from a capabilities perspective on development spending on the education of children counts as a long-term productive investment and as an income assurance strategy for households and families. Such investments in their children's education are especially important for people without access to formal social security arrangements.

However, whether skills and knowledge acquired through education will be deployed locally or abroad, that is, through migration, ultimately depends on the political climate, economic growth and the structure of labour markets in sending countries. On the other hand, there is evidence that under certain circumstances migration might also create negative incentives for education. If the opportunity to migrate decreases the return to education, individuals may be discouraged to invest in education. This seems specifically to be the case in migration systems predominated by low-skilled and often undocumented migration, where few if any positive externalities of education can be expected. For instance, a Mexican or a Moroccan cleaner with a university education in Spain or the United States is unlikely to earn significantly more than a colleague with only a primary education. There is indeed some evidence from Mexican household surveys indicating that international migrations have a negative effect on the level of schooling of children. This finding corroborates others who suggested that schooling has no effect on incentives for international migration from rural Mexico, whereas schooling has positive effects on internal migration incentives.

**Mora and Taylor (2006)** in their research paper, find that the wage gain is higher for less-educated Mexicans who migrate to the United States rather than internal. Migration and remittances can thus both encourage and discourage education of non-migrants. Depending on the specific incentive structures, remittances and the opportunity to work in cities or abroad give individuals and their households the choice either to invest in or to disengage from education. Confirming this hypothesis, the empirical evidence is

indeed mixed, although a majority of studies seem to support the NELM hypothesis that remittances have positive effects on school attendance and educational achievement. A point often ignored is that improved education is not only a potential result of migration and remittances, but also that the desire to obtain more education is often one of the very reasons for rural-to-urban and international migration, and successful skilled international migrants may indeed stimulate other people to follow their path.

**Barry (2011)** in his report states that some of countries depend on remittances to cover up trade deficits and to maintain domestic stability, a situation that seems to have increased their willingness to engage with emigrant populations and increase their voice in internal political affairs. Over the past decade, many sending states have, therefore, embarked upon more inclusive diaspora engagement policies through extending special political and economic rights to emigrants and allowing dual citizenship. Migrants often play a significant role in the societal and political debate and civil society in countries of origin. Their involvement underscores the fact that the developmental effects of migration are not limited to remittances and investments, but also include important sociopolitical dimensions. Migrants and their organizations often take an active stance in shaping their new role in the national life of their home countries. Migrants' considerable weight can eventually create a push for political and economic reforms, democratization, increasing political and bureaucratic transparency and the emancipation of minority groups in sending states.

**Van Hear (2002)** in his book mentions that although migrants have recently been celebrated for their ability to stimulate social, political and economic reform in origin countries, it is important to remember that migrants, through remittances and other factors, may also contribute to sustained conflicts, for instance, by providing support for warring parties. Furthermore, migrants are often from middle-class or elite groups and, therefore, might not necessarily represent the view of the poor and the oppressed, but instead effectively sustain oppressive political systems. Again, this scenario exemplifies the difficulty of generalizing about the social, economic and cultural effects of migration

and remittances. The direct effect of skilled emigration needs to be evaluated on a case-by-case basis.

**Lowell and Findlay (2002)** in their article, analyze the migrant people's role through political impact. This is particularly evident when assessing migrants' political influence. Migrants encompass all possible political colors. And, clearly, there is no objective, scientific yardstick for determining which direction of political change is ultimately desirable.

**Kapur (2003)** in his research paper states that the impact of international remittances on social and economic development in migrant-sending societies have recently inclined toward the positive side, the impact of remittances on national economic growth and employment are rather unclear. The consequences of remittances on long-term economic development are not well understood. There seems to be no conclusive evidence to sustain either neoclassical or dependency theory, because relevant studies have yielded contradictory findings. In a recent analysis of the effect of remittances on employment performance for Central and East European economies.

**Leon-Ledesma and Piracha (2004)** in their book found that the impact of remittances on unemployment depends on its effect on productivity growth and investment. Econometric estimation using data from 11 transition countries from 1990 to 1999 yields support for the view that remittances have a positive impact on productivity and employment both directly and indirectly through their effect on investment. Other studies are less upbeat and mention the potentially adverse effects of remittances in that they create a strong disincentive for domestic savings and support private consumption of (imported) goods instead of financing investment, which can potentially hamper competitiveness and increase trade deficits and questioned the whole assumption that remittances play the same role in economic development as foreign direct investment and other capital flows. Empirical tests of a model in which remittances were assumed not to be profit driven, but rather compensatory transfers, yielded a negative correlation between remittances and GDP growth. This finding suggests that remittances may not be

a source of capital for economic development. It has also been commonly argued that large remittance inflows can contribute to currency appreciation (Dutch disease). However, there is little empirical evidence sustaining this hypothesis. A recent study claimed that Dutch disease is less likely to occur with remittances than with natural resource booms, primarily because remittances are distributed more widely and may avoid the sorts of exacerbating strains on institutional capacity that are often associated with natural resource booms.

## **2.4 Conclusion**

The direct impact of remittance income is observed on the children and the wives of the migrant persons. Positive impacts were seen on the opportunities for education, health care and lifestyle but negative impact is worsening psychology of their children as their mothers apart for a long time. Due to the remittance income, support the family financially and have the 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 each other collecting the knowledge and experience along with feeling of independence and confidence, it react positive impact in his/her life, family and their own society with financial freedom.

Nepal would witness a sharp fall in poverty and income inequality if the government implemented policies that enabled poor households to send their migrants to developed countries instead of low income countries as like South Korea, Japan, USA, and European countries. Policies that could facilitate this switch of destinations might include providing more credit opportunities and also education to acquire the skills required for third country migration. Although policy makers face the challenge of designing effective skill development programs for less educated people, these programs might have a high return because skilled (even low-skilled) migrant workers might have a better opportunity of obtaining a safe and high- earning job in third countries. The other measures for the bottom quintile might include programs to disseminate information related to migration/remittance and strengthening the legal status of contracts among potential

migrants, manpower companies and foreign employers. These would also be appropriate anti-poverty strategies on their own right.

The role of migration and remittance on reducing the vulnerability to rural production shocks in a general equilibrium environment. Moreover, we would like to understand how migration and remittances affect physical/human capital investments, local labor productivity and the intergenerational transmission of poverty and inequality. The people in society and government should understand about the negativity of our productive capacity with in the nation. Soon policymakers have to target the positive impact in such productive activities and reduce the negative impact of economic access. All of above researchers and authors views are conducted not for the short term gain from remittance but also it is the time to think for long term gain for economic growth using the remittance income in productive sectors, utilization of natural resources with economic activities.

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

#### **3.1 Study Area**

Phoksing VDC is located at the eastern part of Gulmi District. The VDC has total households number 580 reduced from 639 during two censuses 2001 and 2011. The total household number occurs to be 0.016 percent of total households of Nepal. The number of male population is 2648 and female population is 1484 according to National Census 2011. The major occupation of the households is agriculture. Besides, households receive a significant portion of the remittance income sent by a large number of youth and young from abroad. Thus, the remittance income has been a major source of household expenditure in the village. Female migration and female foreign employment is also increasing day by day in the village.

#### **3.2 Research Design**

This study uses the descriptive research design with controlled and treatment group. The whole households are divided into treatment group and controlled group to make the comparative analysis. The treatment group consists the households with at least one household member engaged in foreign employment for minimum three years and the rest of the households are considered as controlled group. The rationale of treating three years of foreign employment demarcation is to recognize the impact of remittance income and foreign employment and to establish the significant relationship between variables. This makes the study more exploratory in nature.

### 3.3 Sampling Design and Sample Selection Process

The selection of study area is based on the researcher's objectives of the study and convenience. Phoksing VDC of Gulmi district is one of the remote VDC and lies farthest from its headquarter Tamghas. The total number of households has been decreased by 59 households mainly due to migration to other places of the countries between past ten years and village is primarily the native place of Magars. About 80 percent households have at least one member abroad for foreign employment in the village.

Using the techniques of simple random sampling, firstly sample sizes are determined for the purpose of household survey separately for foreign employed households and for the households without foreign employment. The number of sample households is computed for foreign employed households using simple random sampling is obtained from the following formula,

$$\text{Sample size } (n) = \frac{N Z^2 p(1-p)}{Nd^2 + Z^2 p(1-p)} \quad (\text{Parel et al, 1973})$$

Where, N= Total number of households with foreign employment at least three years in the village (234)

d = The maximum error deemed acceptable, and it is desired to obtain an estimate d of the proportion p that is not more than 0.05 away from the true proportion P.

Z is the normal variable acceptable for 95 percent reliability in percentage value i.e. Z = 1.96.

And p is the proportion of households for which at least one household member is working as foreign employer minimum for three years. Using the MS EXCEL formula, the computed sample size comes to be 44.96 which is rounded off to 45 households. To study the impact of remittance income and foreign employment at household level, the sample size for the households without foreign employment is also determined equal size of 45 households. Thus, the total sample size is 90 households with treatment group and controlled group.

The study uses two stage sampling process to choose the required number of households for household survey. First, the sample households are distributed by equal proportion allocation method among nine wards. This implies each ward of VDC consists the 10 households: half treatment group and half controlled group. After determining the household number in each ward, in the second stage, the required household has been chosen through random visits.

### **3.4 Data Collection Techniques**

The study uses the primarily collected data for the purpose of analysis. A household survey had been conducted to collect data and the data collecting techniques have been the pretested questionnaire schedule. Basically, the household head and the concerned remittance income earner are preferred for interview because it can be assumed that they have more information about the study variables.

### **3.5 Variables**

Various socio-economic indicators are available to study the impact of remittance income at household level and in the society. However, this study examines the basic variables about income, consumption expenditure, education level of children, schooling, child dropout rate, purchase of fixed assets, child and maternal health, ownership of durables, possession of insurance, household investment on business and other productive works, village labor and wages etc. The main independent variable is the inflow of remittance income to households in the Phoksing VDC. And the difference between household outcomes like consumption, household savings, education levels etc between controlled and treatment groups.

### **3.6 Data Analysis and Presentation**

This study employs the concept of impact evaluation to examine the role of remittance income in socio-economic indicators in the study area. The study adopts this approach

assuming that the receipt of remittance by households in the study area is regarded as a 'treatment' and those households who fall on this group are known as 'treatment households'. The counterparts who do not receive remittances are called 'control households' and these households are expected to provide the information about the treatment households too. Descriptive statistics are used to analyze and present the data using the statistical software such as SPSS, Ms-Excel or Stata. Using the quantitative techniques, diagrams, figures and tabular analysis, comparative description is made between two groups of households.

### **3.7 Formal Model of Analysis**

The relationship between household's remittance income inflows and other household characteristics can be explained with the simple regression model:

$$X_i = a + b Y \text{ -----(i)}$$

Where,  $X_i$  are a set of dependent variables which can be the socio-economic variables like household's consumption expenditure, household's monthly savings, improvement in household's education level and health outcomes.

$Y$  is independent variable which consists the remittance inflow to households in both money and kind per month.

# CHAPTER IV

## ANALYSIS AND INTERPRETATIONS

This section of the report presents comparative analysis of the various socio-economic aspects of treatment and control households. The comparison is first made based on the simple graphical and tabular presentation of the survey data. Then the results from a simple statistical approach called the test of mean differences are discussed before examining the complete rigorous analysis based on propensity score matching approach.

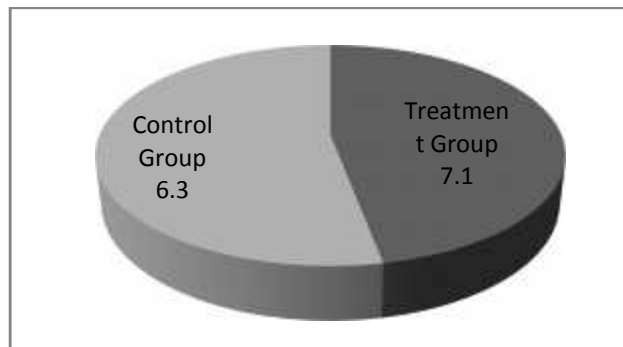
### 4.1 Profile of the Study Area

#### 4.1.1 Households Size

The households with at least one household member living abroad as foreign employer for three years or more are 49 and the households without receiving remittance income and the households which have at least one family member as foreign employer less than three years are 41 in the survey area.

**Figure: 4.1**

**Average Family Size**



Source: Household Survey, 2013

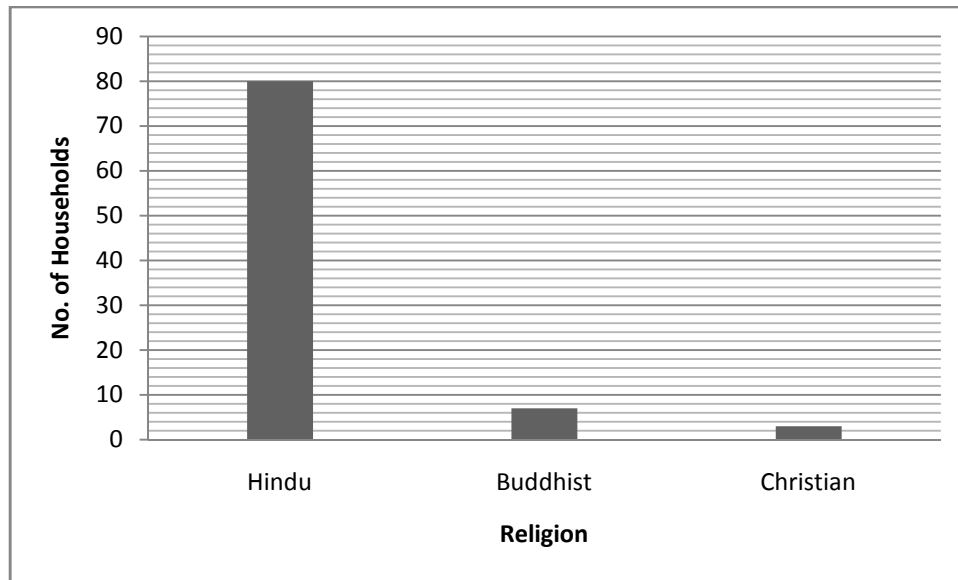
The total population in the sample households is 600 with their foreign employers. The percentage of male population is 47.85 and the percentage of female population is 52.15. To start out, the survey data showed that the average family size of treatment and control group remained almost similar: 7.1 persons in treatment group and 6.3 persons in control group. This makes comparison a little straightforward with having less chance of distortions in outcome variables emanating the family size.

#### 4.1.2 Religion and Ethnicity

Many households in Phoksing VDC of Gulmi district are Hindus (89 percent). Buddhism is the another religion practiced after Hinduism (8 percent) and the remaining three households are found Christians.

**Figure 4.2**

**Religion Practiced**



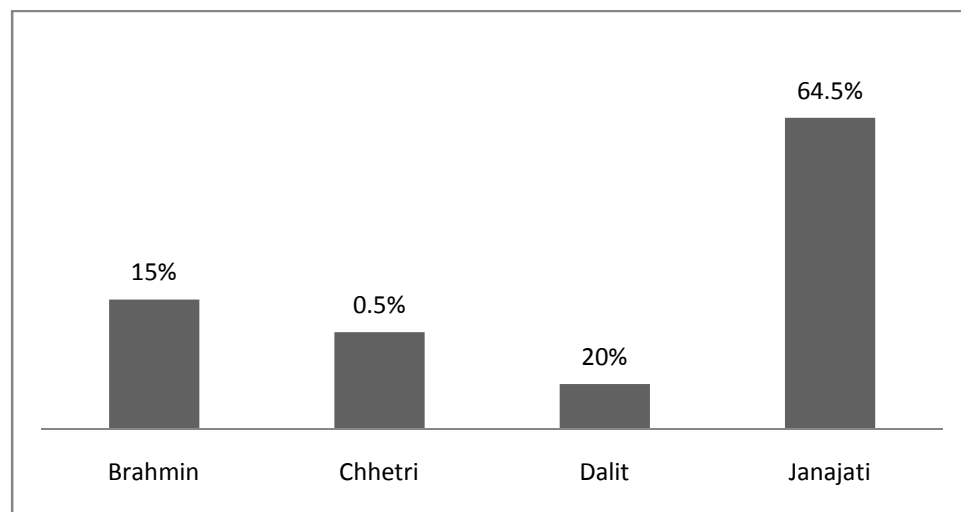
Source: Household Survey, 2013

### 4.1.3 Caste and Ethnicity

The households in the survey area are mostly Janajati, defined by government of Nepal. Magars make the highest proportion of total population in Phoksing VDC. About 38 percent of the total households are Magars in the sample population followed by Newars 13 percent.

**Figure 4.3**

**Caste and Ethnicity**



Source: Household Survey, 2013

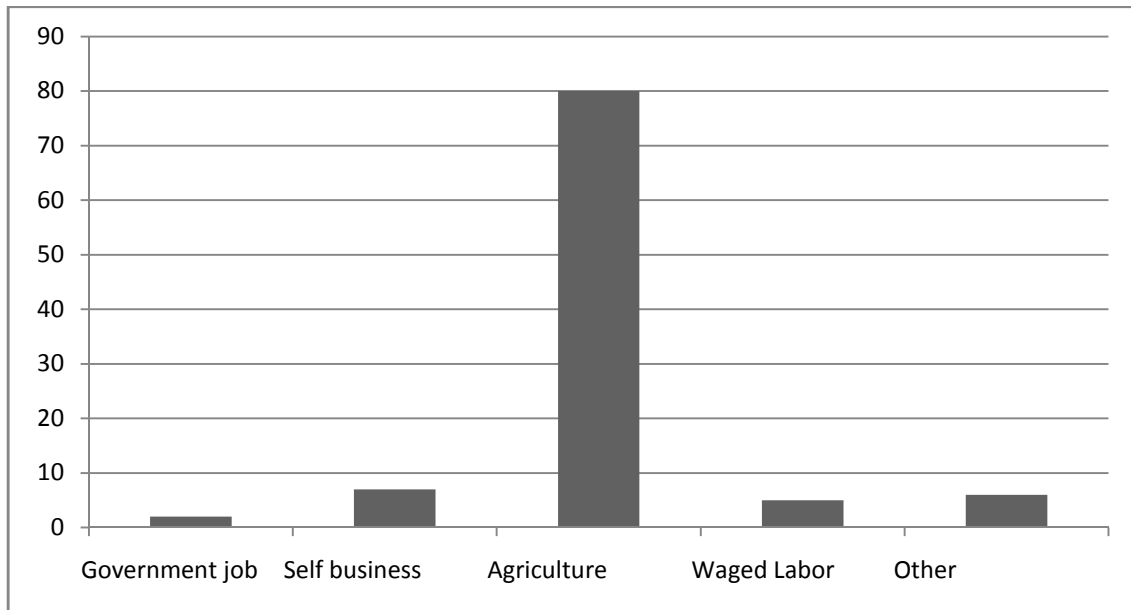
Among the total sample households, 15% were found Brahmi, 0.5% are Chhetri, 20% and 64.5% are Dalit and Janajati respectively out of 100.

### 4.1.4 Main Occupation of the Households

Many households in the study area belong to agriculture where about 80 percent households are dependent on the subsistent type of agriculture in the village. The agriculture products are rice followed by maize and wheat. Together, animal husbandry follows buffalo and goats bulls. However, agriculture is characterized by self consumption and not for any business purposes.

**Figure 4.4**

**Main Occupation of the Households**



Source: Household Survey, 2013

Very few percent households are engaged in the government jobs (about 2 percent). The proportion of the households with self owned business like saw milling, grocery, whole selling etc is 7 percent which is followed by wage laborer 6 percent.

**4.2 Impact of Remittance**

**4.2.1 Possession of the Household Durables**

The questions about the households possession of durable goods shows that almost all of the survey households own radio and very few, 8 percent of the total households have been using landline phone at their home. 95 percent households have mobile phone at least one with their family members. Remaining 5 percent households without mobile phone are either controlled households or all household members are adult above 65 years old. Most of the treatment households have TV at their home. 50 percent treatment households and about 23 percent controlled households have television facility at their

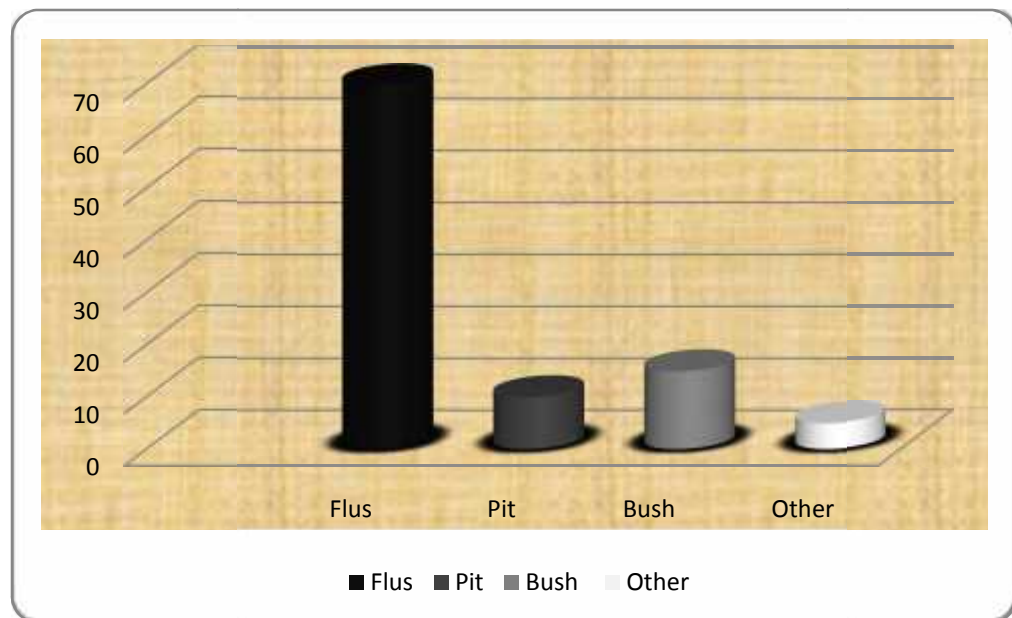
home. The difference, however, is not observed among the internet users among treatment and controlled households. About 40 percent survey household's members (at least one) use internet daily for both treatment and controlled households.

#### 4.2.2 Uses of Toilet and Sanitation.

In recent years most of the people are using flush Toilet, it is a direct effect and reason of remittance income of family. More than 76% households are made flush type of toilet, against pit, bush and other which are 8%, 12% and 4% of out of total 90 households. We see that there is so improving the management of latrine.

**Figure No. 4.5**

**Uses of Toilet**



Source: Household Survey, 2013

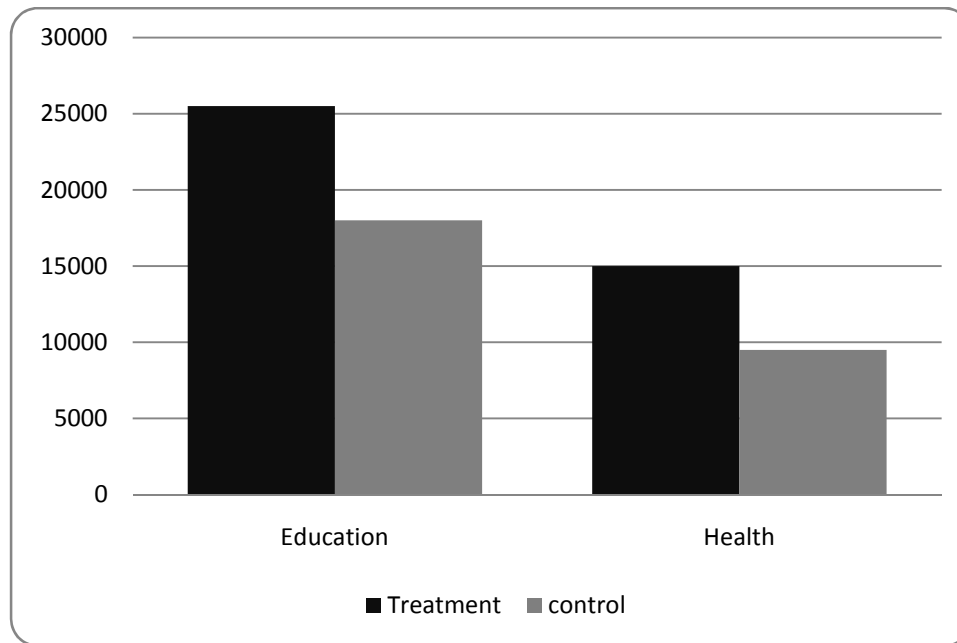
#### 4.2.3 Annual Household's Expenditure on: Education and Health

Due to the Migration and Remittance income, on one hand there is drastically change in the village on both expects that about the health treatment and child birth in hospital. On

the other hand, percentage of child vaccination also improving. By the research there is 2% less child birth are being in hospital than Home but it has been increasing since past few years because of formal and informal education and increasing the family income.

**Figure: 4.6**

**Annual Household's Expenditure on: Education and Health**

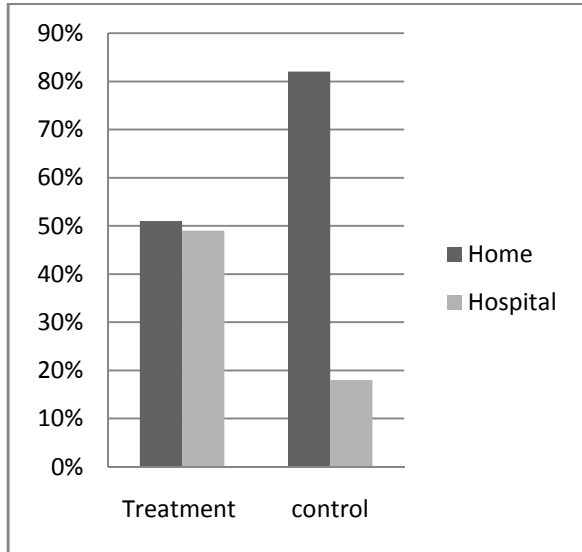


Source: Household Survey, 2013

This evidence of research shows that an annual average expenditure in education from treatment households was 25000 but from the control side only 18500 and it is 6500 less than treatment over there. Similarly for annual average health expenditure, there is 5050 more in treatment households than in control households (Figure 4.6). In comparison of both households in Fig. 4.8, taking the regular child vaccination also very high, even though there is 3.10% more result than control family in high level. But in minimum level treatment households is facilitated than control households.

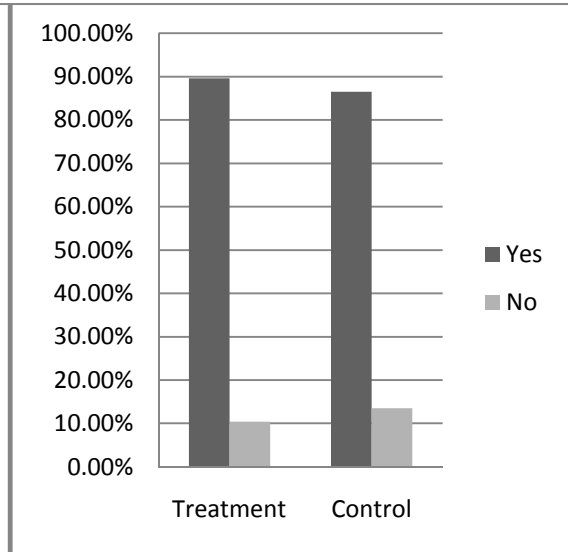
**Figure: 4.7**

**Child Birth**



**Figure: 4.8**

**Regular Child Vaccination**



Source: Household Survey, 2013

### 4.3 Household Income and Expenditure

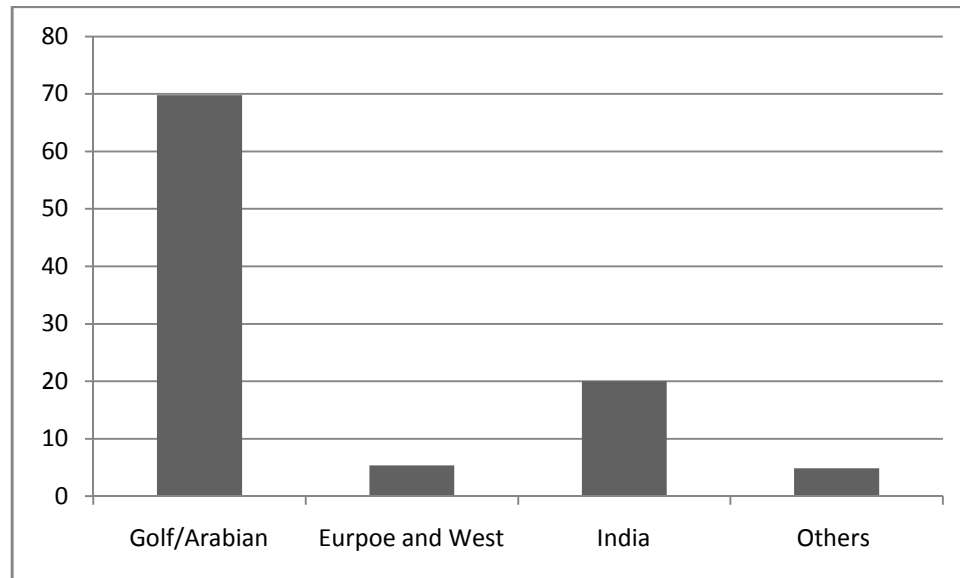
#### 4.3.1 Remittance Income of the Households

Among the households with their family members working as the foreign employers, 69 percent have been migrated before three years and were considered as treatment group. The annual average remittance is NRs. 84, 965 for the treatment households and that for the all households with their member(s) as foreign employers is NRs. 75,862. This shows that the people who migrated before three years are able to earn more than recently migrated. In other words, the migrated laborers can earn more amounts annually on an average over time.

The average number of family members migrated abroad as foreign employer is 1.45 in the treatment group. About 20 percent of the households have more than one family member as foreign employer with minimum 1 and maximum 3 persons. The country-wise classification of the foreign employers in the survey area is shown in figure 4.9.

**Figure 4.9**

**Emigrant's Places**



Source: Household Survey, 2013

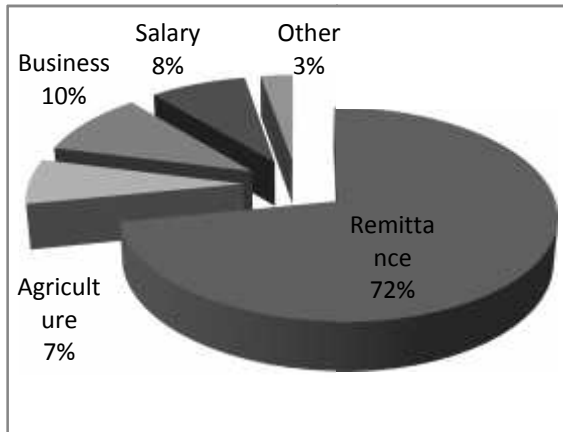
About 69.79 percent of the foreign employers have been working in the Golf and Arabian countries like UAE, Saudi Arab, Malaysia, Qatar etc, very few percent have been working in the Europe and western countries, this consists 5.34 percent of the total foreign employers. The second largest destination of the foreign employers is India with about 20 percent.

The main source of income for treatment households is the remittance income which consists about 72 percent of the total annual income of households. And the income from job, business and agriculture sector compose the major items of income for controlled group. Figure 4.10 and figure 4.11 show the composition of household income for two groups.

The composition of annual household income for two groups is quite different. Remittance income is the major source of income for treatment group, while the households in control group depend on agriculture sector highly to maintain their total income.

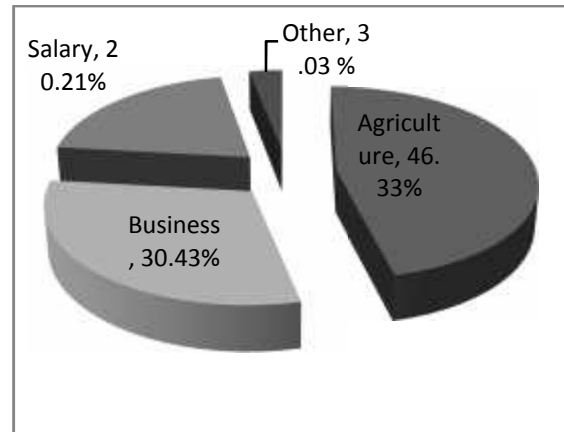
**Figure 4.10**

**Composition of Annual Income  
(Treatment Group)**



**Figure 4.11**

**Composition of Annual Income  
(Control Group)**



Source: Household Survey, 2013

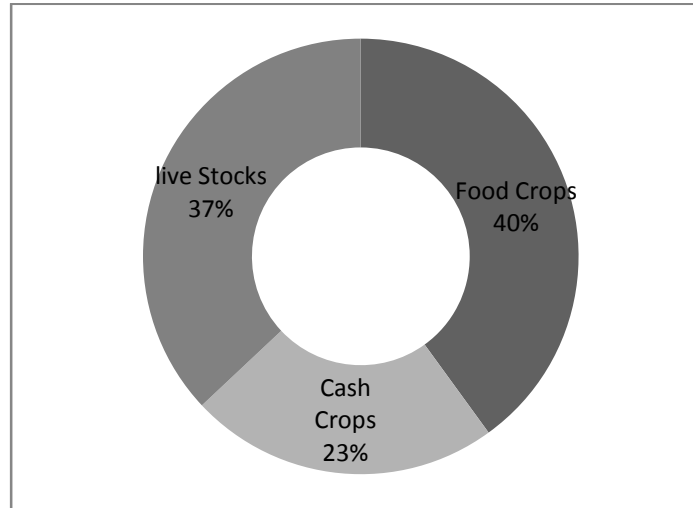
### 4.3.2 Structure of Household Income from Agriculture Sector

The structure of household income from farming and animal husbandry consist major proportion of total income from agriculture sector. The income is subdivided as from food crops, cash crops and from livestock. The composition doesn't show any remarkable difference between two groups.

The major source of agricultural income is from food crops which is about 40 percent of the total agricultural income, and is followed by live stocks 37 percent and sale of cash crops like coffee, fruits, vegetables etc.

**Fig 4.12**

**Structure of Household Income from Agriculture Sector**



Source: Household Survey, 2013

The major food items for sale are maize and millet, rice is basically produced for self consumption. And the live stocks consist pigs, buffalo and goats as major animals for sale. Hens are used for self consumption rather than sale.

**4.3.3 Annual Household Expenditure**

In this research, it was found that the entire household can't save their huge amount/income their large level of income is used for consumption than other. Due to the remittance income family expenditure also increasing day by day it looks clearly not uses the remittance income in the sector of Productive activities only small amount are saving which flow to investment in any part of nation. Maximum family members are hesitating to hard work on their field or farm houses or crops cultivation huge amount of remittance income is being used on food and other consuming goods. But also they are attractive to migration from Hilly village to Tarai region where treatment household pour about 13.4% income on land purchase against the control family by (2.8%). Similarly in home

purchase also 8% by treatment households and which is 5% more than control households. Comparing in between treatment and control households on income and expenditure pattern show something about different in the following particulars sector.

**Table 4.1**

**Annual Household Expenditure**

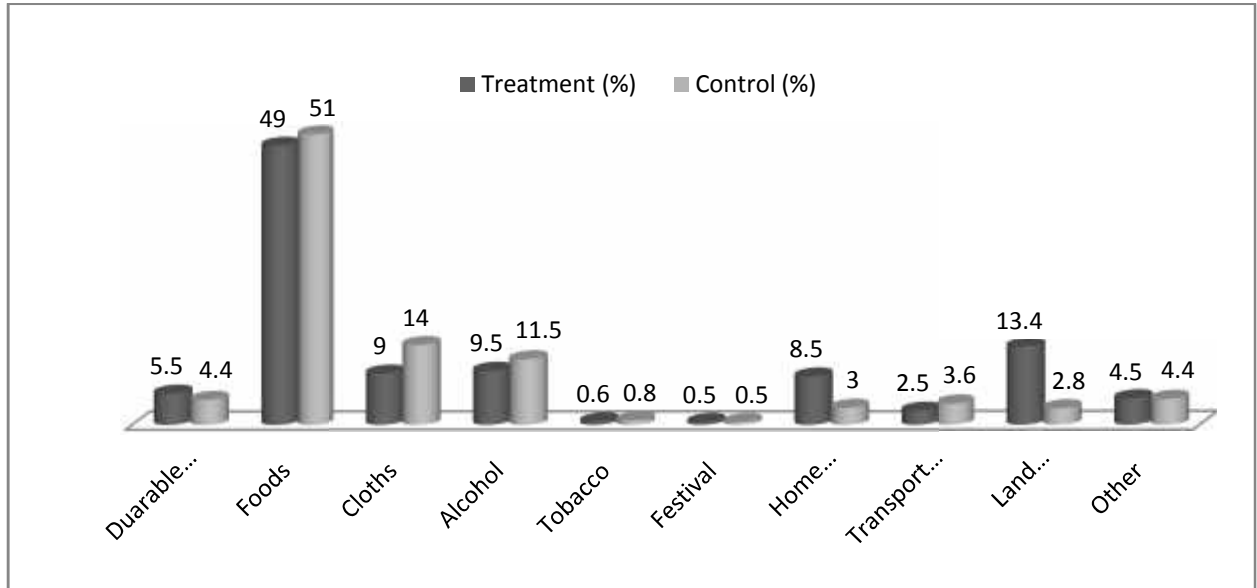
Particulars	Treatment NRs.	Treatment (%)	Control NRs.	Control (%)
Durable Goods	13640	5.5	4191	4.4
Foods	121520	49	48577.5	51
Cloths	22320	9	13335	14
Alcohol	23560	9.5	10953.75	11.5
Tobacco	1488	0.6	762	0.8
Festival	1240	0.5	476.25	0.5
Home Purchase and maintenance	21080	8.5	2857.5	3
Transportation	6200	2.5	3429	3.6
Land Purchase	33232	13.4	2667	2.8
Other	11160	4.5	4191	4.4
Total	248000	100	95250	100

Source: Household Survey, 2013

The household expenditure on consumers' durables like mobile phone, home appliances, vehicles etc. is significantly higher for the treatment groups than that for the control group. Similarly, expenditure on food items, cloths, land purchase, tobacco etc. is also significantly higher for the treatment group. On an average, the total yearly expenditure for the treatment households is more than 2.6 times higher than that for the control group. This shows a large proportion of the remittance expenditure goes for the consumption purposes and purchase of consumer's durables and land with alcoholic drinks.

**Figure 4.13**

**Average Household's Expenditure (%)**



Source: Household Survey, 2013

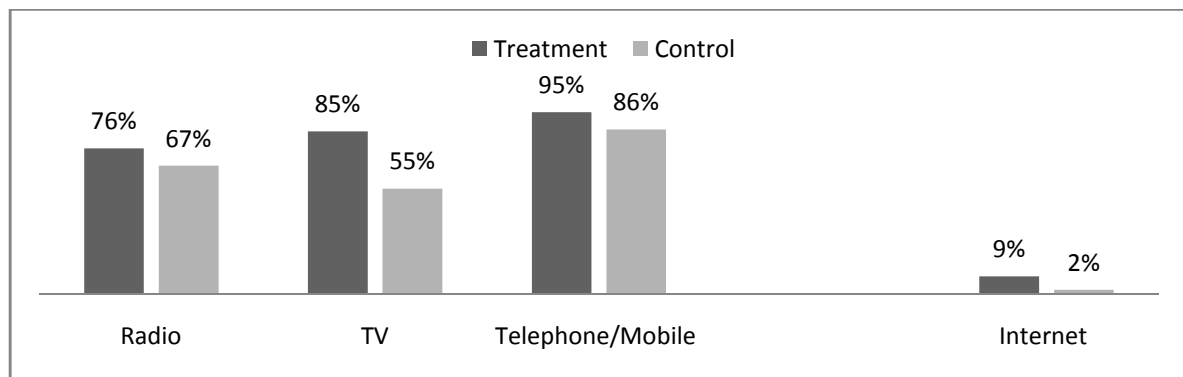
Similarly 85% treatment households have TV on their own home; it is 30% more than control households. In term of radio, treatment households and control are using 76% and 67% respectively. But there is low surfing or uses of internet (figure 4.13). In consistent with the belief that the remittance-recipient households use their income mostly in consumption, the treatment households in the study area were found to consuming more than the control households. The average monthly household expenditure in treatment group, for example, stood six thousands higher than it was in control group. Item wise, the food stood the major component in which a significant amount of household budget was spent for both types of households: it was 49 percent for treatment group and 51 percent for control group. The expenditure pattern of treatment households indicate that remittance earnings are mostly being used for non-productive areas such as in real estate and consumption.

### 4.3.4 Impact on Information Access

As like other districts and villages, uses of information and communication technology is fast increasing in Phoksing VDC, most of the People are using cell phone it is about 95% from treatment household and 86 of control households.

**Figure 4.14**

**Uses of Access Information**



Source: Household Survey, 2013

The users of radio for treatment group are about 9 percent higher for than the control group. The large difference is observed for the TV users among the treatment and control groups, 30 percent.

### 4.3.5 Fuel Uses

Fuel is the most important things for households, in the contest of Phoksing VDC, most of the people are using wood as a fuel; it is due to a big jungle nearby village and some households produce wood on their own land also. In research, nobody uses animal dung, Shrubs, Biogas, but all the people are generated with electricity, most of the households are using kerosene as a night lamp, even though they have used electric lines. Wooden fuel is the highest uses of both treatment (93.5%) and control (95.5%) households and

uses of kerosene is 1.5%, both households are equal to use it. Research shows that other fuel items are not used except wood, kerosene and electricity.

The table 4.2 shows that the households with their family members working as the foreign employers more than three years abroad use electricity as fuel more for various purposes than the households without family members working abroad.

**Table 4.2**

**Uses of Fuel**

Group	Wood	Kerosene	Electricity	Total
Treatment	93.5	1.5	5	100%
Control	95.5	1.5	3	100%

Source: Household Survey, 2013

The proportion of kerosene users is similar for both groups and the users of firewood for treatment group are about 2 percent lower than that for the control group.

**4.4 Financial Statement of Households**

The use of financial services was also found to be higher in treatment group. A 20 percent of households in treatment group, for example, possess a bank account whereas in control group, it was only 8 percent. The purchasers of the insurance policies are 4 percent in treatment group while this is about 0.05 percent for control group. The insurance policies purchased by both groups are inadequate and very low.

The women empowerment with respect to the decision for financial transaction is higher for treatment group by 25 percent and the households in control group still have male dominated decisions.

**Table 4.3**  
**Financial Statements of the Households**

Group	Bank A/c	Insurance	Head of financial Transaction		
			Male	Female	Both
Treatment	20%	4%	35%	60 %	5%
Control	8%	0.05%	55%	42%	3%

Source: Household Survey, 2013

#### **4.5 Impact of Remittance on Socio-economic Indicators**

The impact of the remittance income is studied in terms various socio-economic variables like business ownership, ownership of consumer's durables, health problems and treatments, land purchase and uses etc. The independent variable is the inflow of monthly remittance and the respective t-tests has made for each variable. The survey was designed to capture these variables and used them for the estimation. These variables include education, sex and religion of the household head, pension earnings, and land holdings, the type of floor, and the type of roof three years before. The results revealed that land purchase was substantially increased for the treated households after they started receiving remittances. Similarly, the significant positive effects were also observed in ownership of television, ownership of telephone, agricultural income, daily television watching, and the women's decisions regarding education and financial transactions. The treatment gain was positive for other indicators, such as possession of land holdings, livestock income, possession of insurance, the prevalence of water-related diseases, but the gains are not statistically significant.

**Table 4.4**

**Impact of Remittance on Socio-economic Indicators  
(Simple Mean Difference Approach)**

Impact on	Mean Differences (treatment - control)	t-value
Business ownership	-6.77	-0.75
Health problems	-0.09	-1.88***
Water related diseases	-0.02	-0.47
Toilet use (open toilet vs. others)	0.02	0.35
Ownership of radio	0.11	1.97**
Ownership of television	0.14	3.09*
Land purchase	7.91	1.60
Total landholdings	-66.06	-1.53
Log of net agricultural income	-3.85	-1.30
Ownership of telephone	0.07	1.20
Ownership of DVD	0.09	1.31
Daily radio Listening	0.05	1.11
Daily television watching	0.07	1.65***
Possession of insurance	-0.02	-0.75
Possession of bank account	0.00	0.02
Working hours at home	-15.52	-1.18
Drop-out rate	0.27	1.01

Source: Household Survey, 2013

\*significant at 1 percent level, \*\*significant at 5 percent level, \*\*\* significant at 10 percent level

Children's study hours, for example, was not significant in simple mean difference approach.

## **CHAPTER V**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

#### **5.1 Summary and Conclusion**

Remittance 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, the contribution of remittances has been direct and sizable in migrant-sending households in micro level as well. A significant number of people in developing world are now receiving remittance earnings to finance their expenditures in home consumption, health and in children's education.

However effect of social economic phenomenon are come out in front of societies eyes but it is uses for poverty reduction, increases the no of children to go to school, easy for demanding their daily needed things and funding about the health care etc. So maximum utilization of remittance income is used for consumption level. Remittance income is not used for productive sector just it has used to import the goods and services. Through the remittance income society/family can alive with changing their life style but it is not long term financial support in both households, society and national until remittance is not used in secure sector as like to produce basic needs in own country/village, investment to gain from natural resources eg. irrigation, jungle, herbs, small type of hydro project etc. And improve to modernize in agriculture, practice to open handicraft industries.

The study applies a semi-experimental to evaluate the effect of remittance earnings on various socio-economic dimensions of migrant households in Phoksing VDC in Gulmi district. All nine wards were randomly chosen in VDC and a survey was conducted in 90 households both from migrant-sending households (treatment group) and non-migrant-sending households (control group). The survey administered the questionnaire

that included a number of socio-economic aspects of households, including children's education, family's health, financial access, information and communication access, women empowerment, and others.

A comparison of migrant-sending and non-sending households education level is not different because of education benefits take a longer time to materialize but this study takes households in consideration who were abroad only for three years. By the research, showed that less than one percent was found to have college level degree both in treatment and control groups. This indicates that the people going abroad for foreign employment were mostly low-skilled workers, which raises concern for the policymakers that sending low-skilled workers abroad do not benefit both the migrant-sending households and the country in general.

In this VDC uses of drinking water is supplied equally for treatment households and control households. And most of the households have made toilet it is drastically changed than past five years. If people could not made flush toilet they use pit or bush as a toilet.

Information access has entered deeply in the society nobody far from it so every household has at least one cell phone. But it found higher in treatment households than control household. Television, radio listeners also found higher in favor of treatment households than in control households. The consumption expenditure of treatment households was also observed to be higher than that of control households.

## **5.2 Recommendations**

Based upon the findings and the summary of the research, recommendation can be made both at the policy level and for the households.

1. The inflow of the remittance income in the village is relatively lower than that of other villages and national average. This can be due to the fact that the migrants from this

village are either low skilled or less efficient. So, the potential migrants and the policy makers in the village should enhance the skill development activities.

2. The uses of remittance income is consumption biased in the village. So the households should make saving out of the received income for future production.

3. The household's major proportion of remittance income is spent for unproductive and ceremonial works. It is necessary to utilize the remittance income for small scale industries and self owned business. The village level policy makers can conduct the trainings and can make the projects like animal husbandry, handicrafts, coffee farming and beekeeping in the village.

4. The impact of remittance income is observed significant to reduce health problems, ownership of consumer durables etc. This means high proportion of remittance income is used for these proportion. So, the migrated employers can come back and start the business on these sectors.

5. The impact of remittance income in education and skill development activities is relatively low. The households need to use some proportion of remittance income for education and human development activities as well as infrastructure development also.

# APPENDEX

## Structured Questionnaire For Households Survey

### **This household is in treatment or control group**

1= Treatment, 2= control

Eligibility for treatment group: household should have been at least for three years in foreign employment and control group household should not be in foreign employment to date.

Name of Respondent: \_\_\_\_\_

Sex of Respondent: ----- (Male=1, Female=2)

Date:            \_\_\_\_\_

### **Section 1: General Information Of Household Member**

Q.No	Questions	Coding
1.1.	What is your religion?	Hindu                      1
		Buddhist                      2
		Muslim                      3
		Christian                      4
		Other                      5
1.2.	What is your ethnicity?	Brahmin                      1
		Chhetri                      2
		Dalit                      3
		Janajati                      4
		Other                      5
1.3.	Source of drinking water:	River                      1

		Piped Water	2
		Other	3
1.4.	Main type of fuel used in cooking	LPG	1
		Biogas	2
		Wood	3
		Animal Dung	4
		Electricity	5
		Other	6
1.5.	Main occupation of household head	Government job	1
		Self business	2
		Agriculture	3
		Waged Labor	4
		Foreign employment	5
		Other	6
1.6.	Type of toilet used	Flush toilet	1
		Pit latrine	2
		Composing toilet	3
		No facility of toilet	4
		Other	5
1.7.	Structure of house	Permanent	1
		Semi-permanent	2
		Temporary	3
1.8.	How many rooms does the house have?	Before 3 years	Current
		_____	_____
1.9	No. of household members	_____	
1.10.	Did any member of your family give birth during last year?	Yes	1
		No	2
1.11.	How many times did you visit health care center for antenatal	Visits _____	

	care (ANC)?		
1.12.	Where did she give birth?	At home	1
		Health care center	2
1.13.	Total cost of ANC for birth of last child.	Rs. _____	
1.14.	Is your child being vaccinated?	Yes	1
		No	2
1.15.	Does your household have the following items?	Yes	No
		1	2
	Radio	1	2
	Telephone	1	2
	Mobile phone	1	2
	VCD/DVD player/ TV	1	2
1.16	Compared to last five years ago, has the access to information improved, detersted or remained same in general?	Improved	1
		Deterioted	2
		Remained same	3
1.7.	Do household members use internet regularly?	Yes	1
		No	2

## Section 2: Household Income

2.1. How many kattha/bigha of agricultural land do all the members of the household own?

Bigha \_\_\_\_\_, Kattha \_\_\_\_\_, Dhur \_\_\_\_\_, Don't know \_\_\_\_\_ (write Rs. "000")

2.2. Did household purchase any type of land during last three years?

Yes \_\_\_\_\_1., No \_\_\_\_\_2 (if yes Bijga\_\_, Kattha\_\_, Dhur \_\_)

2.3. Household income of last one year.

2.3.1. From Agriculture

Type of Crops	Quantity	Total income (NRs)	Total Spending (NRs.)
a. Rice			
b. Maize			
c. Wheat			
d. Millet			
e. Barley			
f. Oil Seed			
g. Sugarcane			
h. Vegetables			
i. Fruits			
j. Others			

2.3.2.	Salary/Wage		
2.3.3.	Pension/Social Securities Benefits		
2.3.4.	Interest income		

2.3.5. From livestock

a. Buffalo	Quantity	Total Income(NRs.)	Total Expending (NRs)
b. Cow			
c. Goat			
d. Pig			
e. Chicken			

f. Fish			
g. Other specify			

### Section 3. Remittance Income and Foreign Employment.

3.1.	No. of family members who are migrated overseas.		
3.2.	Male Female		
3.3.	Year of migration countries		
3.4.	Total Expenditure (Rs. 000)		
3.5.	Source of Expenditure		
3.6.	Income (amount annually sent, including goods sent)		
3.7.	How do you receive your money sent from abroad?	BFIS 1 Hundi 2 Friends 3 Others 4	

### 4. Uses of Remittance

4.1.	Did the household purchase Land or home after migrant:	Yes 1 No 2
4.2.	Purpose of land purchase	To construct house 1 To use for farming 2
4.3.	How much land did the house hold purchase?	Bigha __, Kattha __, Dhur __
4.4.	Does household own business line?	Yes 1 No 2
4.5.	Type of business	Grocery 1 Hotel/restaurant 2

		Rice mill	3
		Handy craft	4
		Other specific	5
4.6.	Starting date of business	_____	_____
4.7.	Total revenue (monthly) from business	NRs. _____	
4.8.	No. of HH-members employed	_____	
4.9.	No. of hired labor	_____	
4.10.	Average monthly wage paid to hired labor	_____	
4.11.	Other expenditure	_____	

### Section 5. Household expenditure and Saving (Monthly)

Expenditure on	Amount Rs.	After Migration
a. Durables	_____	_____
b. Clothing	_____	_____
c. Food	_____	_____
d. Education	_____	_____
e. Alcohol/ Tobacco	_____	_____
f. Entertainment	_____	_____
g. Festival / Ceremonies	_____	_____
h. Transportation	_____	_____
i. Saving	_____	_____

### Section 6. Financial Statement of Household

6.1.	Have you had any insurance?	Yes	1
		No	2
6.2.	What type of insurance do you have?	Life insurance	1
		Health insurance	2
		Other insurance	3

6.3.	How much insurance premium do you pay per month?	Rs. _____	
6.4.	Do you have any account in any bank and financial institutions?		
6.5.	Please mention your deposit balance		
6.6	Borrowing from	Amount (Rs.)	Interest rate
	a. Relatives	_____	_____
	b. Friends	_____	_____
	c. Saving clubs	_____	_____
	d. Banks	_____	_____
	e. Money Lenders	_____	_____
6.7	Lending	Amount (Rs.)	Interest rate
	a. Interest bearing	_____	_____
	b. Interest	_____	

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