

**REMITTANCE AND ITS IMPACT ON EDUCATION:  
A Case Study of Bhumesthan VDC in Dhading District**

**A Thesis**

**Submitted to Central Department of Rural Development in Partial  
Fulfillment of the Requirements for the Award of the Degree of  
Master of Arts in Rural Development**

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## **RECOMMENDATION LETTER**

This thesis entitled, **Remittance and Its Impact on Education: A Case Study of Bhumesthan V.D.C. in Dhading District** has been prepared by Sharmila Subedi under my guidance and supervision in partial fulfillment of the requirements of the thesis for the award of the Degree of Master of Arts in Rural Development. I hereby recommend this thesis for its evaluation and approval.

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## **APPROVAL LETTER**

We certify that this thesis entitled **Remittance and Its Impact on Education: A Case Study of Bhumesthan V.D.C. in Dhading District**. Submitted by Sharmila Subedi the Central Department of Rural Development, Faculty of Humanities and Social Sciences, Tribhuvan University, in partial fulfillment of the requirements for the Degree of Master of Arts in Rural Development has been found satisfactory in scope and quality. Therefore, we accept this thesis as a part of the said degree.

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## DECLARATION

I hereby declare that the thesis entitled **Remittance and Its Impact on Education: A Case Study of Bhumesthan V.D.C. in Dhading District** submitted to the Central Department of Rural Development, Tribhuvan University, is entirely my original work prepared under the guidance and supervision of my supervisor. I have made due acknowledgements to all ideas and information borrowed from different sources in the course of preparing this thesis. The results of this thesis have not been presented or submitted anywhere else for the award of any degree or for any other purposes. I assure that no part of the content of this thesis has been published in any form before.

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Date: 2073/10/21

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## ABSTRACT

This thesis is entitled as **Remittance and Its Impact on Education: A Case Study of Bhumesthan V.D.C. in Dhading District**. Remittance is the workers compensation income obtained from the international labor market to the home. Nepalese economy is mostly dependent on remittance. Remittance has become a major source of livelihood to most of the Nepalese people and of course it has become a source of educating children. Considering this fact I have chosen remittance and its impact on education as the title of my study. The objectives of this study were to examine the sources and volume of remittance inflow at the household level, to find out the uses of remittance and to assess the impact of remittance on education.

This study was based on survey research design with descriptive and analytical approach of interpretation. The area of the study was Bhumesthan VDC of Dhading district. Out of 200 households of remittance income generated only 50 HH (25% of total HH) were taken as the sample. Simple size constituted 22 male and 28 female households head. The primary data was collected with the help of household survey, field work, questionnaire and interview. The collected data were descriptively and statistically analyzed and interpreted. Simple mathematical methods like average, percentage were used. The charts and tables were used to display the data and they were organized by dividing then into the main and sub-topics according to the nature of data.

This study has derived the findings that he sources and volume of remittance inflows and its current situation is high in the study area. The households have used the remittance in different areas as like in consumption of goods. Purchasing land and house, entertainment, health, education and family expenditure. However, the study shows that remittance income is primarily spent on consumption of good in comparison to other aspects. As the impact of remittance on education, it has been found that the majority of remittance owned household have admitted their children in boarding school, they educated them through tuition and coaching class. The number of passing rate is has found as increased in comparison to past. These are the major impact of remittance income in education.

Due to the lack of job opportunity in the country, most of people are migrated for foreign employment. The do not get job opportunity in the country. So, they choose foreign employment to decrease family loan, to earn high amount of money are the major causes for migrant. The study shows that unofficial channels are often used to remit their foreign remittance. The tendency of going abroad is increasing day by day. Thus, it is not minded in appropriate time, the present tendency of use remittance will certainly bring shocks for national economy. More expenditure on land purchasing, social ceremony should control in such a way that they use only domestic production, investment on education and it can help to preserve foreign currency.

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## **LIST OF ABBREVIATIONS/ACRONYMS**

BOP	Balance of Payment
CBS	Central Bureau of Statistics
CEDA	Center for Economic Development and Administration
DFID	Department for International Development
FDI	Foreign Direct Investment
FY	Fiscal Year
GATS	General Agreement of Trade and Services
GDP	Gross Domestic Product
GON	Government of Nepal
HHS	Households
ILO	International Labour Organization
IMF	International Money Fund
INGO	International Non Government Organization
MA	Master of Arts
MOF	Ministry of Finance
No.	Number
NPC	National Planning Commission
NRB	Nepal Rastriya Bank
ODA	Official Development Assistance
PTK	Professional, Technical and Kindred
RD	Rural Development
SLC	School Leaving Certificate
UN	United Nation
UNFPA	United Nations Fund for Population Activities
VDC	Village Development Committee
WB	World Bank

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Migration is as old as the history of man kind. Nepal is a landlocked and agricultural country and is suffering from the problem of under employment. Due to the lack of employment opportunities in country, skilled, semi skilled and unskilled all types of people have shown interest to the foreign employment. To search for better opportunities of employment migration from one country to another country, particularly from developing countries to developed countries is not new for Nepal. There are very few opportunities for employment and to earn the money. So, Nepali people have shown the interest to work outside of the home country. They go abroad for employment and they earn some amount money and send back to the home country which is known as remittance income. Remittance income is that portion of income which is transferred by foreign workers (remitters) who are living and working in other countries (especially in the developed countries) typically to their family who are still living in their home countries. Simple meaning of remittance is transfer of money by foreign to his or her home country. The term remittance is usually limited to monetary and other cash transfer transmitted by migrant workers to their families and communities back home. Euphemistically, present day Nepalese economy is characterized by "Remittance economy."

Remittance donates household income from foreign economics arising mainly from the temporary or permanent movement of people to those economies. Remittance includes cash and no cash items that flow through normal channels, such as via electronic wire or through informal channels such as money or good carried across border. It largely consists of funds and no cash items sent or given by individual, who have worked in a new economy and become residents there, and the net compensation of border, seasonal other. Short term worker who are employed in an economy in which they are not resident. Slipcover from the financial crisis were quite serve and had a deleterious effect on developed and energy exporting countries the principle source of immigrant remittance the total quantity of remittances dropped in 2009 for the first time in decades. The world Bank estimated that remittance flows to

developing countries reached us\$ 307 billion in 2009, a decline by 5.5 percent in contrast to the (IMF, 2009).

Migration of Nepalese people for foreign employment started before early 19<sup>th</sup> century. Though, the history of remittance in Nepal is not actually recorded it was started before early nineteenth century when the first Nepalese travelled to 'lahore' to Join army of Sikh Ruler Ranjit Sing. Formally it was started after Anglo Nepal friendship treaty of 1816 A.D that recruited 3000 Nepalese soldiers in British Gorkha Regiment. Signing of peace and friendship Treaty between India and Nepal in July 1950 A.D was the turning point in the movement of Nepalese workers for employment in India. Many Nepalese people had gone India to work in Cole mines, Guard in richest people's building and other house hold works. Some of them returned back but most of them settled there. In the beginning stage of migration, they come back to their mother land or they sent or brought money. But the amount of money was not counted as remittances and now a day to the remittances from India goes unrecorded. The recorded remittance from India is only countable, which comes in the form of salary and pension to Nepalese people who are working in Indian army and other formal sector .So, the source of remittance in Nepal was that amount of money which comes from British Army. After that, the second form of remittance in Nepal was that who are working in Indian army other formal sector. So, the first source of remittance of Nepal was that amount which comes from India by Nepalese people employed in India army. But actual period or amount of remittance was not recorded properly at that time due to insignificant role or unidentified role of remittance amount to the economy. Political freedom and economy globalization have been contribution to an increasingly diversified pattern of destinations by the migrants. Existing poverty limited employment opportunities, deteriorating agricultural productivity, Political instability, are underling ling factor to increase international labor migrant. There are many Villages in Nepal where the labor migration has been established as a culture of community to go abroad for work for a while and return back with some money and experience of placement in different geographical location. Now not only for Nepal but also all over the world the remittance income is one of the most important sources of foreign currencies (Nepal, 2010).

According to the Foreign Employment Department of Nepal, till Fiscal Year 2010 /2011 in an aggregate, nineteen lakh sixty four thousand three hundred eighty three Nepali labors are recorded as migrated for foreign employment. NLFA survey 2008 show that labor force participation rate is 83.4 percent; employment rate is 97.9 percent (CBS, 2008). The trend of foreign employment is increasing. Largest number of Nepali who goes for the foreign employment use to go Malaysia i.e. 33.32 percent of total according to the economy survey 2010/2011 Nepalese economy is extensively becoming dependent on remittance sent by migrant workers. The overseas migration and remittance has become tools to poverty alleviation as well as for improving, the living standard of the people. The contribution of remittance to the income of Nepalese house hold is increasing year by year. According to the NRB, due to increasing trend in foreign employment and the decreasing trend of export, the contribution of remittance is increasing.

No doubt, Remittance is one of the main sources of income of many Nepali household. Nepalese economy is heavily dependent on agriculture, with engaging around 73.9 percent of total population of country (MOF, 2010/2011). However, cultivation system is traditional and subsistence in Nepal. On the other hand, growth rate of population is alarmingly high. Moreover industrial development is at its infancy which has also created problems. In Nepal, the unemployment rate is 2.1percent, while employment rate is 97.9 percent, as given in the Nepal labor survey 2008. The contribution and the agricultural sector's contribution to GDP have changed. According to the report of economic survey 2010/2011, per capital income is increased to us \$ 645 from us \$ 561, which is only due to the increasing trend of remittance income.

Recent income consumption scenario of rural areas is not as before. Most of the people have some for foreign employment so there is shortage of young male for any activities. The sources of income have changed in flow if remittance income in house hold it becomes tools decrease the poverty more than 10 percent, which recorded 30 percent end f/y 2011/2012, but that is commonly spent on consumption, such as for purchase of land and building. If remittance is used to increase the permanent income of rather than only temporary income, than receiver's welfare – enhancing effects may

be significantly increased. Increased in consumption in education means to decrease in saving.

In the national economic development, remittance can contribute significantly to local regional and in migrant sending in reducing poverty. We see the of remittance flows mainly to poor and marginalized families. In recent day, the unemployed youth ravelly get job opportunity in Nepal. So, they are going to foreign countries or an other countries to seek job in order to fulfill basic needs. Due to the adopted liberalization policy and increasing political conflict situation in Nepal. It is growing acknowledged in Nepal that foreign labor migration helps promote national economic growth, cases the pressure of unemployment bring in much needed foreign exchange through remittance and increased consumption saving and investment at both the household and national level.

## **1.2 Statement of the Problem**

This is the fact that remittance has larger benefit to the receiving country in an aggregate level as well as in household level. The volume of remittance inflow in study areas is increasing day by day and season by season. While the remittance income of house hold increases, certainly, the pattern of consumption will be changed. Remittance has helped to boost education, reduce poverty provided temporary financial relief to household in study area. The contribution of remittance in the economy moving depends on the role it plays in increasing employment. The economy of a nation mainly depends on the rate of increasing employment or the national income. This crucially depends on the productive use of remittance or investment in the economy. It has been found that 80% of remittance is spent on repaying the debt consumption purpose like purchasing land, more expensive education for the children expenditure on social function like marriage and other ceremonies etc. Only reaming, 20% is used for productive purposed like small business, investment in the industry, agriculture business etc therefore some author believes that remittance have greater negative impact in the economy including the productive expenditure the demonstration effect of the migrants consequently domestic currency appreciation and inflation. The human and social aspects of migration are also an important factor which should not be neglected in the study (Pant, 2008).

Nepal is the landlocked country. Nepal is not developed country. It is moving in the path to reach in the status of the developed country. Nepal as being developing country, most of the people are suffering from the problem of unemployment. They don't have job opportunity in the country.

In order to earn money, they go to foreign land. They earn a lot of money in the foreign country. But, how much remittance is received in the Bhumesthan VDC from foreign country is not calculated until now. Moreover, it is assumed that most of the people go to India in order to earn money and a lot of remittance is in flowed in this VDC. On the other land, the uses area of the remittance has not also been investigated in this area till now. There are different sectors in the life of people. Among those sector education is one of the vital sector which consume huge amount of remittance. Moreover, the quality of education also depends on the amount of expenditure on this field. So, my study has tried to explore the answer of the following questions.

- What are the sources of remittance and how much remittance is inflow in Bhumesthan VDC of Dhading district?
- What are the areas where remittance income is used?
- What is the impact of remittance in education in the study area?

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

The general objective of the study is to find out the sources of remittance and its impact on education in the Bhumesthan VDC, Dhading district. The specific objectives are as follows:

- To examine the sources and volume of remittance inflow at the household level in the study area
- To the use of remittance income at household level in the study area.
- To assess the impact of remittance income in education in study area.

### **1.4 Significance of the Study**

The role of remittance in rural economy of Nepalese is increasing rapidly. It has been found that remittance income is the backbone for economy. But most of its part is

used an unproductive sector such as house building, land purchasing etc. It is necessary to know whether people of the study area only spent on such consumption. Most of the research on macro level has shown that more than 80-90 percent of the remittance income is used on the consumption (Nepal Rastra Bank, 2015). It is sure that the always use remittance income on such sector therefore it is significance to research. The study tries highlighting the use of remittance income use on education of person employed community in Bhumesthan VDC of Dhading District.

In the past, the kind of job of Nepalese workers was to go abroad to serve in armed force. After the restoration of democracy, inter-nation of job market was opened in the many country. Thus, the new phenomenon of entering the WTO efficient and skilled labor forces to the diversification of work and skill in creased the volume and ratio of foreign employment.

If we try to analyze the present manpower of Nepal about 70 (percent) of the educated manpower is migrated for work, but all of them are sending money from there for their family and relatives. So, over the remittance is coming for all over the worked to Nepal where the Nepalese people are migrated. Certainly that amount of remittance is helping Nepalese economy to increase the education level. When the compare the education level of migrated family and no migrated family, the migrated people's family has increased education level of they are felling very comfortable to fulfill their basic needs for their existence.

But most of the remittance income is used in the unproductive field like house building, land purchasing, purchasing of luxurious goods and consumption etc. Therefore, the remittance increase is not playing its actual role for the development of the country as well as the increased the education level of the entire country. In this context, it is necessary to study whether people of this area are spending their remittance income unproductive fields or they are spending in some productive field like on education. What portions of total remittance, the remittance holders spend in educating their children is the concern of this study.

More investment in education is a long term capital investment. If investment in education is found to be low, the educational standard of a nation will be decreased. So, it is essential to encourage people to invest more in education. This study is

significant to see the uses and to encourage them to invest their remittance income in education.

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

Every study has its own limitation. In the same way this study had also several constraints because of limitation in time and resources.

This study has generalized the impact of remittance income of Bhumesthan VDC of Dhading district. The 2, 4, 6 and 8 ward numbers of Bhumesthan VDC were included in the study. Only 250 households out of 200 remittance income generated households were included in the sample. The sample size was selected by the use of simple random sampling method. In total 143 foreign employers family heads were included.

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

Any study must have a proper organization. This present study of course has some definite organization. This present study is organized in chapter wise form. This study has been divided into five major chapters.

The chapter I introduces background of the study, statement of the problem, objectives of the study, significance of the study, limitation of the study, organization of the study. The chapter II analyses various literature available about the remittance, uses of remittances, etc. Likewise, the chapter III represents various method used to carry out this study. Here we have touched upon the description of our study area and provide a detailed explanation of the research design and procedures, the data generates and statistical tools used during the process. The chapter IV socio-cultural and geographic settings of our study area is sketched. The chapter V concentrates on our topic remittance and its impact on education. The final or the six chapter details the findings, conclusion and recommendation.

Finally, I have included references which included the list of review works followed while carrying out the entire research work. It has also included questionnaire used to generate data for entire research work.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

In this chapter, I have reviewed related literature. In literature review, I tried to examine the situation of foreign employment, remittance income and its subsequent impact on educational house hold and community level of migrant place of origin. It is oblivious that foreign employment has significant impact on rural household, where Agriculture is mainstay of living of them. As a result remittance income of that house household has change the patterns of consumption. Either that change maybe positive or negative. Important changes can be considered as change in consumption, patterns, flight of laborious habit, potential labor crisis in agricultural activities, and change in degree of expenditure of that house hold. However, only limited research has been carried out so far in this respect. The literature review here is grouped in to theoretical foundation of labor migration, historical review of migration for foreign employment causes of migration, effect (positive and negative) of migration in the economy or (cost of remittance), use of remittance income on education and some consumption theories such as, Absolute incomes hypothesis, Relative income hypothesis, permanent income hypothesis.

#### **2.1 Theoretical Review**

Remittance is generally defined as workers compensation, income or money either in cash or cheque or kind send from the international labor market to the home (migrant sending country). Remittance is monies (duty) transferred from one individual to another. International remittance is transfers of the funds by foreign workers (remitters) who are living and working in foreign countries especially in the developed countries. Remittance have increased significantly and became a major sources of income for developing countries. The topic of remittances the refer has come a popular on in the international finical community in recent years as both in rate volume of remittance. Remittance inflows have increased exponentially in most of countries in the world (World Bank, 2010).

According to the researchers, the demographic deficit and consequent demand for migration labor in developed and destination countries, growing disparity in wealth

income human security, human rights and demographic trend across countries are all exerting upward pressure on migration. Every year million of young men and women enter the force in developing where job are not created fast enough to absorb them. Now new technology also allows more people to acquire the information the need to access the global labor market (World Bank, 2010 ).

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

Likewise, Ghimire in his M. A. thesis concludes that – However, plan and polices seem good but the remittance are stilled transferred less by formal channels. The diversion in to productive sector has not been materialized according to desire of Tenth plan. It has only reduced the debt liability of a family of migrant workers (Ghimire, 2005).

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

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

The aim of the paper is to study the impact of remittances on public education spending in recipient countries. We build a simple theoretical framework where government intervention in education is motivated by the presence of credit

constraints. On the one hand, an increase in remittances relaxes liquidity constraints, which implies a shift from public to private spending. On the other hand, remittances may allow households to send children to school rather than to the labor market. This implies an increase in the demand for educational services. In the empirical section we find empirical confirmation of an inverted-U relationship: For small (large) amounts of remittances, an increase in remittances raises (lowers) public education spending)

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

Various researches have been conducted internationally on the issue of international labour migration and remittance economy but in the Nepalese context, it is found that very few researches/studies have been conducted to analyze the economic impact that the inward remittance might have due to the international labor migration. Despite of those lacking, this study tries to identify the features, characteristics, levels and trends of the Nepalese international labour migration on one hand whereas on the other hand it tries to explore the impact that the inward remittance sent by these labours have on the overall economy of the country.

With the increase in the number of workers, the inflow of remittances has also taken an upswing. Moreover, because of the policy steps taken for enhancing the inflow of remittances to the country through the official mechanism the share of remittances coming through the official channel has gone up. The mounting remittances have led to a surplus in the current account, thereby strengthening the overall balance of payments position. Despite of such a large volume of inward remittances soaring

inside the country as a result of booming international labour migration from Nepal, there still remains some questions unanswered.

### **2.1.1 An Overview of Labour Migration**

Over the past three decades, policies in the area of labour migration have developed along four major paths: growing restrictiveness and selectiveness in the admission of labour migrants in developed countries; a significant increase in the number of countries, particularly developing countries that have become host to foreign workers; the rising recognition that the rights of migrant workers and their families need to be protected and; the adoption of regional agreements on the free movements of persons (UN, 2014).

Globalization of integration of regional economies has added some impetus to the growing mobility of workers across abroad. In Asia the movement of labour is becoming an important and enduring phenomenon associated with economic growth and development since it eases skill imbalances in labour markets and provide broad cultural and economic benefits for sending and receiving countries. Migrants' remittances, for example, are now a valuable and stable source of foreign exchange to many origin countries. At the global level, the importance of migration to development is now reflected in the fact that it has become the part of agenda of multilateral institutions, as for example in the trade negotiations within the framework of General Agreement of Trade and Services (GATS).

While market forces are driving labour migration, there are several signs of market failure associated with its related processes. A number of risks have been associated with migration including trafficking and forced labour, recruitment malpractices such as fraudulent job offers and exorbitant placement fees, debt bondage, sexual and physical harassment, employment in hazardous jobs, and under or non-payment of wages. Experience suggests that state intervention through appropriate regulatory institutions and measures are essential to the efficient and equitable working of labour market

Recruitment malpractices, fraud and abuses are widespread in many Asian Countries. To combat them government should have transparent systems in place for licensing

and supervising private recruitment agencies. There should be stiff sanctions against fraud and against the practice of charging workers excessive placement fees, while providing incentive for good performance and cutting down lengthy bureaucratic procedures through such measures as establishing “one-stop” contract registration processing centers (ILO, 2003).

Despite some major barriers to migration, irregular migration has grown in recent years in Asia due to, among others, restrictive labour migration policies which are not in line with labour market needs. There is consensus that irregular migration is undesirable and must be minimized particularly as it often results in putting workers in a position of vulnerability to violation of their basic human rights.

Until the First World War, international migration played a key role in the integration of economies of both sides of the Atlantic. After the Second World War, migration of workers contributed to economic and social integration between countries in South and North. During both these periods, labour went hand in hand with capital mobility, and migration was key factor in the globalization of economies. International migration now seems to be excluded from the new process of globalization.

At the beginning of the twenty-first century, the total number of persons living outside their countries of origin worldwide was 175 million including 120 million migrant workers and their families according to the ILO estimates. It is estimated that 20 million African men and women are migrant workers and that by 2015 one in ten Africans will live and work outside their countries of origin. While migration is bound to grow and offers development opportunities for both countries of origin and destination as well as for individual migrant workers, ill-conceived or inadequate policies have led to a series of problems that are of direct concern to the International Labour Organization and its constituents (UN, 2014).

It is surprising to know that the larger share of international population movement is in developing countries. The refugee burden is particularly heavy in developing countries, which receive nearly three-quarters of all officially-designated refugees and untold numbers of other forced migrants. In addition, the developing world contains numerous magnets for economic migrants, including the newly industrializing economies of Asia; the oil-producing Middle East Gulf States; West Africa and –

increasingly – South Africa; and the Southern Cone, Venezuela, and Mexico in Latin America. While international migrants represent only a small fraction of the world's population, the impacts of these movements can be larger if compared to the numbers who move (ILO, 2003).

Who are these international migrants? They include people who have moved more or less “voluntarily” (e.g., short and long term workers ranging from unskilled labourers to highly skilled “professional, technical, and kindred” (PTK) workers), as well as those whose movement is in some sense “forced” (e.g., refugees and bona fide asylum seekers, and people who move for environmental reasons or “Eco migrants”). Included along this spectrum are many whose movement is a response to poverty and lack of employment at home.

Some are settlers, whose migration – whether undertaken legally or illegally – is essentially permanent; others have moved (at least initially) on a temporary basis. In general, migrants tend to be young adults. Again, it comes as a surprise to many that between 40 and 60 percent of all international migrants worldwide – and over one half of refugees – are women and girls. In some migration streams (such as those from Sri Lanka and Indonesia to the Gulf States), the majority of migrants in the 1980s were women.

Increased attention to the volume and directions of international population movements has been accompanied by growing awareness that migration is linked often in ways that are poorly understood to the process of development itself. Developing countries, which both send and receive the majority of international migrants, are trying to understand better the role of migration in the development process. Industrial countries, for their part, are examining the ways in which their trade, aid, investment, and development assistance policies affect and are affected by international migration, especially from developing areas. In the case of migration, globalization and its dominating facet, foreign direct investment, may mean two opposing things. It can be viewed as the necessary complimentary between movements of production factor labour and flows of capital and goods or, conversely, as an alternative to the movement of workers. In the first case, globalization would lead to the growth and diversification of migration flows, while in the second international trade and capital movements would substitute migration.

Beyond quantitative changes, the essence of new developments brought in by globalization is the transformation of pattern of trades and productive systems. High skilled labours become more capital alike and are characterized through high international mobility, while movements of low skilled labour may become superfluous regarding rising capital portability.

Many developing country governments encourage international labour migration, more often implicitly than explicitly. By providing employment for both unskilled and skilled workers, emigration offers an outlet for domestic frustrations that might otherwise present serious political problems, and can produce large inflows of valuable hard currency remittances. The consequences of international migration for development (of development on migration) in countries of origin and destination remain hotly debated.

Many countries around the world are facing rapidly changing dynamics of labour migration. Migration pressures are increasing in all regions of the world. Migrant workers are often still subject to severe forms of exploitation in recruitment and employment, to forced labour, substandard housing, exclusion from social protection, and denial of many basic human rights.

All too frequently, national migration policies, legislation and practices are outdated. Many governments acknowledge that existing law and practice are manifestly inadequate to assure effective management of today's labour migration conditions.

During 2000 to 2001, a number of governments in Central and South-East Asia, the Caucasus, the Persian Gulf and Latin America have asked the ILO to provide advice and technical assistance towards reformulation and modernization of labour migration legislation, structures, policies and practices. Our aim is to offer the relevant government a comprehensive review-analysis-recommendations package to address labour migration issues and needs, update legislation, policy and practices, and implement measures for effective management of labour emigration and immigration. The ILO International Migration Branch has the accumulated knowledge, expertise and framework to respond to these challenges. It however, requires additional resources to provide adequate and timely cooperation to constituents.

### **2.1.2 Causes and Consequences of International Labour Migration**

The causes of international migration are multiple and, for any given country, change over time. Understanding those causes, identifying what – if any – issues they raise for migrants and their countries of origin and destination, and determining appropriate and effective policy options for addressing such issues needs to be done on a country-by-country basis (Bhattarai, 2015). A review of Existing Government Policies and Programmes supported by Youth Action Nepal.

**Consequences in countries of Origin:** Many developing country governments have encouraged international labour migration, more often implicitly than explicitly. Such countries include Turkey, the Philippines, South Korea, India, Pakistan, Bangladesh, Sri Lanka, Jamaica, Cuba, Barbados, Mexico, El Salvador, and Nicaragua. Their reasons are multiple. Emigration can provide relatively well-paid employment, especially attractive for governments struggling to keep pace with rapid labour force increases. In some countries (Egypt, Sri Lanka and India are prominent examples), educational systems are producing numbers of highly-educated graduates far in excess of domestic demand for such persons. By providing employment for both unskilled and skilled workers, emigration offers an outlet for domestic frustration that might otherwise present serious political problems, and can produce large inflows of valuable hard currency remittances. Moreover, some governments have welcomed, if not encouraged, the emigration of selected ethnic groups and political dissidents. At the same time, sending country governments express concern that emigration deprives these nations of their best human resources, represents a transfer of educational investment from poor to rich countries and leads to abuses or exploitation of their workers. Out-migration can also pose the risk of rather serious and sometimes dramatic economic problems and the need to make sudden adaptations when migrants return unexpectedly and in large numbers, as occurred in the aftermath of Iraq's incursion into Kuwait in 1990.

The consequences of international migration for development (and the effects of development on migration) in countries of origin remain hotly debated – and poorly understood. The positive links are most clear over the long term, as illustrated historically by countries such as Sweden, Germany, and Britain, and more recently by “transition cases” such as Italy, Greece, South Korea, and Taiwan, all of which went

from being countries of emigration to countries of in-migration. Over the short term (10 to 20 years), it has proven difficult to demonstrate empirically any “automatic mechanism” by which international migration results in development. At the same time, there is evidence that rapid and successful development may increase emigration in the short term.

Although the poorest seldom have the means to migrate, remittances have been shown to play an important role in poverty alleviation for migrant households and in sub-national areas of out migration. The consequences of remittances for income inequality depend greatly on the income composition of a given migrant stream. Inequality may increase if migrants are concentrated in upper-income households, but may have neutral effect where migrants are fairly evenly distributed across income levels.

The consequences of migration for labour markets and human capital in countries of origin are multiple and most often context-specific. It has been difficult to demonstrate absolute reductions in unemployment as a result of international migration, but emigration does appear to play an important role in absorbing labour force growth. Whether or not emigration constitutes a “drain” of workers at any skill level sufficient to hinder the development process depends upon the availability of human and other resources to fill the gap. Similarly, migration may or may not contribute to the acquisition of skills abroad. It is more clearly evident, however, that migration and remittances improve the ability of migrant families to educate and provide health care for their children.

**Consequences in countries of Destination:** Migrant-receiving countries are heterogeneous, and there are some generalizations about the consequences of international migration. For them as a whole, it is difficult to make, an analysis. However, studies have especially given that migration patterns and to them change over time and with changing circumstances. Arguably the most universal consequence is that international population movements-however small-can alter the ethnic, racial, cultural, and sometimes the political composition of receiving societies. While these diverse populations are often successfully integrated, they may also contribute to social conflict and, in extreme cases, violence against migrant groups.

### **2.1.3 Problems Faced by Migrant Workers in Sending Countries**

Several studies have been carried out in different countries regarding the problems faced by the migrant workers in sending countries. The problems are quite different in nature. I have reviewed here some of the cases. In Philippines there is little or no employment opportunity in the home country, or there is only an under-employment opportunity. Workers must pay a placement fee to a local employment agency or a special fee to their own home government. Workers often must borrow money at high interest to pay these fees.

Similarly in Thailand, there is need for pre-departure orientation programs for Thai workers who wish to go overseas for work. The Ministry of Labour does have programs in operation to facilitate the process. The problem is an insufficient budget for pre-departure orientation programs and proper administration. The bureaucracy set up to handle the growing number of interested Thai candidates for jobs abroad is also very complicated and the process is very time consuming.

This has been further complicated by a burgeoning number of private job placement agencies that have found that it is very profitable to step into the system and offer their services to Thais who want quick jobs abroad. These job brokers travel to village after village offering quick overseas employment and present a picture of instant wealth to villagers who are very vulnerable to their spiel. The condition for such employment, of course, is paying the broker a placement fee. The official fee is roughly 60,000 baht (USD 1,350) but in fact the amount being paid fluctuates according to the demands of the job broker and the gullibility of the job-seeking workers. Often the figure is closer to three times the official quota.

Contracted work overseas is rarely long-term. Usually the work contract lasts two years. For the worker to recoup the amount of money paid to the broker as a placement fee a full two years is virtually essential and, even so, any meaningful profit requires a good deal of overtime work.

There is much activity at present at the Ministry of Labour to update their procedures to be more relevant to the situation and more protective of the workers seeking overseas employment.

Thai overseas workers tend to be non-confrontational to employers, hard working, and docile so they are in demand. The Thai Government actively promotes overseas jobs and tolerates the job brokers' involvement.

#### **2.1.4 History of International Labour Migration in the Nepalese Context**

Nepal has also a long history of International Labour migration. Around 200 year ago, Nepalese started to seek work abroad and send remittances back to their families in Nepal. In early 19<sup>th</sup> century, for instance, the first men migrated to Lahore (in today's Pakistan) to join the army of Sikh ruler, Ranjit Singh. They earned the nickname "Lahure" which is still used today for Nepalese employed in foreign armies abroad. In 1815/1816, the first British army of India and were then and still are called "Gurkhas". Since then, international labour migration of Nepalese has never ceased. Especially in the recent decades, it has greatly increased and diversified in pattern (ILO – DFID, 2012).

The Nepalese government now intends to actively promote international labour migration and to safeguard the interest and welfare of migrants. Only a few initiatives have been taken so far. Among these are bilateral talks with the governments of the Gulf States in order to increase the number of posts for Nepalese and to increase security as well as to improve the conditions of employment of the migrants. Furthermore the government is trying to regulate the procedure of recruitment. It has therefore listed a number of Gulf States and Asian countries to which Nepalese workers may be recruited officially and defined conditions for registered recruiting agencies, including the condition that these have to be based in the Kathmandu valley, that is, in or near the capital.

Numerous cases of intolerable sufferings of Nepalese migrant workers have been found abroad. It is bitter reality that Nepalese workers are accepted in East and South East Asia as well as in Gulf countries only because they are cheap and they do whatever job they get. Most of them are educated male and female from middle and lower middle class families who go abroad with a hope to earn much within a short period of time. The large number among them works illegally. Nepalese whether by training visa or by illegal measures, reach their destination countries after paying considerably huge amount to the middle man or the so called employment agencies.

They are generally forced to work under ‘3-Ds’ (Dangerous, Difficult and Dirty) conditions.

As a response to physical and sexual abuse of women migrants to the Middle East, in 1998 His Majesty’s Government of Nepal officially banned female migration to Gulf States. After this to obtain a passport women have to produce a permission letter from their guardian, that is, from their husband if they are married or from their father if they are unmarried. Further ideas of the government, with the objectives to promote international labour migration, which have not yet realized, are (1) the creation of a ‘foreign employment bank’ which should replace the informal channels that are now used for remittances, and (2) creation of revolving fund which will provide collateral free loans to individuals from deprived sections of society.

For all households involved in the migration it is the lack of opportunities in Nepal for employment and for secure livelihood strategies which leads to migration whether within the country, within the region or overseas. Households that are poor have less choice with regard to migration opportunities and the poorest households are most vulnerable when it comes to illegal migration and various forms of trafficking. The recent Maoist insurgency also basically reflects frustration of youth with poverty and lack of opportunities, which is again exerting migration pressure from the affected areas to other parts of Nepal or overseas, particularly India (ILO – DFID, 2012).

### **2.1.5 Sustainable Foreign Employment: Issues, Critical Concerns and Way Forward**

Poverty in Nepal has been regarded as the prime cause often blamed on high unemployment and underemployment. Decreasing trend in the availability of productive employment opportunities in the country and low level of family income are the push factors combined with the attraction to foreign employment are the major causes behind the multiplying increment in the number of Nepalese migrant workers. With the escalation of the insurgency in the last few years, the number of Nepalese migrant workers and the aspirants has increased drastically. The exact number of such actual and potential migrants is difficult to estimate due to poor information system and lack of border regulation with India. Many of Nepalese migrant workers have gone to other countries through various other means than regular channel. The

undocumented and irregular migrants have become the source of vulnerability and exploitation. There is significantly a low level of preparedness to work among the migrant workers in fronts of occupational competence and psychological and behavioral skills. Most of them are unable to communicate even a single word of English, and many of them have no such exposure to outside world of work. It is the general observation that the situation is extremely below the level of satisfaction with respect to capacity, income and voice.

The dynamics of population movement for economic betterment has undergone fundamental transformations in the 21<sup>st</sup> century adding new multi-faceted dimensions, complexities and challenges. Globalization has created diversified and expanded space for trans-border labour mobility. This is a big opportunity for Nepalese labour market to intervene into the international labour market through its cheap labour force. The tendency in progress of the labour markets in the developed and newly developed economics to import cheap but sincere work force from the labour markets of underdeveloped economy has become an effective pull factor generating more opportunity for the country like Nepal. Excessive supply of unskilled youth work force and the low level of capacity of national economy to absorb such availability have reinforced to use such opportunity of overseas employment. It has been the sector of competitive advantage for Nepalese job market.

A sustainable foreign employment has continuity, relentlessness, incessant and unceasing qualities. This can be attained through empowered workers with the capacity to use the informed choice of employment opportunities. Sufficient advocacy and sensitization is needed in this advent. It requires safe and qualitative migration for decent employment with skillful and occupationally competent workers. The critical concerns of sustainable foreign employment includes protection of migrants and promotion of employment condition; optimizing the benefits of migration through expansion of employment windows and efficient service delivery; inter-state and inter-stakeholder cooperation and collaboration; and knowledge management for better utilization of international labour market dynamics. Sustainable foreign employment also asks for proper recognition in national development priority of investment appropriate mainstreaming thereon. Adequate understanding and assessment of international labour market dynamics is required.

It is the point to realize the important contribution of migrant workers to national economy and the urgency to improve the system and mechanism for fostering sustainable foreign employment. The demand of Nepalese workers is in increasing trend and the greater use of such diversity and employment opportunity is crucial for reducing the poverty and the addressing the growing pressure of unemployment. As a way forward for attaining sustainable foreign employment, there are the critical areas for strategic interventions including policy development and legislative reforms by choosing the policy regime and building efficient structures for implementation; building governance competency for optimizing the benefits of migration and expanding the opportunities; information – education and communication strategies for behaviour change; cooperation, collaboration and partnership building among the national and international partners of social development; knowledge management to track and monitor the dynamics of labour markets and the conditions of migrant workers. Pursuance to bilateral and regional collaboration and partnership building among the labour sending countries is vital and cooperation between countries of origin and the destination is essential for better social protection and decent employment of Nepalese migrant workers.

Foreign employment gains prolonged with quality in the presence of accountable and competent governance. Assumption of accountable role-behaviour by the sending and receiving states is the prerequisite in this regard. It also asks for professional and accountable recruiting agents, meaningful participation of migrants, recruiting agencies and the civil society in policy making and law enforcement enhances the sustainability. Capable diplomacy and institutional mechanism to coordinate, facilitate, monitor and supervise the whole process of migration cycle qualifies the meaningfully sustained foreign employment. Responsive civil society and media are the catalysts with regard to ensuring socially inclusive, community-owned and internalized migration. A more collaborative effort with partnership building among the stakeholders at national, regional and international levels is expected to strengthen the sustainability in this respect.

Competent, appropriate and adequate policy framework is needed because the national policy on foreign employment leads to sustainability with its objective to promote employment through development of international labour market and human

resource management; protection and promotion of well-being of migrants through adequate regulation, protection of migrants rights, standard setting and enforcement, effective migration services and supervision of private recruitment agencies; maximize development impact of labour migration through channeling migrants' remittances, safe return of skillful talents and social integration. A worker-friendly legislation with competent regulatory mechanism beyond the classical command and control framework, and more inclined to the promotion of foreign job markets is the urgent need at the moment.

### **2.1.6 Remittance; its Significance and the Nepalese Economy**

Remittances play a central role in the economies of many labour-sending countries including Nepal. The flow of remittance in the economy does not determine the level of economic growth but the manner the country uses it is much important. Meaningful utilization of remittance money paves the way for boosting socio-economic activities towards deprived people and for the development of remote areas of the nation. Mere collection of remittances in banks and financial institutions does not bring desired outcome in the economy. Such funds should be channelized into different layers of the economy to meet twin goals of poverty alleviation and sustainable development. Presently, planners, policy makers are also recognizing the crucial significance of remittances to national economy. Through the meaningful utilization of remittance, economic activities could boost up and thereby lift the standard of livings of the people in a satisfiable manner. This would in turn raise the level of output, employment, export and foreign earnings. The GDP growth of the nation could be improved in the long run with the better use of remittances.

External debt is growing at a rapid tempo resulting growth in debt servicing. Nepal's present day challenge is the ever-increasing outstanding debt and increasing burden of debt servicing. In 2005/06 a sum of Rs. 14.3 billion was utilised for meeting the principle repayment. Of this, 49.0% was for servicing the external debt which was to be paid in terms of foreign exchange. External debt servicing increased by 17.4% compared to the previous year (Ministry of Finance, 2007). However, Nepal has been able to handle debt servicing comfortably due to increased inflow of remittance.

The ratio of remittances to saving, investment and saving investment gap is increasing with higher rate of growth of remittances. This shows that Nepal's dependency on foreign aid for filling the saving investment gap can be lessened to a greater extent through strategic plans and programs for mainstreaming the incoming remittance to financial system and for their productive use. In this respect replicating the successful program launched by labor exporting Asian countries such as Sri Lanka, Bangladesh, Thailand and Indonesia could be helpful.

Nepal, to a large degree, depends on remittances to sustain its economy. Remittances have sustained the present day Nepalese family budget, paying for schools fees, debt payments, and daily household needs. They appear to be part of a livelihood and poverty reducing strategy at the individual and household level. As the rise in the inflow of remittances is the upshot of the increase in the outflow of mainly semi-skilled and unskilled workers who come from poor households, the money they send back has positive impact on the living standards of the families left behind.

Because of poverty and inequality, labour migration has become the most important economic support, especially for rural Nepal. Nepalese workers have sought foreign employment as both the agricultural and non-agricultural sectors struggle to create new employment opportunities. Currently many workers view foreign employment as their only viable option owing to the widespread conflict in the country. According to the latest statistics of the Department of Labour and Employment Promotion, the number of workers going abroad for employment has risen by 27.7 percent in the first six months of FY 2006/07 as compared to the corresponding period of the previous year.

The importance and impact of remittance in the economy could be accessed through various ways. Empirical studies of (Athukorala, 1992) suggest that for a number of developing countries, the level of remittances is significant in proportion to the country's merchandise exports. They revealed that in Bangladesh, remittances were equivalent to about 44 percent of total merchandize export in 1993; in India, about 13 percent in 1990; in Philippines, about 22 percent in 1993 and in Pakistan, about 24 percent in 1993. The increase in remittance, if substantial, can contribute significantly towards stabilizing the exchange rate, increasing availability of foreign exchange for imports, lessen the dependence on foreign borrowing and aid and in some cases

relieve the pressure to accept the harsh conditionality imposed on borrowings by multilateral agencies. The increase of the flow of remittances has paved the way for South Asian economies as Bangladesh, Sri Lanka and Pakistan to keep their Balance of Payment (BOP) situation in a healthy state. The strong inflow of remittances especially for Bangladesh since 1996 have allowed foreign exchange reserves to increase to (US\$ 3.3 billion) and provided a confidence to float her currency. What we find from the above mentioned phenomenon is that remittance money has also become a crucial component for Nepalese economy. The GDP has also accounted remittances as one of the major sources of national income of the country. The remittances have contributed significantly to maintain Nepal's favorable BOP position. Remittances have played a vital role in keeping the economy afloat. Instability and insecurity are crucial problems for the low economic growth of 2.5 percent (Ministry of Finance, 2007). The overseas migration and remittances have been instrumental in poverty alleviation as well as for improving the living standards of the people (Seddon et al., 1999 and Shrestha, 2004).

As we already reviewed that remittances often provide a significant source of foreign currency, increase national income, finance import and contribute to the Balance of Payment (BOP); others however believe that remittance not only fail to help the economy but also decrease the livelihood of an economy. The flow of funds can be deceptive if it creates dependence among the recipients, encourages the continued migration of working age population and decreases the likelihood of investment by the government or foreign investors because of an unreliable workforce. Moreover, the researchers as Russel, Martin; etc. view remittances as unpredictable source and as a cause of increasing inequality (Athukorala, 1992-511-529). Also remittances are frequently spent on consumer goods, rather than locally produced ones hence decreasing the potential multiplier effect of the money and increasing import demand and inflation.

From the review of above stated literature it is concluded that foreign employment and remittance are important component of national economy. The state of Nepalese economy reveals that state being unsuccessful to faster development in such miserable situation also remittance have been playing pivotal role in the countries. Foreign employment help to divert large amount of remittance into national economy.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

This section is the discussion of methodology adopted in this study. I have discussed methodological steps followed in the study in this chapter.

#### **3.1 Rationale of the Site Selection**

The proposed site of the study is the Bhumesthan VDC of Dhading district in Nepal. The remittance receiver households on Bhumesthan VDC are selected for the study. A larger number of household members are abroad for earning money. Now their children's education status is gradually changing because of inflow of remittance from abroad. Besides this, the area is accessible for this study. These are some of the reasons why the researcher has selected to study remittance-receiving households living in Bhumesthan VDC.

#### **3.2 Research Design**

The research design is an organized approach and not a collection of loose, unrelated parts. It is an integrated system that guides the researcher in formulating, implementing, and controlling the study. Useful research design can produce the answers to the proposed research questions. The research design is thus an integrated frame that guides the researcher in planning and executing the research works. The design of this study was based on survey research. I surveyed the household structure of the Bhumesthan VDC of Dhading. Similarly, I surveyed the impact of remittance income on education. Survey research design uses descriptive and quantitative/statistical methods of data analysis and interpretation. So, this research study followed both descriptive as well as analytical research design in the analysis and interpretation of data collected so far from the household survey and interview questionnaire.

#### **3.3 Nature and Sources of Data**

The nature of data collected in this study was descriptive and statistical. Statistical data were related to the family structure, economic structure, educational structure,

ethnic structure and the structure of study population while descriptive data were related to the impact of remittance income in education. The researcher used both primary and secondary sources of data to complete this study.

### **3.3.1 Primary Sources of Data**

The primary sources of data in this study included the 50 households of the Bhumesthan VDC of Dhading district who had remittance income. Among the household members of Bhumesthan, I had taken interview with the sample household with the help of structured questionnaire. Similarly, the relevant information's was collected through the medium of questionnaire. The questionnaire included both open & closed types. I had taken personal interview and filled up the questionnaire.

### **3.3.2 Secondary Sources of Data**

Besides primary data secondary data was also taken in order to fulfill the research objectives. The available informative about remittance and its sources was taken from official and non-official sources. The relevant data was taken from the publication of National Planning commission secretarial, central Bureau of statistic (CBS), Budget speech of Gov., Economic survey, Annual publication of Nepal Rasta Bank, Books, report, Magazines, Seminar and information from donor agencies like W.B., ADB, IMF, UNDP, etc .

### **3.4 Universe, Sampling Size and Sampling Procedure**

The universe refers to the whole population of the study area who had remittance income. So the universe of this study included 200 remittance income generated households of ward no. 2, 4, 6 and 8 of Bhumesthan VDC of Dhading district. However, it is not possible to include all the households for the study purpose due to time and economic constraints. So the sample was selected from the universe. The sample size of this study included 50 households of ward number 2, 4, 6 and 8 of the Bhumesthan VDC of Dhading district. The sample was selected from the universe by using purposive non random sampling procedure. All together 143 people were found to be employed in foreign countries from 50 HHs. The household heads of the people employed in foreign work and generate remittance income were taken as the

respondents. So, the respondents' size included 22 male and 28 female from the 50 household who were selected purposively.

### **3.5 Data Collection Techniques and Tools**

The required data were collected through the household survey. While doing household survey, the researcher applying applied field work interview and structured questions as the techniques of data collection. Both primary and secondary sources of data collection were used for data collection. Primary data was collected through fieldwork and interview questions and secondary data was collected through published and unpublished materials such as books, articles and research report. The structured questionnaire and unstructured interview methods were applied to generate the primary data.

#### **3.5.1 Household Survey**

Household survey refers to the process of selecting sample for a study by surveying the households that could provide required information. Household survey was done through the fieldwork. To generate the accurate data from HHs survey of foreign employers, the structured questionnaire was prepared. The respondents were requested to fill up questionnaire. The respondents who could not fill up the questions included in the questionnaire, were interviewed to collect the required information. The researcher developed survey form and structured interview to survey the households in this study.

### **3.6 Data Processing, Analysis and Interpretation**

The study was based on primary and secondary data, which was collected through structure and open ended questions, the field survey from the respondent, key information and case study of the selection area. When the task of data collection was over, collected data was processed and tabulated manually. Tabulated data was interpreted based on percent distribution, and was the data presented in the form of graph, bar diagram pie- chart table with the help of computer program.

## CHAPTER FOUR

### SOCIO-ECONOMIC STATUS

This chapter is the analysis and interpretation of data related to the socio-economic status of sampled households. It includes the data related to population and social condition, educational status and family size structure the selected households.

#### 4.5 Population and Social Condition

According to the population census 2011, total population of the Bhumesthan VDC is 12, 924 among them male were 6100 and females were 6824. There were 2056 households with 6.28 average household size. However the number a migrant workers is only taken in this study. So the distribution of the population in term of caste/ethnic group is given below which shows that mixture of different caste.

**Table 4.1: Distribution of Population in Terms of Caste/Ethnic Group**

Caste/Ethnic Group	Total	Percentage
Tamang	53	37.06
Chettri	37	25.87
Brahmin	17	11.89
Dalit	11	7.69
Gurung	7	4.89
Magar	6	4.19
Newar	5	3.45
Sarki	2	1.39
Sanyasi	3	2.09
Other	2	1.39
Total	143	100.00

Source: Field Survey, 2016

The above table shows that caste/ethnic group's wise distribution of the population selected for the study. Out of the total population of the sample, Tamang ethnic groups were high in number. All together 37.06 percent of Tamang were there, second largest groups of ethnic community were Chettri which occupied 25.87 percent in

total. Similarly, Brahmin was 11.89 percent, Dalit were 7.69 percent, Gurung were 4.89 and Magar were 4.19 percent. The least number of ethnic groups include the Newar, Sanyasi, Sarki and other. Only one Sarki ethnic people were found in the study area.

#### 4.6 Distribution of Population by Age and Sex

The sample population was distributed by age and sex, and is presented in table 4.2. Age group is categorized in different group of below 14, age within the 15 to 59 and above 60. Male and female with respect to their age is tabulated in the following table:

**Table 4.2: Distribution of Sample Population by Aged Sex**

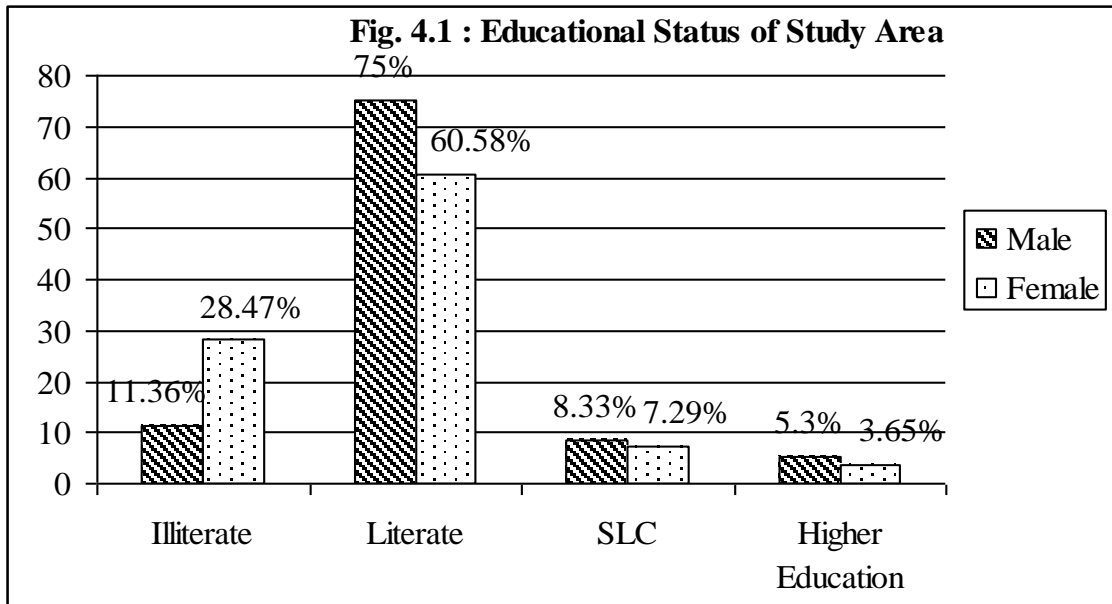
Age Group	Male	Female	Total	Percentage
Below 14	45	47	92	30.48
15-59	90	85	178	60.63
60 above	15	1	16	8.89
Total (N)	150	133	283	-
Percentage	51.11	48.89	143	100

Source: Field Survey, 2016

The table 4.2 shows that the total population was 283 among which 51.11 percentage were male and 48.89 percentage were female. While comparing it with national data, male are 49.8 percentage and females are 51.20 percent. Among 283 total population, 150 were male and 133 were female. Among sample population, 30.48 percent fall under below 15 which is less than national data of 43.36 percent. Economically active population were 60.63 percent in the study area which is greater than the national data of 50.78 percent. Similarly, 8.89 percent of the total population fall under the age of 60 and above and which is little bit less than the national data.

#### 4.7 Educational Status of Study Area

In this study area, majority of the household were found literate. the figure 4.1 shows the educational scenario of the study area. Though the total population of study is higher than 286, other fall within age of below school level.

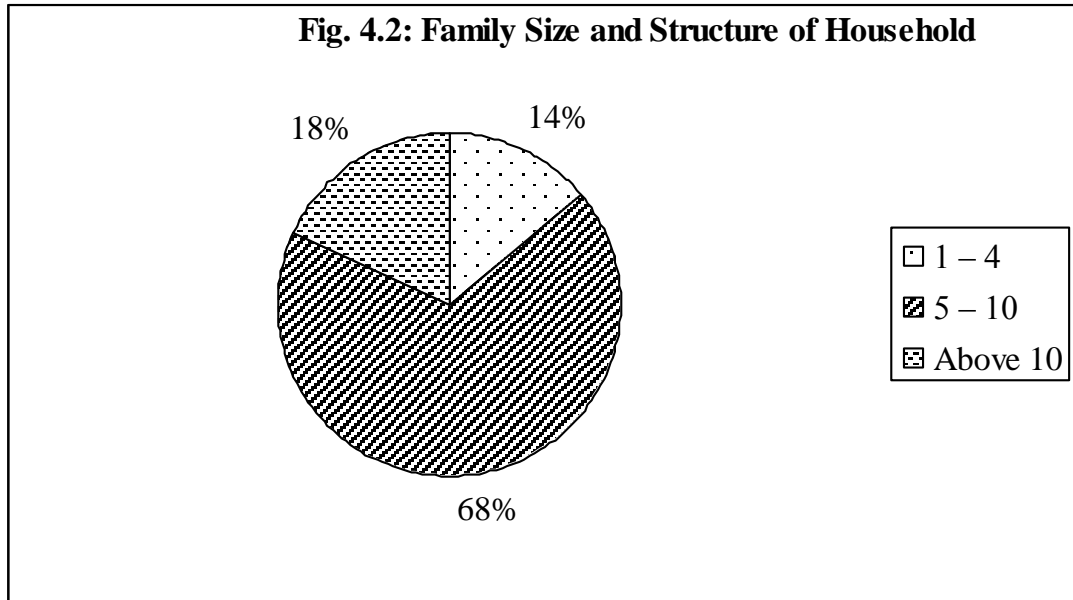


Source: Field Survey, 2016

Above figure 4.1 shows the educational status of the study area. 20.7 percent of the total population were found illiterate, which is quite good than the nation of average data of 33 percentage. Educated population with below SLC were found 67.66 percent which is great than the national average of 63.74 percent. Out of total sample population, SLC holders were found 7.80 percent and higher education holder were found 4.66 percent. When we see the sex wise distribution, only 11.36 percent male sample population were found illiterate in the study area and female were 28.47 percent but the female population are higher in illiterate section. The data shows the fact that parent are not aware on the education.

#### 4.8 Family Size of Structure of Household

To categorize the sample household by number of family member, the range are taken as 1-4, 5-10 and above 10 members. The figure 4.2 present the family structure of household.



Source: Field Survey, 2016

The household are categorized as the small (1-4), medium (5-10) and larger (above 10) family size. The data shows that majority of household fall under medium family size, proportion of which is 68 percent. Just 14 and 18 percent household fall under the small and larger family size respectively. This means, in the study area 68 percent of sample household have 5-10 member of family. The data depicts that still the community of study area prefer to live in joint family structure. This is because of their tradition, culture and social formation. The study found the average household size of study area is 6.28 while national data shows household size is 4.6.

## **CHAPTER FIVE**

### **REMITTANCE AND ITS IMPACT ON EDUCATION**

Various theories related with the income and consumption expenditure show that as the level of income increases the uses also vary accordingly. The theories such as absolute income hypothesis, permanent income hypothesis, relative income hypothesis and life cycle income hypothesis have shown various conditions that affect to the consumption. Income is defined as the amount of final goods and services received by an individual, corporation or economy in a given period of time. In other words earning by one individual or economy is known as income. Earning includes the return for human effort, the reward for input for factor of production and income from business. In the Nepalese context, single occupation cannot support individual to maintain the level due to lack of specialization. So people are involved in many occupations for their livelihood. Most of the households in the study area earned income sources from foreign employment and agriculture. In this chapter I have presented, analyzed and interpreted the data related to sources and volume of remittance, use of remittance and impact of remittance income in education.

#### **5.3 Sources and Volume of Remittance at the Household Level**

This study primarily aimed to find out the sources and volume of remittance at the household level. The selected households obtained remittance from various sources to the different volume. The data related to this aspect are analyzed and interpreted in this section.

##### **5.1.1 Causes and Number of Migrant**

It is necessary to discuss the cases and number of migrant while studying the sources and volume of remittance at the household level. There are several reasons to seek foreign employment. To find the cause of foreign employment, the respondents were asked 'what are the causes for going abroad'. The table 5.1 shows the result on this concern:

**Table 5.1: Number of Migrant and Its Causes**

<b>Causes to Migrate for Abroad</b>	<b>No. of Migrant</b>	<b>Percent</b>
Job not found in country	70	48.95
To decrease family loan	15	10.48
To earn high among of money	28	19.58
Not appropriate in own country due to the conflict	12	8.39
Landless (any other)	18	12.58
Total	143	100.00

Source: Field Survey, 2016

Among population of this study, more than 45.39 were found to be employed in foreign employment i.e. 143 population had earned income from remittance. One interesting thing is that there found minimum 1 to 5 persons to seek foreign employment. Table 5.1 shows that 48.95 percent of population was migrated due to the absence of job opportunity in the country, 12.58 percent were due to other reasons like (landless), 10.48 were to decrease family loan, 19.58 percent were in foreign employment to earn high amount of money, and 8.39 percent were due to the conflict. The table also shows that scarcity of job in country and to earn high amount of money are the main causes to seek foreign employment.

### **5.1.2 Counties of Foreign Employment**

The people of selected area were in different countries for foreign employment. The table 5.2 shows the information related to this aspect.

**Table 5.2: Counties of Foreign Employment**

<b>Foreign Country</b>	<b>No. of Migrants</b>	<b>Percent</b>
India	75	52.44
Gulf	42	29.37
Malaysia	24	16.78
Other	2	1.39
Total	143	100.00

Source: Field Survey, 2016

Among the total population of this study, 143 population were found to be employed in the foreign countries. The important thing is that, at most five people of each household have been migrated for foreign employment. The table 5.2 shows the result of worker along with migrated countries. According to which, a majority of worker have been migrated to India which is 52.44 percent and then 29.37 percent of migrant were in Gulf, 16.78 percent of people were in Malaysia and remaining 1.39 percent were in other countries.

### **5.1.3 Working Sectors of Foreign Employees**

The working sectors of employee are categorized into five different heading such as construction, hotel, services, manufacturing and others. The information related to the working sector used by sample population in the study area, has shown in table 5.3.

**Table 5.3: Working Sector of Foreign Employee**

<b>Sector of Working</b>	<b>No. of Worker</b>	<b>Percent</b>
Construction	55	38.46
Hotel	18	12.58
Services	25	17.48
Manufacturing	32	22.37
Other	13	9.09
Total	143	100.00

Source: Field Survey, 2016

The above table shows that 38.46 percent of total sample household were found to be working construction sector. It is the majority of worker's working sector. Manufacturing and services sectors were found 22.37 percent of 17.48 percent of the total population respectively. Similarly, 12.58 percent people were found working in the hotel sector and any 9.09 percent were found in the other sector.

### **5.1.4 Income Distribution Pattern among the Total Sampled Household**

Income distribution among the sample household are explained by dividing the households into different group with fixed income range. This would be relevant to

know the income inequality among households. It simply deals with the household and range of income they earned. The income distribution patter is given in following table.

**Table 5.4: Distribution of Foreign Remit Income among the Total Sampled Household**

(Annual Income in Rs)

<b>Income Group (000)</b>	<b>No. of HH</b>	<b>Percent of HH</b>	<b>Total Income</b>	<b>Percent Income</b>
50-100	1	2	79000	0.84
100-150	22	44	2879739	30.57
150-200	13	26	2229568	23.67
200-250	5	10	1157367	12.29
250-300	2	4	53243	5.64
300-350	4	8	1287275	13.67
350 above	3	6	1254655	13.32
Total	50	100	9418847	100

Source: Field Survey, 2016

The above table 5.4 shows, that the total sampled household were has categorized into seven groups on the basis of certain annual income. The table also shows the categories of sample household with respect to their certain income range. Ranges were classified into seven different ranges with class in the interval of 50 thousand. They were from 50 thousand to above 350 thousand. There was single thousand having annual income below 100 thousand which in percent are 2 to total sample household. Share in total annual income of sample household of this group is only 0.84 percent. Those who earns in range of 100-150 thousand were found 22 household among 50 sample household, which in percent are 44 of total sample household.

The share of incomes ranges having 100 to 150 on aggregate annual income of total sample household is 30.37 percent, which is highest of share, comparing with other range of income earners. Income earning ranges of 150 to 200 thousand was found on

13 household. That is 26 percent of sampled household annually. The share of such household having that income range of total annual income of total sample household was found 23.67 percent. It was found that 72 percent of household have income below range of 200 thousand annually. Likewise, five household were found having income range of 200-250 thousands; i.e. 10 percent. Its share on total annual income of total sample household is 12.29 percent. The income earners having of 250-300 thousand, 300-350 thousand, and above 350 thousand was found on 2, 4 and 3 households respectively. The share on aggregate annual income of all sample household was found 5.64 percent, 13.67 percent and 13.32 percent respectively. The variation of income implies that most of the household are living in poor economic condition.

#### 5.1.5 Sources and Volume of Remittance at the Households

It is true that, income from remittance has improved the economy position of the household on study area. Due to various reasons people used to choose other countries as their destination for foreign employment. Regarding the sources and volume of remittance at the household level, the sample respondents viewed that they obtained the remittance income from the different countries including India, Malasiya, Gulf and other countries. The following table presents the major sources and volume of remittance at the households:

**Table 5.5: Sources and Volume of Remittance at the Households**

S.N.	Source of Remittance	Volume of Remittance			
		No. of Employer	Percent	Annual Income	Percent
1.	Employment in India	75	53.19	90,12,000	51.30
2.	Employment in Gulf Countries	42	29.3	80,00,000	29.26
3.	Employment in Malaysia	24	16.78	61,44,000	18.50
4.	Employment in other Counties	2	1.13	16,00,000	1
	Total	143	100.00	1,75,64,000	100.00

The above table shows that most of the household were employed at India. Out of 143 employees, 75 of them are working in India and the volume of remittance income is also high from India. So, India is found as the sustainable sources of income in the study area. Besides India, the next high number of employee of the study area are working in Gulf countries. Out of the total 29.37 percent of them are working in Gulf countries which is 42 in number. The volume of remittance income from Gulf is 29.20 percent in total. Another sources of remittance income in the study area is Malaysia. Out of the 143 employee, 24 of them are working in Malaysia. The volume of remittance income from Malaysia occupies 18.50 percent in total. The least number of employee are working in other countries. Only two of them are working in other countries. The volume of remittance income from other countries besides India, Gulf and Malaysia is 16,00,000 which is just one percent of total remittance income in the study area. So, in conclusion, the high volume of remittance income in the study area is from India and least is from other countries.

#### **5.1.6 Composition of Alternative Sources of Income beside Remittance**

The study shows that, household have not only single sources of income for most of the household, the major sources of income is remittance. Non-remittance income includes income from crops, fruits, vegetable, livestock and other which occupied only 21 percent in total income of household. Table 5.4 shows the composition of the annual income of sample household. More than 79 percent of annual total income is earned from that source of income.

**Table 5.6: Composition of Alternative Sources of Income**

<b>Sources of Income</b>	<b>Total Annual Income (Amount in Rs.)</b>	<b>Percent</b>
Crops	1575000	53.30
Fruit	80000	2.70
Vegetable	150000	5.07
Livestock	600000	20.30
Other	550000	18.61
Total	2955000	100.00

Source: Field Survey, 2016

According to above table, out of their total alternative sources, 53.30 percent income from crops which is the highest percent comparing with other items. 20.30 percent income is from livestock which is in second position comparing with other items. Similarly, 18.61 percent, 5.07 percent and 2.70 percent income is from other, vegetable, fruit and other sources respectively.

The households were found second highest dependency on agricultural for non remittance income. The study shows that almost were engage in foreign employment but not only that, rather they involve in various sector. Study found that farming only fulfill the personal consumption. However, some income was from farming but that is nominal. Farming was only becomes subsistence level. The study area is Terai area, there is fertile land. Lack of land, youth were found to think about to go abroad for earning motives.

#### **5.1.7 Channels of Remittance Getting Income**

Income transfer depends upon the availability of means of transfer and facilities, their reliability and awareness of users about the system. The channels were categorized into five different heading such as banking, money transfer agencies, hundy, friend and relatives of self remittance. The channels used by sample population in the study area, is given in the table 5.7.

**Table 5.7: Channels of Getting Remittance Income**

<b>Heading</b>	<b>No. of HH</b>	<b>Percent</b>
Banking	9	18
Money transfer agencies	32	64
Hundy	3	6
Friend and relatives	2	4
Self remittance	4	8
Total	50	100.00

Source: Field Survey, 2016

The above table shows that 82 percent of the total household were found receiving remittance through of official channels. Most of the remittance receiving households

received remittance from money transfer agencies which is 64 percent 18 percent of total remittance income were found remitted from banking. Similarly, percentage of total income were found remitted from unofficial channels. Similarly, 8 percent, 6 percent and 4 percent of their remittance income were found from self-remittance, hundy and friend of relatives respectively.

#### **5.4 Use of Remittance at Household Level**

In this study, I also aimed to find out the use of remittance income at the household level. So, the information related to the uses of remittance at household at household level is discussed in the following sections:

##### **5.2.1 Use of Remittance Income**

The sampled households obtained significant amount of income from the remittance. They used the remittance income in different areas of expenditure like purchasing vehicles, land, house and others. To find out their uses of remittance income, asked them 'Where do you use the remittance income'. The following table shows their areas of using remittance income.

**Table 5.8: Uses of Remittance of Households Level**

<b>Heading</b>	<b>Number of Household</b>	<b>Percent</b>
Vehicle	5	10
Land	36	72
House	7	14
Machine	2	4
Total	50	100.00

Source: Field Survey, 2016

Above table 5.8 shows that, out of total household 10 percent household used their remittance income in purchasing the vehicles. Similarly, out of total household, 72 percent household used it in land sector which is the highest percent of added property of HHs. In the same way, 14 percent and 4 percent household used the remittance

income in housing and machinery area. So it was found that the maximum remittance income from abroad was used in land sector in this study area.

### 5.2.2 Use of Remittance in Educational and Family Expenditure

The household of study areas study their remittance income in education and family expenditure. Among the total population, more than 45 percent were found to be employed in foreign employment i.e. 143 population off the total population received income from remittance. The respondents were asked 'how much amount of your remittance income is used in family expenditure and education sectors'. The information about it is given in the table 5.9.

**Table 5.9: Use of Remittance in Education and Family Expenditure**

Sources	Amount	Percent
Family expenditure	1108000	73.87
Education	392000	26.13
Total	1500000	100.00

Source: Field Survey, 2016

Above table 5.9 shows that out of total remittance income 73.87 percent is spent on family expenditure and only 26.13 percent of total income is spent on educating the children. So, it is found that the more amount of remittance income was used in family expenditure than the education sector.

### 5.2.3 Other Uses of Remittance Income

The households used the remittance income in other areas besides education and family expenditure. Expenditure plays significant role in developing process of country not only value of expenditure but also the trend and pattern of expenditure provides vivid picture of the economy. Among various of expenditure, the consumption expenditure indirectly gives the picture of domestic production, imports of consumer goods, BOP situation and also saving potentiality of country. Various factors influence the expenditure pattern such as, income, family size, demonstration effect, geographical situation etc. Here an attempt is made to illustrate the use of total income and nature of expenditure area by the selected households of Bhumesthan

VDC. It includes various items of consumption such as clothing in jeweler, festival, ceremony, etc. The information about it is given in the following table:

**Table 5.10: Other Uses of Remittance Income**

<b>Items</b>	<b>Amount</b>	<b>Percent</b>
Clothing	1150000	11.37
Festival/ceremony	800000	7.91
Fuel/Electricity	140000	1.38
Health	439000	4.30
Loan	2500000	2.47
Others	175000	1.73
Total	10106000	100.00

Source: Field Survey, 2016

Besides, family expenditure (esp. for food) and education, the households spend their remittance income in other various term. The table shows that out of their total expenditure 11.37 percent is spending on clothing item which is the highest percent of share comparing with other items of expenditure of sample household. Similarly, out of their total expenditure, 7.91 percent is spending on celebrating the festival which is second highest position. They spent 1.38 percent and 4.30 percent out of their total expenditure on fuel and electricity and in health sector respectively. Similarly, the spent 2.47 percent of total income to pay loan and 1.73 percent in other miscillinous areas.

### **5.3 Impact of Remittance Income in Education**

As one of the objectives of this study was to assess the impact of remittance income in education. I collected the data to find out the impact in education. So the collected data related to this aspect has been analyzed and interpreted interns of following two sub-heading.

#### **5.3.1 The Pattern of Expenditure in Education**

Educational expenditure plays significant role to develop the educational status of the people. Educational expenditure provides vivid picture of the education. Various factors influence the educational expenditure patterns such as income structure,

family size, geographical situation etc. Here, I have made an attempt to illustrate the educational expenditure in the study area. The result is shown in the table 5.11.

**Table 5.11: The Pattern of Educational Expenditure**

<b>Heading</b>	<b>Amount (Annually)</b>	<b>Percent</b>
Fee	395500	24.57
Dress	218000	13.55
Books	122000	7.58
Copy/Pen	258300	16.05
Tuition Fee	2321500	14.44
Computer/Email/Internet	90000	5.59
Snacks	269000	16.71
Others	24000	1.49
Total	1609300	100.00

Source: Field Survey, 2016

The table 5.11 shows the annual education expenditure in the sample household on various heading. The table shows that, out of the total education expenditure, the households spent 24.57 percent on educational fee which is the highest percent of share comparing with other heading. Similarly, 13.55 percent and 7.58 percent are spending on dress and books respectively. Out of the total educational expenditure 16.05 percent is spending on copy/pen heading. They spent 14.44 percent and 5.59 percent on tuition fee and computer/email/internet respectively. Similarly, 16.71 percent is spending on snacks which are second position with other heading and 1.49 percent is spending on other heading which minimum with other heading. So, it is concluded that the highest amount of educational expenditure was payment of fee and the lowest amount was on miscellaneous.

### **5.3.2 Impact of Remittance Income in Educational Achievement**

In order to identify the positive impact of remittance income in relation to the educational achievement of the household children, I asked them, 'what are the changes in the result of your children's education because of your invest of remittance income to provide education to your children?' The information obtained from the households in this concern is presented in the form of admitting children in private school, involving them in tuition classes and differences in the result respectively. The

table below shows the results on impact of remittance income in education. The total numbers of school age children were 132.

**Table 5.12: Impact of Remittance Income in Educational Achievement**

Items	Before		After	
	Number	Percentage	Number	Percentage
Admitting children in private school	35	46.2	97	128.04
Involving children in tuition classes	48	63.36	84	110.88
Achievement in pass rate of the children	37	59.41	95	125.4

Source: Field Survey, 2016

The above table shows that out of the total number of 132 students in the household area, 35 of them studied in private school before the remittance income, however after the remittance income 97 of them are now studying in private school. Similarly, before remittance income only 48 of them used to take tuition classes in contrast, after the remittance income 84 of them have tuition classes. In the same way, the pass number was only 37 before remittance income, however after the remittance income the number is excelled to 95.

From the above result it can be concluded that remittance income has positive impacts on educating children in private schools, taking tuition classes and increasing the pass rate of the students.

## CHAPTER SIX

### FINDINGS, CONCLUSION AND RECOMMENDATIONS

This study shows the remittance and its impact on Education of Bhumesthan VDC, of Dhading district. For this purpose, primary information was based on purposive sample basis 25 percent of total migrated household were taken into consideration. In this chapter, I have presented the major findings, conclusion of the study and the recommendations on the basis of findings.

#### 6.1 Major Findings

After the analysis and interpretation of collected data from field survey, semi-structured interview and structured questionnaire, I have come up with the following findings. I have presented the findings on the basis of 3 major objectives of the study. They are given below:

##### 6.1.1 Findings Related to the Sources of Remittance Income

The data related to the sources of remittance income has been analyzed and interpreted in terms causes of migration, countries of foreign employment, income distribution pattern, sources and volume of remittance. Composition and alternative sources of income beside remittance and channels of remit income from. The major findings on this aspect are as follows:

- 48.95 percent of population was migrated due to the absence of job opportunity in the country, 12.58 percent were due to other reasons like (landless), 10.48 were to decrease family loan, 19.58 percent were in foreign employment to earn high amount of money, and 8.39 percent were due to the conflict.
- According to which, a majority of worker have been migrated to India which is 52.44 percent and then 29.37 percent of migrant were in Gulf, 16.78 percent of people were in Malaysia and remaining 1.39 percent were in other countries.
- It is the majority of worker's working sector. Manufacturing and services sectors were found 22.37 percent of 17.48 percent of the total population

respectively. Similarly, 12.58 percent people were found working in the hotel sector and any 9.09 percent were found in the other sector.

- The income earners having of 250-300 thousand, 300-350 thousand, and above 350 thousand was found on 2, 4 and 3 households respectively. The share on aggregate annual income of all sample household was found 5.64 percent, 13.67 percent and 13.32 percent respectively.
- Out of 53.30 percent income from crops which is the highest percent comparing with other items. 20.30 percent income is from livestock which is in second position comparing with other items. Similarly, 18.61 percent, 5.07 percent and 2.70 percent income is from other, vegetable, fruit and other sources respectively
- Out of 82 percent of the total household were found receiving remittance through of official channels. Most of the remittance receiving households received remittance from money transfer agencies which is 64 percent 18 percent of total remittance income were found remitted from banking. Similarly, percentage of total income were found remitted from unofficial channels. Similarly, 8 percent, 6 percent and 4 percent of their remittance income were found from self-remittance, hundy and friend of relatives respectively.

### **6.1.2 Findings Related to the Use of Remittance Income at Households**

The second objective of this study was to find out the uses of remittance income at households. The collected data related to this objective has been analyzed and interpreted in terms of areas of using remittance income, use of remittance in education and family expenditure and use of remittance income in other areas. The major findings in this regard are given below:

- Out of total household 10 percent household used their remittance income in purchasing the vehicles. Similarly, out of total household, 72 percent household used it in land sector which is the highest percent of added property of HHs. In the same way, 14 percent and 4 percent household used the remittance income in housing and machinery area.

- Out of total remittance income 73.87 percent is spent on family expenditure and only 26.13 percent of total income is spent on educating the children.
- Out of their total expenditure 11.37 percent is spending on clothing item which is the highest percent of share comparing with other items of expenditure of sample household. Similarly, out of their total expenditure, 7.91 percent is spending on celebrating the festival which is second highest position. They spent 1.38 percent and 4.30 percent out of their total expenditure on fuel and electricity and in health sector respectively. Similarly, they spent 2.47 percent of total income to pay loan and 1.73 percent in other miscellaneous areas.

### **6.1.3 Findings Related to the Impact of Remittance Income in Education**

My third objective was to assess the impact of remittance income in education. I have analyzed and interpreted the data related to this concern in terms of pattern of educational expenditure and the impact of remittance in admitting students in private school, taking tuition classes and increasing pass rate of the students. The following are the findings of this concern:

- Out of the total education expenditure, the households spent 24.57 percent on educational fee which is the highest percent of share comparing with other heading. Similarly, 13.55 percent and 7.58 percent are spending on dress and books respectively. Out of the total educational expenditure 16.05 percent is spending on copy/pen heading. They spent 14.44 percent and 5.59 percent on tuition fee and computer/email/internet respectively. Similarly, 16.71 percent is spending on snacks which are second position with other heading and 1.49 percent is spending on other heading which minimum with other heading.
- Out of the total number of 132 students in the household area, 35 of them studied in private school before the remittance income, however after the remittance income 97 of them are now studying in private school. Similarly, before remittance income only 48 of them used to take tuition classes in contrast, after the remittance income 84 of them have tuition classes. In the same way, the pass number was only 37 before remittance income, however after the remittance income the number is excelled to 95.

## 6.2 Conclusion

From the finding of this study, it can be concluded that the sources of remittance, income was the foreign employment in India, Gulf, Malaysia and other countries. Remittance inflow and its current situation in the study area is high as comparison to the national scenario. Remittance is a major sources of foreign currency and contribute positively to recipients national balance of payment on macro level, remittance are vital sources of foreign currency, which helps to stabilize the balance of payment deficit. But in micro level, study shows that remittance are spent primarily on consumption of goods and expenditure on education and services. Such goods usually are imported from the working counties. Purchasing land, house, ornaments were the other area of remittance expenditure. The study insists that most obvious effect of remittance is that, it increases the income of recipients. Equally, it would increase consumption. The long term problem of remittance as being sources of income on household economy is not well understood. The study supports the question that is the most of remittance income is being use for consumption, purchase land and education. The study help to conclude that consumption level, purchasing land and investment in education level is being increasing as the remittance income increases.

Due to the lack of job opportunity in the country, most of people are migrated for foreign employment. Job not found in country, to decrease family loan, to earn high amount of money are also found as major causes for migration to abroad employment. Though most of studies show unofficial channels are often used by foreign employment to remit their income for household. But the study shows that official channel are being use by such household. The tendency of going abroad is increasing day by day.

Thus, if it is not minded in appropriate time, the present tendency of use remittance will certainly bring shocks for national economy. More expenditure on land purchasing, on festival/ceremony should control in such a way that they use only domestic production, education and it can help to preserve foreign currency.

### 6.3 Recommendations

Keeping in a view of finding of this study, following recommendations are made to be applicable in planning, policy and practice levels:

- The use of remittance plays vital role for the development of self-sustain economy, by providing the funds for investment. The study finds that most of remittance income is use in consumption. That expenditure cannot help for capital formation, such as habitual expenditure, expenditure to purchase land, jewelries and watch etc. which are usually imported goods. So policy maker should make such policy, which can attract them to invest in capital formulating sectors and reduces such expenditure.
- Large partition of economically active population are engaged in foreign employment for earning. Remittance income has positive impact in society to increase the personal income and social prestige. But it hampered to agriculture productivity. So government policy maker should conduct such activities, which promote the agriculture production, small domestic industry, appropriate market, and right price for the product. There is lack of strategic planning for utilization of remittance income. So, government and policy maker should mind it and create place for utilization in their place of origin.
- The government should create such structure in which remittance receiver may easily enter for investment. That investment utilize the other local resources, which make economy self sustained. There found more energetic people but they don't have way for productive activities.
- The gap between income and expenditure is nominal. That means almost total income is spend on consumption expenditure purchase land. It creates low level of saving, which adversely affects in the capital formation process. Government should formulate such policy, which creates sustainable sources of income and increase positively the gap between income and consumption.
- In the study area, due to lack of saving habit and saving mobilization, small scattered saving also being spent indirectly on non capital formulating sector. This hampers to the income generation process and result vicious circle of poverty. So saving habit and saving mobilization should make effectively by

policy maker and government expenditure on land purchasing, traditional festival should be discourage and investment in their baby education and domestic productive sector encourage.

- Free schooling for a all income group is suggested, in the sense that education is very effectively way of making people aware and to change them into skilled manpower, which helps in narrowing income disparity and increase the investment on productive and education sector.
- To raise employment opportunity, it is needed to be explored and create domestic cottage industries. Consumption expenditure increase as remittance income increases. So, it should be mind by policy maker for to capital formation and make the self sustain economy.

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## ANNEX - I

### Question for Household Survey

#### 1) General Information

Name of Respondent .....

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

Occupation..... Religion .....

Ward No .....

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

Relationship with household head .....

#### 2) Family Background

No.	Name, Title	Age	Sex	Education	Profession	Marital Status	Remarks
1							
2							
3							
4							
5							
6							
7							

3) What are the causes for going to abroad for employment by you on the basis of primary factors?

- a) Job not found in country
- b) To decrease family loan
- c) To earn high amount of money
- d) Not appropriate to stay in own country due to the conflict
- e) Any other to be mentioned.....

4) Information about Foreign country (employer)

- a) India
- b) Gulf
- c) Malaysia
- d) Other

5) In which sector of work do foreign employees have to work?

- a. Construction
- b. Hotel
- c. Service
- d. Manufacturing
- e. Other

6) What is the monthly income of your remitter working abroad?

- (a) Rs Up to 15,000
- (b) Rs15,001 – 30,000
- (c) Rs 30,001 – 45,000
- (d) Rs 45,001 – 60,000
- (e) Rs Above 60,000

7) What is the remittance inflow from India?

- (a) Rs. ----- (b) Rs----- (c) Rs----- (d) Rs-----
- (e) Rs Above 60,000

8) What is the remittance inflow from Malasia?

- (a) Rs. ----- (b) Rs----- (c) Rs----- (d) Rs-----
- (e) Rs Above 60,000

9) What is the remittance inflow from Gulf ?

- (a) Rs. ----- (b) Rs----- (c) Rs----- (d) Rs-----
- (e) Rs Above 60,000

10) What is the remittance inflow from other ?

- (a) Rs. ----- (b) Rs----- (c) Rs----- (d) Rs-----
- (e) Rs Above 60,000

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

- (Rs.....)

12) Do you have any alternative sources of income beside remittance?

i) Yes

ii) No

If yes,

S.N.	Heading	Quantity	Amount in Rs.
1	Crops		
2	Fruits		
3	Vegetable		
4	Livestock		
5	Others		

13) What is the channel of remit income?

a) Banking

b) Money transfer agencies

c) Hundy

d) Friend and relatives

e) Self remittance

14) Have you added any prosperity with the remittance income?

If yes,

a. Vehicle

c. Machin

b. House

d. Land

15) How do you finance the education expenditure?

Sources	Amount in Rs(last year)
Remittance	
Non-remittance	

16) Household's expenditure (Annual Report)

<b>S.N.</b>	<b>Item</b>	<b>Amount(Rs)</b>
1	Food	
2	Education	
3	Clothing/jeweler	
4	Festival/ceremony	
5	Fuel/electricity	
6	Health	
7	Loan	
8	Other	
9	Total	

17) Does your family's total remittance is enough to meet your education expenditure?

Ans : .....

## ANNEX - II

### Interview Questions

#### 18) Education Status

Education level		Male	Female	Total
Illiterate				
Literate				
Under SLC	Government			
	Private			
	Total			
SLC	Government			
	Private			
	Total			
+2	Government			
	Private			
	Total			
Bachelor	Government			
	Private			
	Total			
Master Degree	Government			
	Private			
	Total			
	Total			

#### 19) Expenditure on education (Annual Report)

	Monthly(Rs)	Annual(Rs)	Remark
Fee			
Dress			
Books			
Copy/ pen			
Tuition Fee			
Computers/ Email/Inter net			
Snacks			
Others			
Total			



