

**ECONOMIC DIMENSION OF REMITTANCE IN
BHAGAWATIMAI RURAL MUNICIPALITY,
DAILEKH, NEPAL**

A Thesis

**Submitted to the Department of Economics, Patan Multiple
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**MASTER OF ARTS
in
ECONOMICS**

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DECLARATION

I hereby declare that this thesis entitled submitted “ECONOMICS DIMENSION OF REMITTANCE IN BHAGAWATIMAI RURAL MUNICIPALITY” to the Department of Economics, Patan Multiple Campus, in partial fulfillment of the requirements for the Degree of MASTER OF ARTS in ECONOMICS, is entirely my original work prepared under the guidance of my supervisor. I have made due acknowledgements to all ideas and information borrowed from different sources in the course of writing this thesis. The results of this thesis have not been presented or submitted anywhere else for the award of any degree. I shall be solely responsible for any evidence found against my declaration.

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Shandhya Mainali

LETTER OF RECOMMENDATION

This thesis entitled ECONOMIC DIMENSION OF REMITTANCE IN BHAGAWATIMAI RURAL MUNICIPALITY prepared by SHANDHYA MAINALI under my guidance and supervision. I, hereby, recommend it in partial fulfillment of the requirement for the degree of MASTERS OF ARTS in ECONOMICS for the final examination.

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LETTER OF APPROVAL

We certify that this thesis entitled, ECONOMIC DIMENSION OF REMITTANCE IN BHAGAWATIMAI RURAL MUNICIPALITY submitted by SHANDHYA MAINALI to the Department of Economics, Faculty of Humanities and Social Sciences, Patan Multiple Campus, Tribhuvan University, in partial fulfillment of the requirements for the Degree of MASTER OF ARTS in ECONOMICS has been found satisfactory in scope and quality. Therefore, we accept this thesis as a part of the degree.

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ABSTRACT

The transfers, which are made by migrants who live and work abroad to people back home, usually involve products or financial instruments. It is important to emphasize that remittances only include payments made by workers who have been engaged in foreign economies for a minimum of one year; payments made by independent contractors are excluded (IMF,2024). According to the Nepal Rastra Bank (NRB), Nepal's remittance inflows have shown significant growth over the past decade. This study attempts to analyze the economic impact of remittance in the rural area where job opportunities are limited. In order to fulfill the objective of the study, primary data were collected from Bhagawatimai Municipality of Dailekh district, Nepal using structured questionnaire. Bhagawatimai Rural municipality which lies in the rural area of Karnali province is purposively selected as a representative area in terms of rural agriculture focus and limited job opportunities. Microsoft Excel was employed for data entry and analysis, utilizing simple descriptive statistics for interpretation.

Findings reveal that the majority of remittance contributors are male aged 20–30, with a religious composition predominantly Hindu. Educationally, most individuals have completed secondary education, with a high percentage married. Malaysia emerges as primary destinations for overseas employment. Notably, 95 percent of households continued working post-remittance, with agriculture being a significant sector. The study concludes several key points: remittances serve as a substantial income source for households, reducing the necessity for overseas employment, if local opportunities were available; limited education levels drive many families towards foreign employment; economic necessity rather than better opportunities in urban areas motivates overseas work; domestic sectors, particularly agriculture, require development to provide competitive alternatives. Remittances have marginally improved access to healthcare and education, further. Post-remittance, household infrastructure investments have increased, alongside greater mobile phone ownership, indicating improved communication avenues.

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LIST OF ABBREVIATIONS

GDP	:	Gross Domestic Product
OLS	:	Ordinary Least Square
FDI	:	Foreign Direct Investment
NRB	:	Nepal Rastra Bank
PSLM-HIES	:	Pakistan Social and Living Standard Measurement
CIS	:	Commonwealth of Independent States
ELMPS	:	Egyptian Labor Market Panel Survey
WDI	:	World Data Bank
COVID-19	:	Coronavirus Disease of 2019
VDC	:	Village development committee
BS	:	Bikram Sambat
Wi-Fi	:	Wireless Fidelity
LP Gas	:	Liquefied Petroleum Gas

CHAPTER I

INTRODUCTION

1.1 Background of the study

The transfers, which are made by migrants who live and work abroad to people back home, usually involve products or financial instruments. It is important to emphasize that remittances only include payments made by workers who have been engaged in foreign economies for a minimum of one year; payments made by independent contractors are excluded (IMF,2024).

A substantial source of foreign exchange for the national economy and household earnings has evolved in the form of remittances. Remittances are received by about 56 percentage of the nation's homes. About 25 percentage of the GDP is made up of remittances, which have surpassed revenue from tourism and domestic exports for the previous three years (MoF, 2023) . Remittances are growing steadily in size and are already a significant source of foreign income in many developing nations (Kakhkharov, 2019). The primary source of foreign funding for the world's developing economies is remittances. The economic development of recipient nations is significantly influenced by remittances. The short- and long-term economic growth of country is significantly and favorably impacted by remittances (Khan, 2019). Remittances are essential to economies in mountainous regions that face massive labor migration due to limited income generation and employment opportunities. In 2021, the share of remittances to GDP in the top 10 mountainous economies in the world was over 20 percentage. Nonetheless, most are characterized by relatively lower GDP per capita and high poverty levels (Sunge, 2023). International remittances, or money sent home by overseas migrant workers to themselves or their families, have been received by Nepal for approximately 200 years. The two main destinations for Nepalese laborers are Malaysia and the Gulf Cooperation Council. (Aryal, 2022). According to the National Planning Commission's 2020–21 report, Nepal received NPR 961.05 billion in remittances from 128 different nations, representing 22.5 percentage of the country's GDP. According to the economic survey 2020–2021, Nepal's yearly per capita income increased by around 11 percentage from the previous year to \$1,381 in US dollars in 2021. Remittances have a favorable effect on financial development in developing

nations, which is significant since it promotes long-term growth and lowers poverty. In 2019, remittances to China and India totaled \$83.1 billion and \$68.4 billion, respectively. With 25.1 percentage of all remittances to poor nations in 2019, South Asia is the largest region that receives remittances. Remittances are equal to 1.55 percent of the combined GDP of all developing nations, or a sizeable amount. This amount might seem small, yet in many underdeveloped nations, such remittances make up more than 10 percent of their GDPs. For instance, they contributed significantly to the economies of Tajikistan, Kyrgyzstan, Tonga, and Nepal in 2019 by making up more than 30 percent of their respective GDPs (KNOMAD,2020). Remittances from international migrants have a variety of effects on the macro, micro, and social facets of recipient countries. Remittances are a significant source of foreign currency at the macro level and help keep the balance of payments stable. Remittances are significant sources of revenue for recipient households at the micro level and help them overcome their credit limitations. The utilization of remittances varies depending on household requirements (Khan,2019). The transfers, which are made by migrants who live and work abroad to people back home, usually involve products or financial instruments. It is important to emphasize that remittances only include payments made by workers who have been engaged in foreign economies for a minimum of one year; payments made by independent contractors are excluded. Nepal is among the top five countries in sending remittance back home, amounting to 23 percent of the GDP. Tajikistan, Tonga, Lesotho and Moldova are ranked ahead of Nepal. Among the least developed countries, Nepal is placed second behind Bangladesh (World bank, 2010).One of the important international money flows in recent years has been remittances. Remittance income accounts for more than 10 percentage of the gross domestic product (GDP) in many developing nations, which is roughly three times the amount of government aid and equal to foreign direct investment (FDI) flows to those nations. The transfer of labor from one country to another has been made easier by the greater global integration and the advancement in communication technologies, and as a result, the flow of remittances has begun to develop at a faster rate. Remittances sent by migrants to underdeveloped nations have recently increased dramatically, while remittances given to rich countries have only seen a modest increase. Exactly after the 1990s, when many migrant workers from the underdeveloped South were absorbed by industrialized countries in the North, this occurred. As a result, the volume of remittances sent to

developing nations was around 15 times more than that sent to wealthy ones (World Bank, 2011).

Remittances are one of the main sources of revenue in Nepal. Recently, there has been a huge increase in the demand for middle-class workers on the global labor market, particularly in the Gulf nations. Remittances have an important role for currency or money flows in developing nations. Nepal is one of the top five nations with remittances totaling 29 percent of GDP (NRB, 2018). Remittances contribute to economic growth and to the livelihoods of needy people (though generally not the poorest of the poor). As remittance receivers often have a higher propensity to own a bank account, remittances promote access to financial services for the sender and recipient, an essential aspect of leveraging remittance to promote economic development. Remittance inflow rose by 7.7 percent year-on-year in 2015-16 to Rs. 665 billion. The growth rate in the first and second months of the fiscal year stood at 26.3 percent and 27.5 percent, respectively, but it continued to decline in the following months, averaging 7.7 percent for the year, due to a decrease in the number of migrant workers leaving the country. Fiscal year, 2016/17 the number of Nepal is going for foreign employment declined by 18.4 percent due to Malaysia halting to hire migrant workers since February (NRB, 2018). Remittances are typically thought of as the portion of a migrant's earnings that is paid back to the country of origin. Remittances can be sent in-kind, but the phrase often solely refers to monetary transfers (Nair, 2009).

1.2 Statement of the problem

Economic impact of remittances has been extensively explored in various studies and research publications. There are many economic related literatures which extensively explored the various impact of remittance. Most of research have focused on how remittance income impact on the economic growth and GDP. Studies like Chowdhury (2023) examines the detrimental effects of remittances on economic development in Bangladesh, Sri Lanka, and Vietnam, highlighting divergent impacts across these low-income Asian nations. Conversely, Chowdhury (2022) suggests that while remittances promote domestic consumption and alleviate poverty, their long-term economic development impact is negative due to reduced local investment and entrepreneurship.

In the context of Nepal, remittances play a crucial role in the economy, contributing significantly to GDP and household incomes (Banjara, 2020). However, empirical

studies such as Singh (2023) and Paudel (2019) indicate that remittances primarily fuel private consumption rather than productive investments, potentially limiting their transformative economic impact. Despite Nepal's heavy reliance on remittances, there is a lack of comprehensive studies that systematically analyze the multifaceted impacts on economic growth, investment patterns, and social development within the country (Singh, 2023). Existing literature predominantly focuses on the macroeconomic effects of remittances in Nepal, with limited attention given to their sectoral distribution and long-term economic sustainability (Banjara, 2020). Moreover, studies like Paudel (2019) emphasize the social implications of remittances, such as improvements in education and household welfare, but fail to adequately address their implications for economic impact of remittance in rural household. Numerous studies have extensively examined the economic impacts of remittances at broader levels such as GDP, long-term economic development, private consumption, and investment, there remains a noticeable gap in the literature regarding the specific impact of remittances at the rural level. Existing research primarily focuses on macroeconomic outcomes and urban settings, neglecting detailed insights into how remittances influence economic dynamics in rural areas. Understanding these rural-level impacts is crucial as rural communities often exhibit distinct socio-economic characteristics and developmental challenges compared to urban counterparts.

So, study aims to explore how remittances affect rural households, especially in areas with limited local job opportunities. It delves into questions about changes in household dynamics, such as perceptions of health status, shifts in educational aspirations, contributions to community well-being, and reliance on foreign employment for livelihood. While existing research has highlighted the broad impact of remittances on these areas, this study seeks to provide a deeper understanding of the unique circumstances faced by rural communities where agriculture is the primary income source.

1.3 Research question

This study attempts to study the impact of the remittance on household of economic characteristics. The research questions of the study are stated below

- 1) What are economic dimension of remittance receiving household in the study area?

- 2) What is the contribution of remittance on the economic status of household in the study area?

1.4 Objectives of the study

General objectives of study are to discover the economic depth of the remittance. The specific objectives of the study are stated below

- 1) To examine economic dimension of remittance receiving household in the study area.
- 2) To examine contribution of remittance on the economic status of household in the study area.

1.5 Significance of the study

This study's addition to our understanding of the economic aspects of remittances, particularly in rural areas. The research provides essential insights for continuous monitoring and assessment of connected topics by closely evaluating these factors. The study becomes an essential resource for academics exploring economic issues by clarifying the effects of remittances on rural populations. Additionally, it gives different policy makers crucial information about how remittances are distributed, which helps them make well-informed decisions. In addition, this study provides planners and lawmakers with essential direction for developing policies concerning employment and remittances, thereby addressing relevant economic issues and supporting development activities. This study serves as a foundational resource for future researchers interested in exploring the topic further. It paves the way for deeper investigation and understanding of the complexities surrounding remittance dynamics.

1.6 Limitation of the study

The limitation of the study is first the study was limited in three wards of the Bhagwatimai Rural Municipality, Second the results could not be applied to a larger population Third the primary survey used for data gathering included 120 households, which may have limited the representation and lastly the study is unable to cover a broad range of economic aspects.

1.7 Outline of the study

There are five chapters in the study. The study's background, problem statement, research questions, objectives, significance, and limits are all covered in the first chapter, the introduction. The second chapter dives into a study of the literature,

examining national and international literature, finding research gaps, and examining historical features of remittance in Nepal. The research design, conceptual framework, data sources, sample size, sampling procedures, study area, data collection tools, and analytic methodologies are all introduced in the third chapter, methodology. The fourth chapter then addresses research topics and validates objectives while concentrating on data presentation and analysis. The fifth and final chapter summarizes the main results, conclusions, and suggestions from the study.

CHAPTER II

LITERATURE REVIEW

2.1 Introduction

Literature review is the process of going through the previous books and studies with objectives of understanding the research detail and finding out the appropriate method of study. There are various national and international studies carried out to observe the impacts of remittance.

2.2 International Context

Chowdhury (2023) investigated the impact of remittances on economic progress across three low-income Asian border nations: Bangladesh, Sri Lanka, and Vietnam. Using panel data spanning from 1990 to 2019, the research employed various econometric models including pooled ordinary least squares (OLS), fixed effects, and random effects models to analyze the overall influence of remittances on economic development. Additionally, country-specific impacts were explored using Granger causality tests and vector error correction models. The findings revealed nuanced effects: while remittances were found to have a short-term positive association with GDP per capita in Sri Lanka, the relationship varied across countries. In Vietnam, remittances showed a short-term association but no long-term impact on economic development, whereas in Bangladesh, there was neither a short-term nor long-term association observed between remittances and economic growth.

Shair (2023) conducted an empirical study on the effect of internal and external remittances on expenditure inequality in Pakistan. Utilizing data from the Pakistan Social and Living Standards Measurement (PSLM—HIES) survey of 2018–2019, the research analyzed the impact of remittances on household expenditures. The models used in the study are quantile regression and mean decomposition models, to analyze the impact of remittances on household expenditure inequality in Pakistan across different income levels and types of households. The study found that households receiving foreign remittances tend to have significantly higher expenditures compared to those without such remittances. This observation suggests that foreign remittances contribute to widening the gap in household spending levels. Additionally, the study identified the endowment effect as a key factor contributing to expenditure disparities among different household categories. Specifically, households receiving external

remittances were found to have higher current endowment levels compared to internal remittance-receiving or non-receiving households, thereby exacerbating expenditure inequalities. In conclusion, the study recommends that policymakers consider the differential impacts of internal and external remittances on household expenditures when formulating policies aimed at reducing expenditure inequalities in Pakistan.

Chowdhury (2022) analyzes the impact of remittances on economic development both at an aggregate level and across individual countries. The models used in the study are quantile regression and mean decomposition models, which analyze the impact of remittances on household expenditure inequality in Pakistan across different income levels and types of households. The findings indicate that remittances have a positive impact on domestic consumption, lifestyle improvements, and poverty reduction. However, the study also found a negative influence on economic development due to a significant portion of remittances being used for non-productive activities such as building construction, rather than investment in productive ventures. The long-term consequences are seen as potentially negative, as the increasing migrant populations may lead to a drain of skilled labor from these nations. Moreover, excessive reliance on remittances could hinder economic development by disincentivizing entrepreneurship and reducing economic activity within receiving countries. The policymakers should carefully consider the balance between the short-term benefits of remittances and their potential long-term impacts on economic growth and development in low-income Asian Frontier countries.

Chuc (2022) examine the relationship between global remittance inflows, financial inclusion, and economic growth across 60 low- and middle-income countries from 1996 to 2017. Using principal component analysis, the research constructed a composite indicator for financial inclusion. The findings suggest that financial inclusion could potentially amplify the positive effects of remittances on economic expansion. The study emphasizes that enhancing financial inclusion is crucial for maximizing the economic benefits of remittance inflows. Study contributes insights into the development trajectories of remittance inflows and financial inclusion in migration-sending nations. It reinforces the importance of policies that promote both remittance inflows and financial inclusion to foster economic prosperity in these countries.

Saha (2021) conducted a thorough analysis focused on understanding how foreign remittances affect economic growth in Bangladesh, a country known for receiving substantial inflows of remittances. The study used a time series analysis spanning from 1995 to 2016 and utilized analytical methods such as the Johansen–Juselies test and Granger causality test to explore the dynamics between remittances and economic indicators. The primary objectives of the study were to assess the long-term impact of foreign remittances on Bangladesh's economic growth, examine their influence on per capita GDP, and investigate their causal relationship with domestic investment. Data for the analysis were gathered from secondary sources, likely including national economic reports and international databases tracking remittance flows into Bangladesh. The study indicates that foreign remittances play a significant role in driving economic growth over time. The remittances were found to positively impact per capita GDP, which suggest improvements in individual income levels and overall economic well-being. The study also identified a one-way causal relationship where remittances contribute positively to domestic investment, implying that these inflows stimulate capital formation within the country. Study recommends the policymaker to consider strategies to optimize the economic benefit of the remittance which include policies aimed at enhancing the efficient utilization inflows and fostering investment in sector that can sustain long term economic development. To conclude study provides insights into the role of remittances in shaping economic development in Bangladesh and highlighting its potential as a catalyst for growth and suggesting avenues for policy intervention to maximize their positive impacts.

Adeseye (2021) analyzed the relationship between Nigeria's economic growth and migrant remittances. Remittances served as the dependent variable, while gross domestic product (GDP), inflation, imports, and exports were considered as independent variables. Secondary data from worldwide financial statistics and World Development spanning 29 years (1990-2018) were utilized for analysis. Quantitative data gathered were analyzed using descriptive statistics and multiple linear regressions, incorporating ANOVA, correlation, and coefficient tests. SPSS version 21 facilitated the statistical analysis. The findings revealed significant relationships between remittances and GDP, exports, and imports in Nigeria. According to the analysis inflation did not exhibit a significant relationship with remittance. The study revealed how migrant remittances influence economic indicators in Nigeria, emphasizing its

impact on GDP, exports, and imports while considering the lack of significant association with inflation.

Abduvaliev (2020) critically analyzed the impact of remittances on economic growth and poverty reduction amongst CIS countries compared to other external sources of capital such as foreign aid and foreign direct investment. Methodologically, the paper analyzed the relationship between remittance flows, economic growth, and poverty indicators using panel data analysis techniques. Particularly, it examined how a 1 percentage increase in remittances affects per capita GDP and poverty severity across selected CIS countries. The findings indicate that a 1 percentage rise in remittance inflows is associated with a 0.25 percentage increase in per capita GDP across the region. Moreover, increased remittance flows contributed to a notable reduction in poverty severity, as a 2-percentage decline was observed. Study provides insights into the significant role of remittances in fostering economic growth and alleviating poverty in CIS countries, highlighting their comparative impact against other forms of external capital.

khtiyani (2020) studied the effect of remittances from Indonesian workers on the country's economic growth from 1998 to 2018, the effect of foreign direct investment (FDI) on economic growth and the combined effect of FDI and remittances on Indonesia's economic growth during the same period. The study employed a quantitative model where economic development served as the dependent variable, with FDI and remittances from Indonesian workers as the independent variables. Secondary data encompassing GDP percentages, remittances, FDI inflows, and economic growth rates in Indonesia from 1998 to 2018 were utilized. Statistical tests conducted included assessments for multicollinearity, heteroscedasticity, autocorrelation, and multiple regression hypothesis testing using SPSS 21. The aim was to evaluate the partial and simultaneous effects of the independent variables on the dependent variable. The findings of the study indicated that there was no significant impact of remittances from Indonesian workers and FDI on Indonesia's economic growth during the specified period. This outcome was attributed to remittances primarily being used for household consumption rather than for investment or entrepreneurial activities. The research provides insights into the nuanced effects of remittances and FDI on economic growth

in Indonesia, precisely the predominant role of remittances in household consumption rather than their potential for stimulating broader economic development.

Perez-Saiz (2019) examined how additional remittance income influences household consumption. The research employed a macroeconomic model that incorporated input-output sectoral linkages and network centrality measures to quantitatively assess the impact of remittance inflows on sectoral and total output in Sub-Saharan African economies. The findings indicated that remittances, even when used for non-investment purposes, can stimulate domestic consumption and the production of intermediate goods necessary to support increased demand. Sectors directly benefiting from remittance inflows experienced growth, and this growth spilled over to sectors with substantial linkages to the rest of the economy. Consequently, the overall output increase stimulated demand for investment goods and created employment opportunities. The study concluded that the effectiveness of remittance inflows in boosting economic activity depends on the diversity and integration of a country's economy. A more diversified and integrated economy tends to benefit more from external boosts provided by remittance inflows. To sum up research sheds light on how remittances can positively impact economic activity through sectoral linkages and emphasizes the potential benefits for economic growth and employment in Sub-Saharan African countries.

Khan (2019) examined how remittances influence economic growth and investigate causal relationships between remittances and economic development. The research focused specifically on the impact of worker remittances on Pakistan's economic growth. Time series data spanning from 1976 to 2016, sourced from the World Development Indicators (WDI) of 2017, were used for analysis. According to the findings, remittances were predominantly used for investment purposes, which contributed significantly to boosting economic growth in Pakistan. The study emphasized the importance of monitoring and managing remittance inflows to ensure they contribute effectively to economic growth. It also highlighted the necessity of creating a supportive economic environment conducive to productive investments within the country. In summary study reinforce the role of remittances in driving economic growth through productive investments in Pakistan, emphasizing the need

for effective economic policies to harness and maximize the benefits of remittance inflows.

Sami (2018) investigate how remittances affect the educational attainment of children aged 6 to 21 in Egypt. The methodology involved conducting an empirical study using data from the Egyptian Labor Market Panel Survey (ELMPS) 2012. The analysis focused on examining the distinct impact of remittances on two age groups: school-aged (6–16 years) and university-aged (17–21 years) individuals. According to the findings, credit restrictions and limited household resources are identified as barriers to achieving higher levels of education. The study revealed that receiving remittances has a statistically significant effect on the educational performance of Egyptian children between the ages of 6 and 21. Notably, the educational attainment of children was positively influenced by the parents' educational levels at home. Specifically, remittances were found to have no substantial impact on the educational achievement of school-aged children (6–16 years). However, they significantly impacted young adults (17–21 years) attending university. Moreover, the study highlighted a negative and significant correlation between family size and the educational achievement of university-aged children, suggesting that larger household sizes may hinder educational opportunities. In essence research reinforce the differential impact of remittances on educational outcomes across age groups in Egypt, emphasizing the importance of parental education levels and household dynamics in shaping educational attainment.

Ajide (2017) conducted a comprehensive analysis on Remittance, Institutions and Investment Volatility Interactions using data from 1998 to 2014. Their study employed a Bootstrap panel Granger-causality test to investigate the relationships between remittances, institutions, and investment volatility across several countries. The findings revealed diverse patterns: remittances were found to stimulate economic growth in Honduras, Kyrgyz Republic, Lebanon, and Moldova. Conversely, in Lesotho, Nepal, Samoa, and Tajikistan, economic growth appeared to influence the inflow of remittances. Notably, Haiti demonstrated a bidirectional relationship where remittances bolstered economic growth, and economic growth, in turn, enhanced remittance inflows. These results revealed the significant variation in the impact of remittances on economic growth across different national contexts, emphasizing the role of country-specific factors and institutional frameworks in shaping these dynamics. Overall, the

study shows complex interplay between remittances, institutional environments, and economic outcomes on a global scale.

Bettin and Lucchetti (2016) conducted a study to explore the factors influencing the persistence of individual remittance behavior over time. Utilizing longitudinal data from the German Socio-Economic Panel (SOEP), the study employed various discrete choice static and dynamic panel models to analyze remittance decision-making dynamics. Their research uncovered compelling evidence supporting an intertemporal strategy in remittance behavior. Individuals who initiated remittances in one year exhibited a significantly higher likelihood of continuing to remit in subsequent years. This persistence suggests that remittance decisions are not only driven by short-term needs but also by long-term strategies shaped by previous behaviors. Moreover, it identified that remittance patterns are influenced by both observable factors and unobservable individual socio-economic characteristics. They highlighted the pivotal role of household transnational composition in shaping remittance behavior, underscoring how family structures and ties across borders affect financial decisions. In sum up study contributes into the persistence and determinants of remittance behavior, emphasizing the interplay between individual decisions, household dynamics, and socio-economic contexts over time.

Harper and Zubida (2016) assess the role of remittances in enhancing social visibility. The study argued that remittances, akin to exported goods, constitute crucial income for families left behind by transnational labor migrants. The study focused on temporary labor migrants in Israel, who often feel socially 'invisible' to both their families back home and the receiving community. Through interviews with 26 migrants from 11 countries, the studies found that remittances serve as a means to alleviate this invisibility by fostering connections and providing identity benefits to the migrants. They observed that changes in familial roles, perceived value as a remitter, cost-benefit calculations, and shifts in contracting arrangements could influence remittance practices. The study concluded that remittance decisions are dynamic and responsive to changing circumstances, shedding light on why remittance practices evolve or cease. These findings show the broader implications for understanding the significant remittance industry and the integration of immigrants into receiving communities.

Li and Zhou (2015) investigate influence of remittances from rural-urban migrants on the environment. The study utilized a two-sector general equilibrium model and comparative static analysis to explore the effects of migrant remittances on environmental dynamics. The research highlighted that despite residing and working in urban areas, migrants' altruistic remittances significantly impact the production scale of the urban sector, thereby influencing environmental conditions. The study differentiated between short-term and long-term effects, noting that an initial increase in remittances might initially benefit the environment but could lead to environmental degradation over time. In essence the study shows the complex relationship between migrant remittances and environmental sustainability, emphasizing the need for nuanced policy considerations to mitigate long-term environmental impacts while harnessing short-term benefits. This study provides understanding the environmental implications of migrant remittances within the context of urban development and environmental sustainability.

Shera (2013) examines the impact of remittances compared to other external capital sources, like foreign direct investment (FDI), on economic growth in Albania. The study adopts both the "portfolio" and "altruism" approaches to understand the nature of remittances. The findings highlight that remittances play a significant role in enhancing Albania's GDP per capita, with a 1 percentage increase in remittances correlating with a 0.14 percentage increase in GDP per capita, which the positive contribution of remittances to economic growth and stability in the country. However, study also discusses the potential drawbacks of mass emigration, particularly the negative impacts on domestic labor markets. Sectors such as higher education, government services, science and technology, manufacturing, and services can face challenges when skilled workers emigrate, as they are costly and challenging to replace. Despite these challenges, remittances from migrants serve as crucial financial support for families, helping to meet essential expenditures and alleviate immediate financial difficulties. In summary, study provides valuable insights into how remittances and FDI affect economic growth in Albania, emphasizing the dual role of remittances in economic development and the challenges associated with emigration and labor market dynamics.

De (2012) examined the impact of remittances on household income, asset and human capital, evidence from Sri Lanka in the context of migration and development. The

findings emphasized that remittance income plays a crucial role in improving household income mobility and facilitating investments in human capital, particularly children's health and education. The study highlighted that Sri Lanka, alongside other South Asian nations like Pakistan and India, has experienced a significant increase in both overseas migration and remittance inflows, which contribute substantially to foreign exchange reserves. Study emphasized the multifaceted benefits of remittances beyond immediate financial support, demonstrating their impact on long-term economic and social development in recipient countries. This study provides thoughtful analysis on the role of remittances in enhancing household welfare and fostering economic resilience in Sri Lanka and similar economies across the region.

Banga (2010) analyzed the impact of remittances on poverty in developing countries, examining their effects on poverty reduction across different levels of remittance dependence. Regression analysis is used to examine the relationship between the remittance and poverty. The study conducted analyses on two levels: first, assessing the overall impact of remittances on poverty across 77 developing nations; second, focusing on 29 developing countries in Asia where remittances constitute 5 percentage or more of GDP. The findings revealed that remittances significantly contribute to poverty alleviation in recipient countries, particularly in nations where remittances make up a substantial share of GDP. 10 percentage increase in remittances was associated with a 3.1 percentage decrease in the poverty headcount ratio and a reduction of 3-5 percentage in the poverty gap across developing nations. The countries where remittances accounted for more than 5 percent of GDP, the impact was even more pronounced: a 10 percent increase in remittances correlated with a 3.9 percentage decrease in the poverty headcount ratio and a 3-3.5 percentage decrease in the poverty gap. These findings show the significant role of remittances in poverty reduction strategies, highlighting their potential to improve welfare and socioeconomic conditions in developing countries, particularly those heavily reliant on remittance inflows. To sum up study provides valuable perspective into the nuanced effects of remittances on poverty dynamics at both national and regional levels.

Shroff (2009) analyzed the impact of remittances on poverty in Mexico, focusing on how remittances affect poverty levels while controlling for other factors. The study utilized the Foster-Greer-Thorbecke indices of poverty. The research utilized data from

Mexico's Progresa/Oportunidades conditional cash transfer program for the poorest families and the nationally representative INEGI ENIGH survey. It differentiated between remittances received domestically versus from abroad. The study shows that despite being smaller in size, domestic remittances often had a more significant impact on poverty reduction than international remittances. The study highlighted that the number of impoverished families receiving remittances and the size of remittances played crucial roles in determining their impact on poverty levels each year. Overall, study delivered nuanced impacts of remittances on poverty dynamics in Mexico, emphasizing the differential effects of domestic and international remittances on household welfare and poverty alleviation efforts.

Azeez and Begum (2009) examined the gulf migration, remittances and economic impact, focusing on the contributions of Gulf migrants to the Indian economy and the broader consequences of migration on social conditions and the labor market. Regression analysis has been used for the study. The study highlighted the socioeconomic transformation in regions of Kerala due to emigration to Gulf nations. The study focused on altered socioeconomic conditions in Kerala, noting challenges such as the rehabilitation of return migrants who struggle to integrate into the local labor market upon their return due to the disparity in job opportunities and wages. This phenomenon poses a substantial economic risk to Kerala, as any instability in Gulf countries directly impacts the state's economy. Furthermore, the study shows the multifaceted impacts of migration and remittances on various sectors including housing, transportation, urban planning, educational and religious institutions, and overall infrastructure development in Kerala. Remittances from Gulf migrants have played a pivotal role in enhancing amenities and facilities in the state. Hence, the study provides critical view into the complex dynamics of Gulf migration, highlighting both the economic benefits and challenges associated with migration for Kerala and similar regions heavily reliant on remittance inflows from abroad.

Adams Jr (1991) conducted a study on the economic uses and impact of international remittances in rural Egypt, aiming to compare spending patterns between migrant and nonmigrant households to understand the utilization of remittance income. The research was based on household surveys conducted in three villages of the Minya Governorate, located approximately 250 kilometers south of Cairo, during 1986–

1987. The study revealed that migrant households do not frivolously spend their remittance earnings on everyday consumption items. In fact, a significant portion of their income, around 53.9 percentage, was allocated to one-time expenditures such as building or repairing homes. This allocation was notably higher compared to nonmigrant households. Moreover, migrant households exhibited a preference for investing in durable assets, particularly housing, as indicated by their greater budget shares allocated to durables across different expenditure quintiles. Contrary to the assumption that remittances primarily support immediate consumption needs. The findings revealed that migrant households viewed their remittance income as a means to invest in long-term assets rather than immediate consumption goods. The study shows the different perspective of economic behaviors and impacts of remittances in rural Egypt, highlighting the role of remittance income in supporting household investments in durable assets and contributing to the economic development of migrant-sending regions.

2.3 National Context

Sharma (2024) examines the significance of remittances in the Nepalese economy, focusing on their impact on household income, poverty alleviation, and overall economic development. The study additionally investigates the correlation between remittances and Human Development Index (HDI), emphasizing both the benefits and challenges associated with remittance inflows. The study utilizes secondary data sources comprising national statistics, reports from the Central Bureau of Statistics, World Bank, and other relevant institutions. Regression analysis is used to explore the relationship between remittance inflows and HDI, providing quantitative evidence of their correlation for analysis. Qualitative analysis is also used to assess the broader impacts on poverty reduction and economic development. According to the finding of the study remittances contribute significantly to household incomes across Nepal, providing stable financial support to recipient families, uplift the household above the poverty line. the regression analysis from the study shows the positive correlation between inflows and HDI, representing that higher remittance receipts are associated with improvement in human development indicator. The study also addresses the risk of over reliance on remittance. The study suggests to invest in the sector that can absorb the migrant's skill for economic development.

Singh (2023) conducted a study to investigate the impact of remittances on Nepal's economy using data from 1990 to 2021. The study employed the autoregressive distributed lag (ARDL) model to analyze the long-term relationship between remittances and economic growth indicators. The findings of the study indicate that remittances have a significant positive impact on Nepal's real GDP over the long term. Alongside remittances, gross fixed capital formation and foreign aid were also found to contribute positively to real GDP. However, the study identified negative effects from trade openness and human capital on both short-term and long-term economic dynamics. A critical observation from the study was that remittances in Nepal predominantly fuel private consumption rather than productive investments. This suggests a potential challenge for sustainable economic growth, as excessive reliance on remittances for consumption may hinder efforts towards investment in productive sectors. The study shows the necessity for Nepal to adopt integrated policies aimed at promoting savings, diversifying investments into productive sectors, and reducing transaction costs associated with remittances through formal channels. Such measures are deemed essential to harness the full economic potential of remittances and foster sustainable economic development in Nepal.

Aryal (2022) assessed the contributions of remittances to various aspects of socio-economic development such as education, health, household consumption, poverty reduction, and trade. The study has utilized a qualitative approach to explore the multilayer impacts of remittances on Nepalese society. Primary data may have been collected through interviews, surveys, and focus groups with remittance-receiving households, policymakers, and community leaders. The finding shows the positive contribution of the remittance in education and health and investment in human capital. It also plays the significant role in reducing the poverty by lifting the household from the economic hardship. The study suggests harness the positive impact of remittance while addressing the potential challenges.

Mishra (2022) conducted a study to explore how remittances influence household spending patterns across different expenditure categories and household types. The study utilized data from the 2010/11 Nepal Living Standards Survey and employing the regression model to investigate these dynamics. The primary objective of the study was to enhance understanding of the impact of remittances on various categories of

household expenditure in Nepal. The findings reveal significant associations between remittances and household expenditures. Specifically, remittances were found to have a positive correlation with increased spending on food and education. This suggests that remittance transfers contribute to higher consumption levels and investments in human capital within Nepalese households. Conversely, the study identified a negative association between remittances and expenditures on alcohol and tobacco. This implies potential improvements in household health outcomes as a result of reduced spending on harmful substances. Overall, Mishra's study underscores the transformative impact of remittances on household expenditure patterns in Nepal. It highlights the dual role of remittances in enhancing consumption and supporting investments in human capital while potentially promoting better health outcomes by reducing expenditures on alcohol and tobacco.

Chaudhary (2022) assesses the impact of remittances on economic growth and domestic private investment in Nepal, using the ARDL bounds test approach. It also aims to explore the factors influencing the utilization of remittances for productive purposes and the role of institutional quality and financial development in this context. The ARDL bounds test approach is employed to analyze the long-run effects of remittances on GDP and domestic private investment in Nepal. Empirical findings are based on data that assesses the relationship between remittances, GDP, domestic private investment, institutional quality, financial development, and household migration purpose. The study examines the positive long-run impact of remittances on GDP, attributed to increased domestic consumption. However, it identifies a negative long-run effect of remittances on domestic private investment, influenced by factors such as institutional quality and financial development. The study shows remittances contribute positively to GDP through increased domestic consumption and negatively affect domestic private investment due to factors like weak financial backgrounds of recipient households and a dependency syndrome. The study suggests that a remittance-focused policy is necessary to redirect remittances towards productive uses like self-employment and financial investments. It emphasizes the importance of advisory and training support for remittance recipients to build confidence and skills for making investment decisions.

Katuwal (2021) explore the multilayer impact of remittances on Nepal's economy and society. The study is focused on understanding remittances as a key source of foreign exchange, its role in poverty reduction, challenges faced by migrant workers, and the potential benefits of utilizing migrants' human capital for rural development. Information is gathered from various sources including government reports, migration statistics (e.g., total number of migrants and their destinations), and insights from existing literature on remittances and migration. Qualitative analysis is used to examine the impact of remittances on poverty reduction, economic growth (e.g., ratio of remittance to GDP), and challenges faced by migrant workers (e.g., inadequate information, lack of skills training, poor working conditions). The study identifies the remittances as a reliable tool for poverty reduction and a significant contributor to Nepal's foreign exchange earnings. It also highlights challenges such as inadequate information on jobs abroad, lack of skill training, poor working conditions, and legal issues (e.g., illegal migration networks) and address the potential benefits of utilizing migrants' skills and experiences for rural development in Nepal. The study recommend government to take initiatives for harnessing the human capital effectively.

Banjara (2020) analyzed the assessment of remittance and its impact on Economic Growth in Nepal to explore the relationship between remittances and economic growth in Nepal by synthesizing findings from various empirical studies. Nepal is highlighted as a significant sending country for migrant workers, ranking fifth globally in terms of remittance receipts and leading among South Asian nations in 2018 based on GDP figures. The research reviewed in Banjara's article consistently demonstrates a positive correlation between remittances and the growth of human capital and financial development in Nepal. The article underscores Nepal's reliance on remittances as a critical source of external income, contributing significantly to the national economy. It emphasizes the role of remittances not only in bolstering economic growth but also in enhancing human capital through investments in education and skill development. Furthermore, Banjara's study emphasizes the broader implications of remittance inflows for financial development, suggesting that these funds play a crucial role in promoting savings, investment, and overall economic stability in Nepal. In conclusion, Banjara's article provides a comprehensive assessment of the impact of remittances on Nepal's economic growth, highlighting the positive contributions of these financial inflows to both human capital development and broader economic advancement.

Chaudhary (2020) conducted research to analyze the socioeconomic impact of remittances on migrant households in Saptari District, Province 2, Nepal. The research focused on comparing economic disparities between households with migrant members abroad and those without, highlighting the transformative effects of remittances on household dynamics such as land ownership and access to modern technologies. Key findings reveal that remittances play a critical role in improving socioeconomic conditions and reducing poverty among recipient households. Income from remittances has significantly increased household expenditure capacities over time. A significant outcome of the study is the improvement in land ownership among remittance-receiving households, with all migrant households now owning land compared to a third being landless previously. Access to modern technologies has also markedly improved among remittance recipients compared to non-recipients. Furthermore, remittances have contributed to rural-to-urban migration trends, indicating broader socio-economic impacts beyond the village level. In conclusion, Chaudhary's study revealed the positive influence of remittances on rural Nepal's socioeconomic development. It highlights how these financial inflows contribute not only to poverty alleviation but also to enhancing household economic stability, promoting access to modern amenities, and fostering social and political awareness within the community.

Dhakal (2020) examined the impact of remittances on consumption and investment behaviors in Province Five of Nepal. Data was collected from 570 households in Rupandehi, Dang, and Rolpa districts through primary surveys. Variables include remittance amounts, annual domestic income, household size, family residential area, and level of education. Regression models were used to analyze the data. The study found a positive relationship between remittances and consumption, indicating higher remittance amounts lead to increased consumption. Similar positive relationships were observed with domestic income, household size, and level of education. Investment outcomes were not explicitly mentioned. The study suggests that authorities can use these findings to plan and allocate resources effectively, especially concerning the investment of remittance funds.

Paudel (2019) conducted research in Jaljala Municipalities to investigate the socio-economic characteristics of migrant households and examine the socio-economic contributions of remittances in the study area. The study collected primary data through

field surveys using interviews, which were analyzed using tables and figures. Key objectives included understanding why young people migrate and how remittances are utilized by households in Jaljala Municipality. The findings revealed that 70 percent of young people migrate, primarily due to limited landholdings in the country. Remittances were reported to be utilized as follows: 30 percent for land purchase, 18 percentage for business investments, and 16 percent for construction purposes. The study highlighted significant socio-economic impacts of remittances, including increased female education and an increase in households led by women. This trend was attributed to the financial stability provided by remittances and employment opportunities abroad. Moreover, improvements were noted in education, health, and overall household well-being due to remittance inflows. In conclusion, study shows the transformative role of remittances in Jaljala Municipalities, Nepal. It demonstrates how these financial transfers contribute not only to economic activities like land acquisition and business investments but also to social improvements such as increased female empowerment and enhanced socio-economic indicators across the community.

Kafle (2018) examined the relationship between Remittance and Economic Growth in Nepal, spanning the period from 1976 to 2017. Time series econometric techniques such as unit root tests, cointegration analysis, and error correction modeling, used to investigated both the long-run and short-run dynamics between remittances, trade activities, and economic growth. Key findings revealed a robust long-term relationship between remittances, trade flows, and economic growth in Nepal. Remittances were found to be positively associated with economic growth over extended periods, indicating their significant role in the country's economic development trajectory. Contrarily, the study did not establish a short-term causal link between remittances and economic growth. Instead, trade activities demonstrated notable short-term impacts on GDP, showing their immediate influence in driving economic outcomes. In conclusion, study highlights the enduring influence of remittances and trade on Nepal's economic landscape. It provides empirical evidence supporting the pivotal role of remittances in fostering long-term economic growth while emphasizing the complementary effects of trade dynamics in shaping Nepal's economic performance over the studied period

Dhungana (2014) conducted a study in Lekhnath Municipality, Kaski, Nepal to explore the effects of remittances on local households. Using primary data collected through

direct interviews and observations in Lekhnath Municipality. Descriptive as well as inferential statistics were carried out to analyze the impact of remittance. Further paired t-test was carried out to see the economic change before and after the remittance received. The study aims to measure the empowerment levels of female teachers and assess the broader socio-economic impacts of remittances. The findings indicate that remittances play a crucial role in alleviating poverty and enhancing the economic conditions of migrant households. They enable families to increase their spending capacities and make long-term investments that positively influence household finances. Moreover, migration and remittances contribute significantly to improving socio-economic status and supporting children's education within the community. Overall, the study represents the transformative impact of remittances on household welfare in Lekhnath Municipality, illustrating their role in poverty reduction, economic empowerment, and social advancement.

Gonzalez (2012) conducted a micro-simulation study to examine how remittances affect poverty and inequality dynamics in Nepal. The study utilized longitudinal analysis with two rounds of LSMS data to estimate household consumption functions and simulate the impacts of remittances. The primary objective was to assess how regional migration patterns and remittance sources from various countries influence poverty and inequality in Nepal. Findings revealed that the impact of remittances on poverty and inequality is conditional, depending significantly on the incidence and maturity of the migration process, as well as the participation of lower quintiles of society in this process. National-level simulations indicated that remittances reduce the headcount poverty rate by 2.3 to 3.3 percentage points in the first round of the survey, and by 4.6 to 7.6 percentage points in the second round. Moreover, they alleviate poverty depth by at least 3.4 to 10.5 percentage points and severity by at least 4.3 to 12.5 percentage points. Notably, remittances from India, despite being lower on average compared to other countries, contributed significantly to reducing inequality and had the largest impact on poverty reduction. Region-specific simulations highlighted that region with higher levels of migration experienced greater reductions in poverty due to remittances. In conclusion, study showcase the nuanced effects of remittances on poverty and inequality dynamics in Nepal, emphasizing the importance of considering regional migration patterns and the source of remittances in shaping socio-economic outcomes.

Pokharel (2011) conducted a study on trend of foreign labour migration in Nepal to examine the patterns and trends of foreign labor migration from Nepal. The study gathered primary data through direct interviews with 145 individuals, specifically targeting 116 families where at least one member was a labor migrant. The findings revealed several key pull factors that attract Nepalis to seek employment abroad, including the prospect of higher income, the presence of friends and family already abroad who facilitate job opportunities, and the perceived ease of finding work in foreign countries compared to Nepal. On the other hand, the study identified several push factors that drive individuals to consider working abroad, such as low employment opportunities locally, familial responsibilities necessitating additional income, and a perceived lack of economic prospects within Nepal. An important aspect highlighted in the study was the role of social networks, particularly contacting friends and relatives who are already employed overseas, as a critical step in the process of finding international employment opportunities. Additionally, the study discussed the financial costs associated with hiring manpower agencies for international employment, which ranged significantly from Rs 30,000 to Rs 6 lakh per country. These costs underscored the financial investment and risks involved for Nepali workers seeking employment abroad. In summary, Pokharel's study provides valuable insights into the complex interplay of economic, social, and personal factors that shape foreign labor migration trends in Nepal. The findings contribute to understanding the motivations and challenges faced by Nepali migrants in pursuing opportunities overseas.

Srivastava (2007) conducted a study on role of remittance in economic development in Nepal with the aim of assessing the direct impact of remittances on Nepal's economic indicators: GDP (Gross Domestic Product), GNP (Gross National Product), and PCI (Per Capita Income). The study utilized linear and log-linear models within multiple regression frameworks to analyze both nominal and real terms to quantify the influence of remittances on these indicators. The findings of the study revealed significant impacts of remittances on Nepal's GDP and GNP. In nominal terms, remittances were found to have a substantial effect, contributing to a 6 percentage increase in GDP and a 72 percentage increase in GNP. When considering real terms, although slightly lower, remittances still had a considerable impact, contributing to a 48 percentage increase in GDP and a 55 percentage increase in GNP. These results show the critical role of remittances in Nepal's economic development, highlighting their substantial

contribution to national income and economic growth. The study provided empirical evidence supporting the importance of remittances as a key driver of economic prosperity in Nepal, emphasizing their influence on enhancing both GDP and GNP over the period studied.

Gaudel (2006) conducted a study aiming to describe the role of remittance income in fostering economic development in Nepal. The study highlighted several key points regarding the impact and potential of remittances in Nepal's economic context. Firstly, the study emphasized that remittances, along with grants, play a significant role in contributing to Nepal's foreign exchange earnings. This influx of foreign currency is crucial for stabilizing the country's balance of payments and supporting economic growth. Moreover, study suggested that for remittances to become a reliable source of national income for economic development, it is essential to ensure job security and competitive wage levels for workers abroad. This approach would encourage remitters to consistently send funds back home, thereby boosting the country's financial resources. Furthermore, the study advocated for policies that incentivize the return of the young and skilled Nepali workforce currently residing abroad. By harnessing their professional knowledge and experience, coupled with their remittance contributions, Nepal could enhance productivity in various sectors and stimulate overall economic growth. In conclusion, research emphasize pivotal role of remittances in Nepal's economic development trajectory. It highlighted the need for strategic policies aimed at maximizing the positive impacts of remittances on national income, job creation, and sectoral productivity, ultimately contributing to broader economic advancement in the country.

2.4 Research Gap

There are studied such as Aryal (2022) and Mishra (2022) have extensively explored the macroeconomic impacts of remittances on GDP, poverty reduction, investment patterns, and consumption behaviors in Nepal. Chaudhary (2020) in Saptari District and Paudel (2019) in Jaljala Municipalities, Nepal, has explored the socio-economic impacts of remittances on recipient households and communities. These studies highlight the positive effects on poverty reduction, household economic stability, and socio-economic indicators such as education and health. However, there are limited study to enhance the understanding how remittances influence economic dimension on

the rural areas where the employment opportunity is very low. This study in Bhagawatimai Rural Municipality attempts to close this gap by investigating the economic elements of rural households' remittances. This will help us comprehend the ways in which remittances influence rural areas.

CHAPTER III

RESEARCH METHODOLOGY

3.1 Introduction

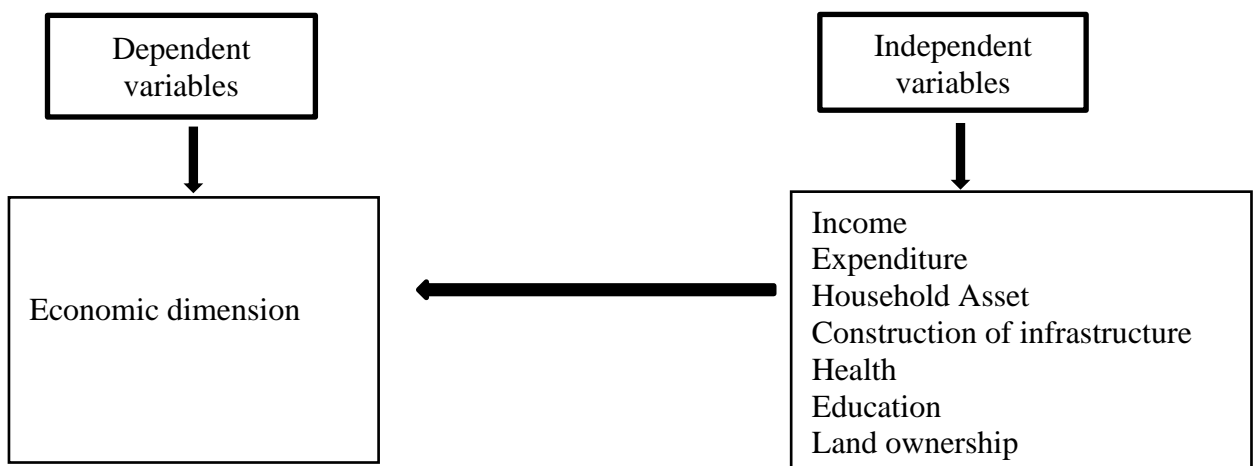
The research technique chapter provides a methodical approach to data collection and analysis, acting as the framework for the study. This chapter describes the strategies and tactics used to successfully accomplish the research goals. It addresses the goals, scope, and environment of the study as well as the reasoning behind the selected methodologies and data gathering and analysis procedures. This chapter guarantees openness and precision in the research process by outlining the methodology, data gathering methods, and analytical strategies. This strengthens the validity and dependability of the study's conclusions.

3.2 Conceptual framework

This study investigates how income, expenditure, education, health, and housing structure (independent variables) contribute to shaping the economic dimension (dependent variable), providing insights into their interconnected dynamics and implications.

Figure 3.1

Conceptual framework



Source: Chaudhary (2020)

The figure 3.1 is based on the Chaudhary (2020). The variables used in the study are income, consumption, expenditure, health, education, land ownership household assets and construction of infrastructure. However, this study does not include consumption.

3.3 The research design

The study has adopted the household survey method to collect the information. Out of the seven wards in the rural municipality wards 3, 7, and 2, were specifically selected due to their remote locations. Informants from these wards were chosen using the snowball sampling method, which involved selecting initial participants and then asking them to refer other potential participants. The selection of remittance-receiving households was based on their availability and willingness to participate. The dimension of remittances in households are examined using a descriptive study approach. Similar to this, a variety of techniques, including as observation and interviewing, are used throughout the study period to examine the research in detail and clarify the details and attributes of the research design. Tabular analysis is used to understand and collaborate the acquired data, which are then explained. Combining these methods allows for efficient study.

3.4 Sources of data

a) Primary data

Primary data is a category of information that is gathered by the researcher directly from important sources such case studies, experiments, surveys, and interviews. It displays information obtained directly from the respondents. With the aid of a questionnaire designed for this study, interviewing the households from the Bhagawatimai Rural Municipality is the primary method of gathering study data on remittances. The majority of the study's data comes from primary sources. Face-to-face interviews, an interview schedule was used to collect the required data and information. A well-planned structured interview schedule was created for the purpose of gathering data.

b) Secondary data

Data that has previously been acquired and is readily available from other sources is referred to as secondary data. Compared to original data, these data are less expensive and simpler to get.

The concept of the economic dimension of remittances was primarily understood via the examination of numerous theses and literatures by various researchers, with an emphasis on the effects it has on both the social and economic spheres. Moreover, the literature assessment facilitates the development of the theoretical framework for this study. Cross-checking aids in the validation of the gathered data.

3.5 Data collection method

3.5.1 Study Area

According to the census of 2078, the number of households in this rural municipality is 3359, while the population is 18206. The male population is 9187, while the female population is 9017 (50.46 percentage / 49.54 percentage) in this rural municipality, the second population is Vishwakarma (27 percentage), the third is Thakuri (16 percentage) and the fourth is Brahmin caste, in addition to this there is Pariyar (4 percentage) and Magar (1 percentage). The number of families is 5.6 people per household. Most of the people (about 90 percentage, Dailekh 2072-73) are dependent on agriculture. Some residents are engaged in foreign employment, jobs, trade, wage labor have been involved. Most of the farmers have been planting the agricultural products in a traditional way, while some farmers have been farming in a modern way, while some farmers near the special market and road network have been farming in a modern way. Furthermore, according to data from 2075/76, 897 individuals from Bhagawatimai have engaged in foreign employment.

The study area chosen for this study is Bhagawatimai, rural municipality located in the rural of Dailekh district of Karnali Province, Nepal. The study area is the representation of typical rural area prevalent in Karnali Province. Approximately 90% of the population in Bhagawatimai relies on agriculture as their primary livelihood, which is predominantly conducted using traditional farming methods. The area faces significant challenges related to limited job opportunities outside of agriculture, contributing to economic constraints and shaping the economic landscape. Studying Bhagawatimai provides insights into the economic dynamics of a rural community heavily dependent on agriculture.

3.5.2 Sample design

Sample size determination formula (Yamane, 1967). According to Yamane's formula for sample size determination. The total number of households in Bhagawatimai rural municipality is 3359 and considering margin of error to be 9 percent, the sample size will be calculated using following formula:

$$n = \frac{N}{1 + Ne^2}$$

where,

$N = \text{Population size} = 3359$

$n = \text{sample size}$

$e = \text{margin of error} = 9 \text{ percentage} = 0.09$

Now,

$$\begin{aligned}n &= \frac{N}{1 + Ne^2} \\ &= \frac{3359}{1 + 3359 * 0.09^2} \\ &= 119.076 \\ &= 120 \text{ (Approximately)}\end{aligned}$$

3.5.3 Data collection tools

For this study, data was gathered using interviews method through standardized questionnaire. Interviews were conducted to gather detailed information to the remittance receiving household. Further, the snowball sampling method was used, where existing participants referred new potential respondents who fit the study's criteria.

3.6 Tools of data Analysis

Following the data collection process, all gathered information was recorded in Microsoft Excel for further analysis. Simple descriptive analyses, such as calculating means, standard deviations, creating tables, and generating graphs, were conducted to facilitate comparisons. Additionally, chi-square tests were used to examine associations and dependencies between categorical variables. Microsoft Excel served as the primary tool for organizing and performing these analytical tasks ensuring clarity and reliability in interpreting the study's findings.

3.7 Operational definition

1. **Foreign Employment:** "Foreign employment" refers to the situation where an individual works outside their home country.

2. **Individuals:** In this study, "individuals" specifically denote those who have engaged in foreign employment and are currently residing and working abroad.
3. **Remittance:** "Remittance" refers to the transfer of money earned abroad by individuals engaged in foreign employment back to their home country.
4. **Remittance-Receiving Household:** A "remittance-receiving household" is defined as a household that receives financial transfers from members engaged in foreign employment abroad. These remittances often contribute significantly to the household income and can impact the socio-economic conditions of the receiving household.
5. **Respondent:** The term "respondent" refers to person who provides information during data collection. This person may include close family members, such as spouses, parents, siblings, or other household members who can provide the factual data of the individual.

CHAPTER IV

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This chapter displays and analyzes data gathered from various sources. These data have been assessed and interpreted using the study approach that was covered in the preceding chapter. A table and a graph are used to display the created and pertinent data that was obtained from main as well as secondary sources. Furthermore, the gathered facts are methodically examined in the relevant chapter.

4.2 Overview of the study

Remittances, which account for about 25 percent of the GDP of Nepal, are the backbone of the country's economy. These finances, which are primarily sent from Malaysia, India, and the Gulf region, assist millions of households, lowering poverty and raising standards of living (Katuwal, 2021). Out of the total amount, Nepal obtained more than 30 percent of the remittance from Gulf countries. In 2018, in terms of remittance inflow, Nepal was ranked as 19th beneficiary country in the world and at 4th in South Asian countries (IMF, 2024). A survey conducted by the Nepal Rastra Bank (NRB) in 2014/15 revealed that a significant portion of remittance funds, approximately 23.9%, is allocated to essential needs such as food, clothing, and healthcare. Additionally, remittances have contributed to strengthening foreign currency reserves, boosting investments, and stimulating consumption. They also play a critical role in stabilizing the national currency, managing the balance of payments, and enhancing overall economic resilience.

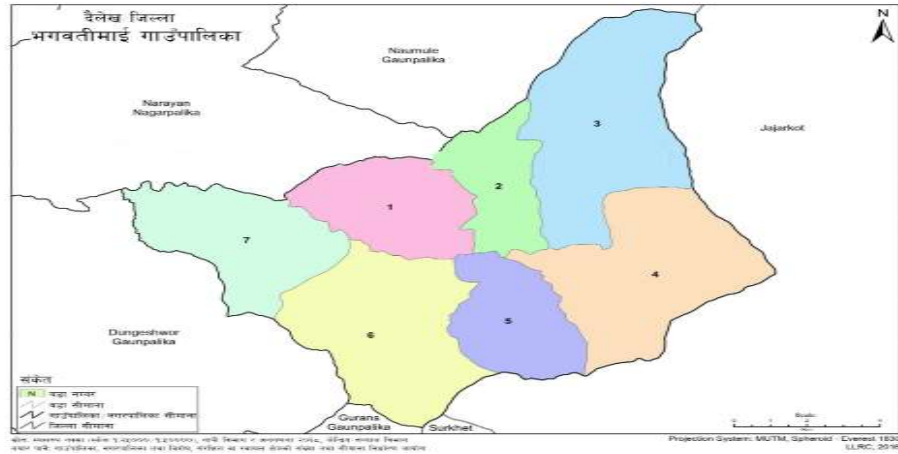
According to the Nepal Rastra Bank (NRB), Nepal's remittance inflows have shown significant growth over the past decade. In the fiscal year 2013/14, remittances amounted to Rs. 543.29 billion. By the fiscal year 2020/21, this figure increased to Rs. 961.05 billion, followed by Rs. 1,007.3 billion in 2021/22. In 2022/23, remittances surged to Rs. 1,220.55 billion, reflecting a substantial rise. As of the first seven months of the current fiscal year 2023/24, Nepal has received remittances amounting to Rs. 839 billion, marking a notable 21.6 percent increase compared to the same period last fiscal year. Over the past decade, the average annual growth of remittance inflows has been 11.13 percent. The study investigates the economic impact of remittances on remittance

receiving households, focusing on how these financial transfers affect income levels, expenditure patterns, education, healthcare access, and overall well-being within recipient communities. It aims to understand the role of remittances in economic development and poverty alleviation, highlighting both opportunities and challenges associated with these inflows.

4.3 Description of the study area

As there are number of households with foreign employment but, the research has been taken into consideration of Bhagawatimai Rural Municipality, Dailekh District. Therefore, short glimpse of Bhagawatimai Rural Municipality is given as:

Bhagawatimai Rural Municipality was established in 2017 (2073 BS) as a local government of Nepal. The headquarters of the Bhagawatimai Rural Municipalities is located in Pagnath, Dailekh district, Karnali Province of Nepal. Bhagawatimai Rural Municipality surrounded by Jajarkot District on the East, DUNGESHWAR Rural Municipality and Narayan Municipality on the West, Naumule Rural Municipality on the North and Gurans Rural Municipality South. The total area of the Bhagawatimai Rural Municipality is 151.52 square kilometers (58.50 sq mi) and the total population of the rural municipality according to 2011 (2068 BS) Nepal census is 18,778 individual. The density of this rural municipality is 120/km² (320/sq mi). This Rural municipality is divided into 7 wards. Jagannath, Pagnath, Rum, Moheltoli, Katti and Bada Bhairab Lakuri Village development committees (VDCs) were incorporated to form Bhagawatimai Gaunpalika. This rural municipality came into existence on 10 March 2017 (Falgun 27, 2073 BS), fulfilling the requirement of the new Constitution of Nepal 2015 (2072 BS), Ministry of Federal Affairs and General Administration replaced all old VDCs and Municipalities into 753 new local level bodies.



Source: Nepal Archive

4.4 Economic dimension of individuals and households

The term "economic characteristics" describes the different aspects of an individual or household that affect their economic standing in the community. These attributes usually consist of household composition, employment status, income levels, educational attainment e.tc.

4.4.1 Age and gender of Remittance contributor

Age and gender are the significant demographic variable, which provides a comprehensive profile of the study population. In the demographic analysis, these factors serve as primary explanatory variables, displaying the populations composition with briefness.

Table 4.1:

Distribution of Remittance Contributor by age and gender

Age Group	Gender				Total No	Percentage
	Male		Female			
	No	Percentage	No	Percentage		
20-30	52	44	6	5	58	49
31-40	46	38	1	1	47	47
41-50	14	11	0	0	14	14
51-60	1	1	0	0	1	1
Total	113	94	7	6	120	100

Source: Field Survey,2023

Table No. 4.1 show the distributor of remittance contributor by age and gender. The distribution of the data is presented in 10 years' interval. According to the table the highest percentage is observed in the 20-30 age group, constituting 44 percentage of the total sample. Within this group the female population is 6, representing the 5 percentage of the total and highest among all the age groups. The subsequent age groups (31-40, 41-50, 51-60) exhibits percentage of 38 percentage, 11 percentage and 1 percentage respectively.

4.4.2 Gender of the Individuals

Generally, gender represents male or female in our society. But, there is the existence of third gender as well in our society. The roles, behaviors, activities and characteristics that a specific culture thinks for men, women and third gender are determined by the gender, which is a social construct.

Table 4.2

Gender of the respondents

Gender	Number	Percentage
Male	113	94
Female	7	6
Total	120	100

Source: Field Survey,2023

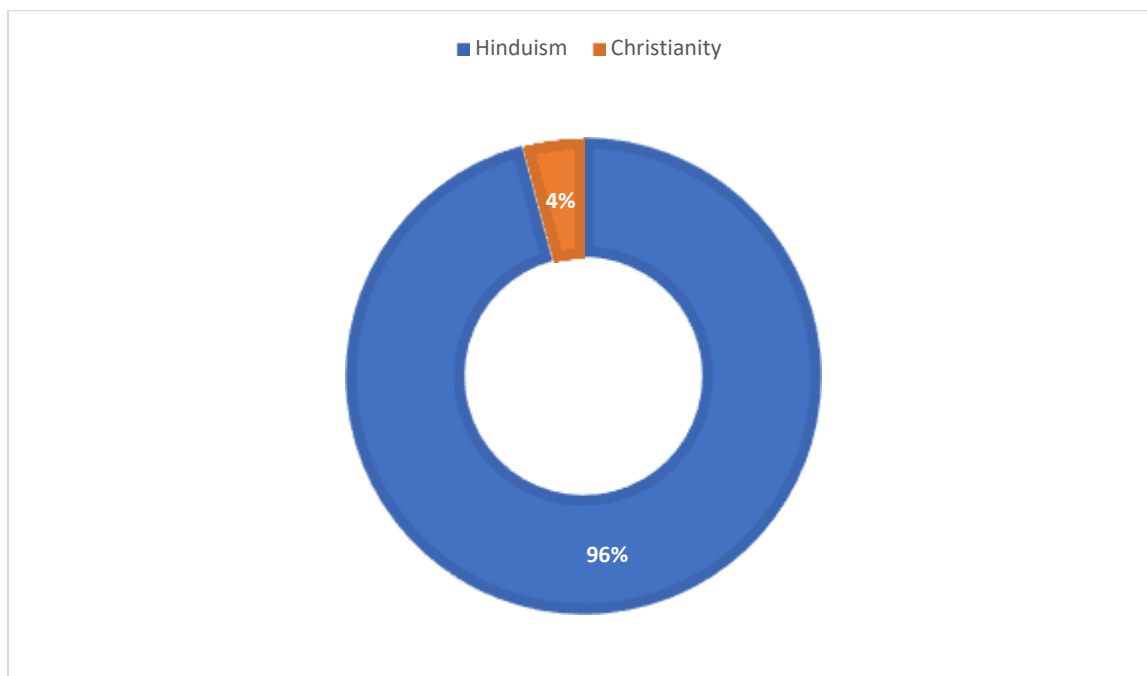
Table No 4.2 shows that during the field survey, it was found that 94 percentage of male respondents and 6 percentage females have gone abroad for employment. It is because Most of the men have to tend to go for abroad. it shows that huge number of males are going abroad for the employment opportunity.

4.4.3 Religion Composition

Religion is the important indicator that shows the social structure and the cultural dynamics. In Nepal various religions are practice they are Hinduism, Buddhism, Christianity, Islam and other indigenous religions. According to Nepal Census of 2011, the Bhagawatimai Rural municipality 99.8percentage practice Hinduism and 0.2 percentage practices Christianity. In the field survey 115 respondent were practicing Hinduism and 5 respondents were practicing Christianity.

Figure 4.1

Religion followed by the individual (in percentage)



Source: Field Survey, 2023

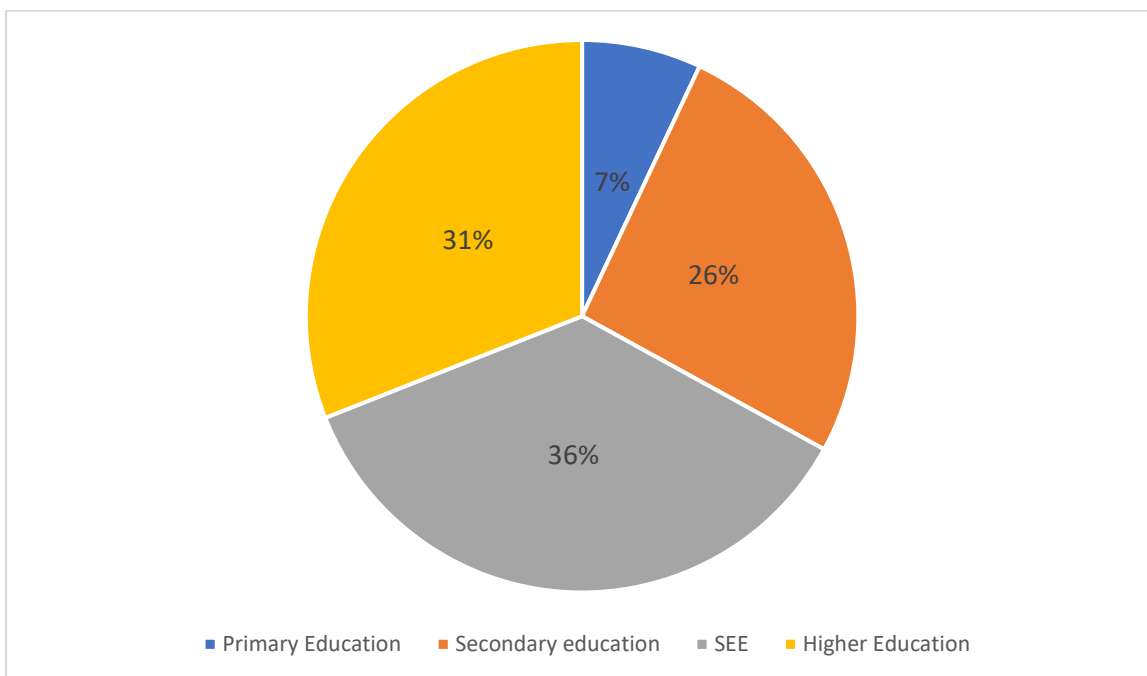
Figure No. 4.1 represent the religion followed by the respondent in Bhagawatimai Rural Municipality. The chart shows that the 96 percentage of household practice Hinduism and the remaining 4 percentage of household practice Christianity. Most of the household follow the Hinduism.

4.4.4 Educational Background

Educational Background indicate the level of formal education attained by the person. It can influence the knowledge and skills. Education is often related to the economic dynamics. As per the 2011 population census in Bhagawatimai RM 9,962 people are fully literate and 468 people were able to both read and write. During the survey, it was observed that the majority of participants had completed their school-level education, such as secondary or high school. However, none of the respondents had attained a higher level of education beyond the school level.

Figure 4.2

Education qualification of the individuals (in percentage)



Source: Field Survey, 2023

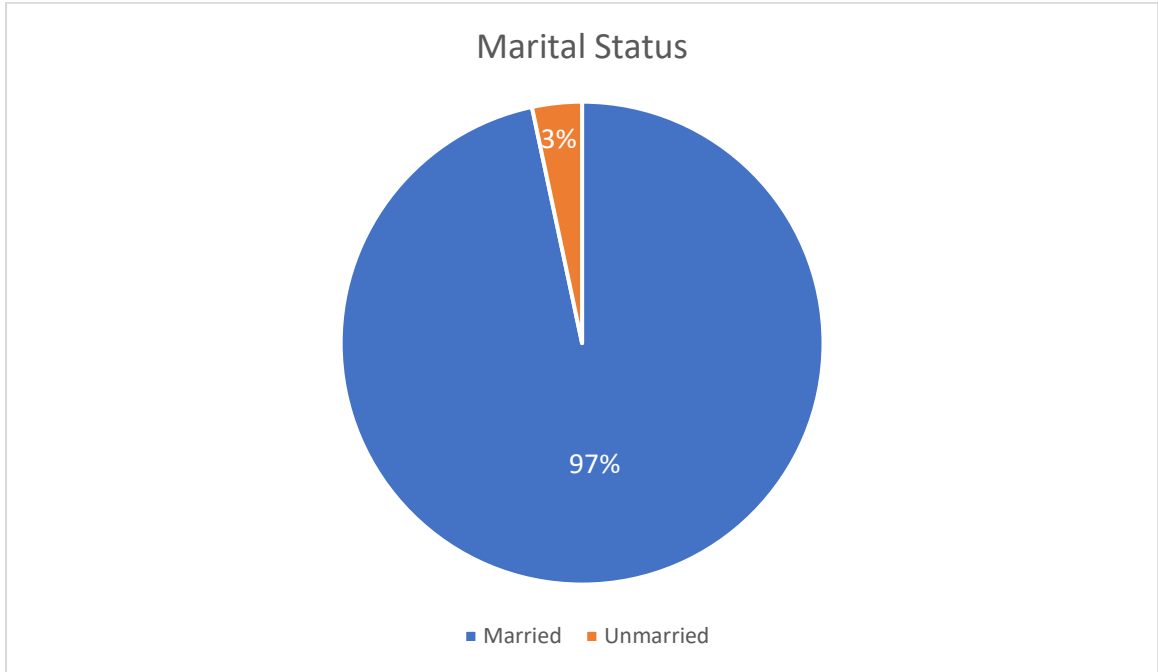
Figure No. 4.2 represent the educational background of the respondents. The graph demonstrates the education attainment level of respondents. The highest percentage of respondent have completed SEE which is 36 percentages and lowest is primary education which 7 percentages. Meanwhile respondent completing secondary education is 26 percentage and higher secondary education is 31 percentages.

4.4.5 Marital Status

Marriage is formally and legally recognized union between two individuals. It's established the rights and obligation between them. Marital status provides insights into the household structure and compositions. During the field survey it was found that, out of 120 respondents 116 were married and 4 were unmarried.

Figure 4.3

Marital status of individuals (in percentage)



Source: Field Survey, 2023

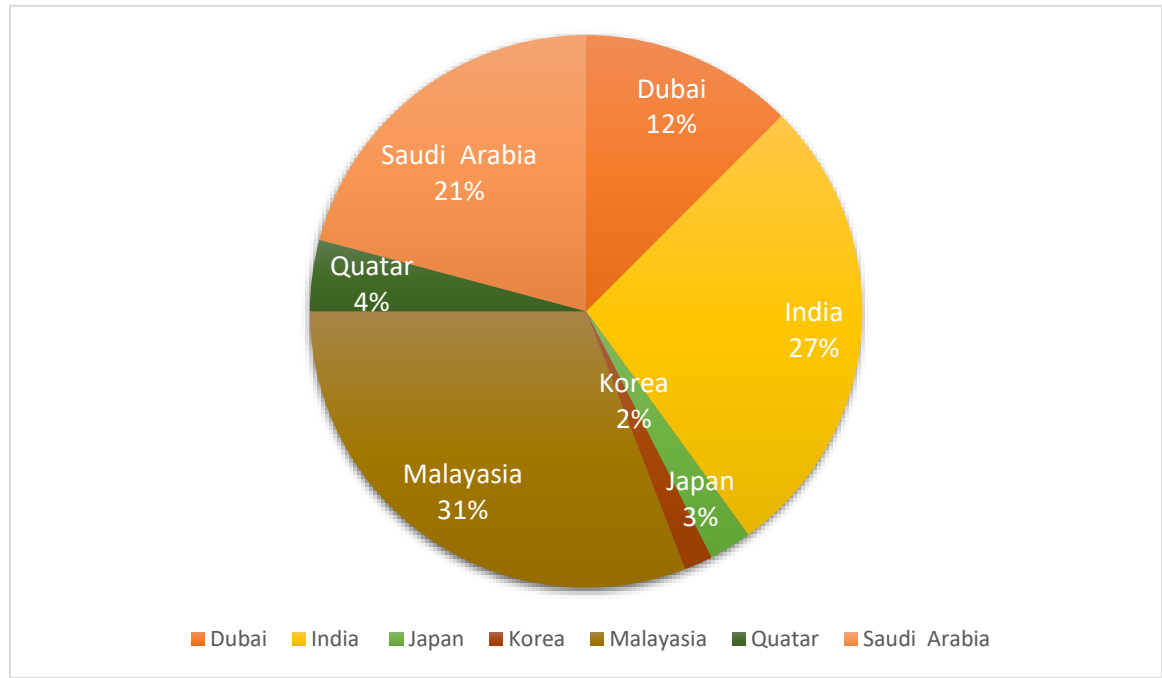
Figure No 4.3 represents the marital status of the respondents of Bhagawatimai RM. Above charts denotes that 97 percentage were Married and 3 percentage respondents were Unmarried. This shows the most of the married individual are motivated to seek the job opportunity in abroad to support the family.

4.4.6 Country of employment

Country for employment reveals the preferred destination chosen by the respondent for the employment. It indicates the flow of individuals seeking employment opportunity and highlights which country is prevailing among the respondents.

Figure 4.4

Country of employment (in percentage)



Source: Field Survey, 2023

Figure No 4.4 represent the country the respondent family member has gone for the foreign employment. Above chart shows Malaysia has the highest percentage of respondent employed at 31 percentage followed by India at 27 percentage. Together, other nations make up 21 percentage; Saudi Arabia is at 12 percentage, Dubai is at 4 percentage, Qatar is at 3 percentage, Japan is at 2 percentage, and South Korea is at 2 percentage. During the survey it was revealed that respondent was able to gain entry into the nations they had chosen irrespective of their education background.

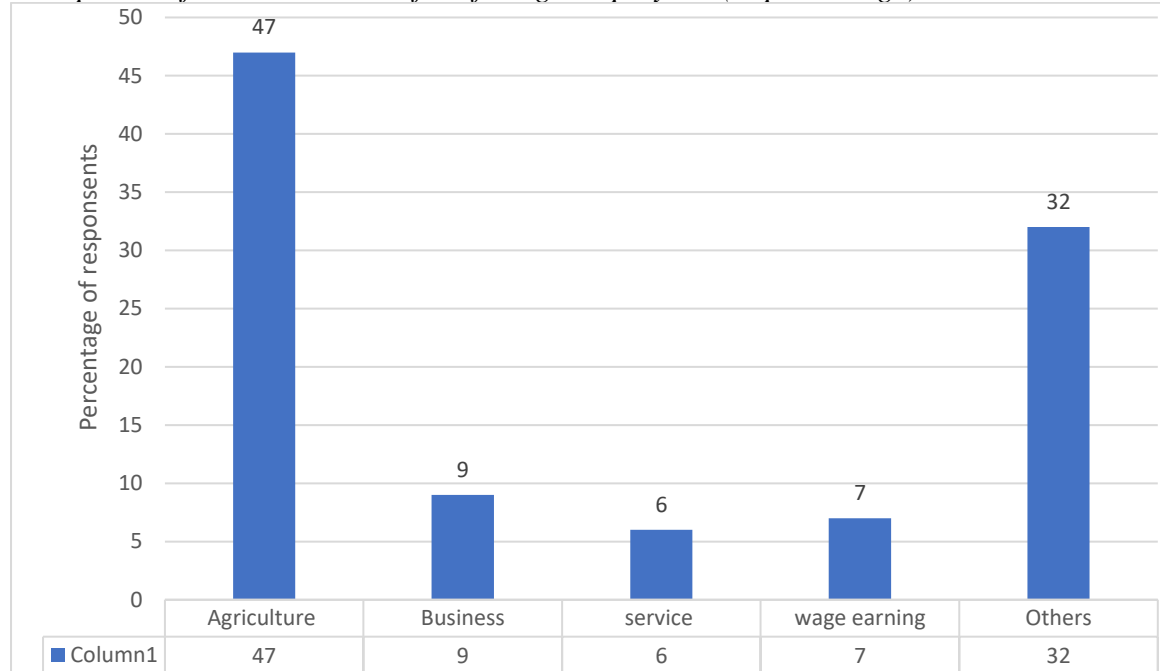
4.4.7 Occupation before going Abroad

The occupation before remittance refers to the various sources from which individuals derive earnings or financial resources before foreign employment. The pre-existing sources of income provides a baseline understanding of the economic situation of individuals and households before foreign employment. During the survey it was observed that significant portion of respondent were engaged in agriculture, studying or engaged in the seasonal migration to and from India as part of their employment.

Additionally, limited alternatives form of employment was available like government jobs, local shops or government led projects for income generation.

Figure 4.5

Occupation of the individual before foreign employmet (in percentage)



Source: Field Survey, 2023

During the survey it was found that 47 percentage of foreign employees were involved in Agriculture. 9 percentage, 6 percentage, 7 percentage and 32 percentage were involved in business, service, wage earning and others were involved in business, service, wage earning and others respectively. The data suggests that the majority of the respondent were initially employed in agriculture before seeking opportunities abroad. Additionally, the second highest proportion categorize as others likely encloses things like seasonal employment in India, drivers e.t.c which is not also not high paying jobs.

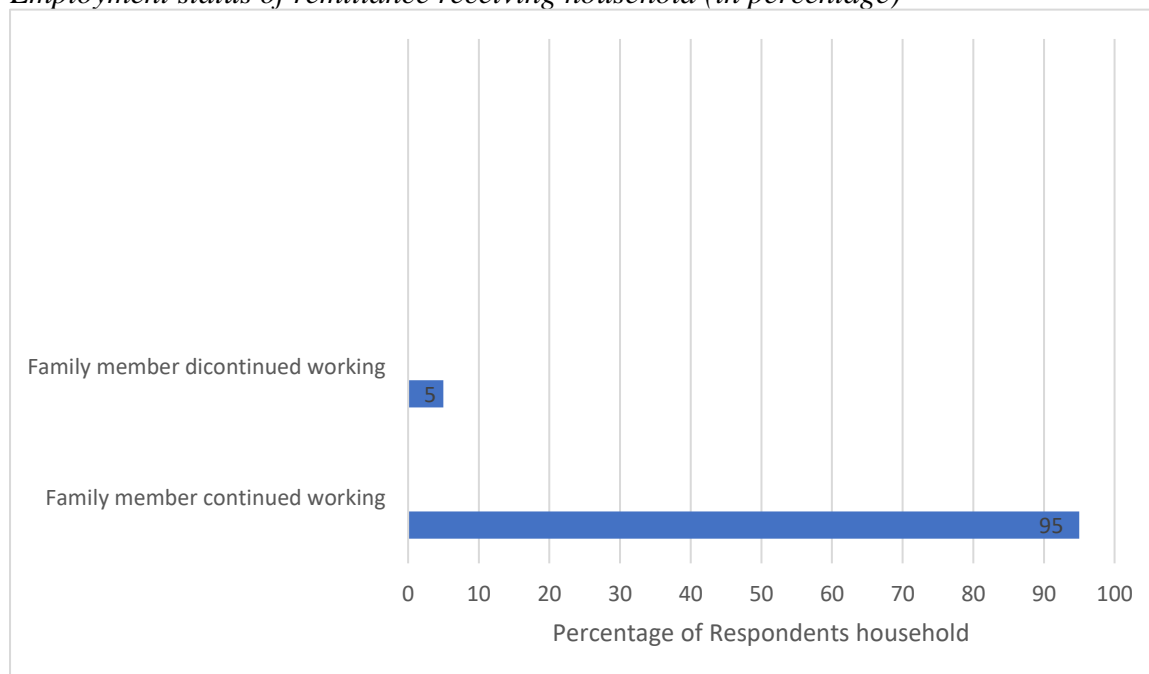
4.4.8 Employment status of remittance receiving household

The employment status of remittance receiving household refers to the occupational situation of the household who receive remittance. The employment status of the remittance receiving household reveals the economic dynamics and dependency on the remittance as a source of income. During the survey, it shows that most household were

still making their living through Agriculture. Out of 120 households 115 have continued working and 15 households have discontinued working.

Figure 4.6

Employment status of remittance receiving household (in percentage)



Source: Field Survey, 2023

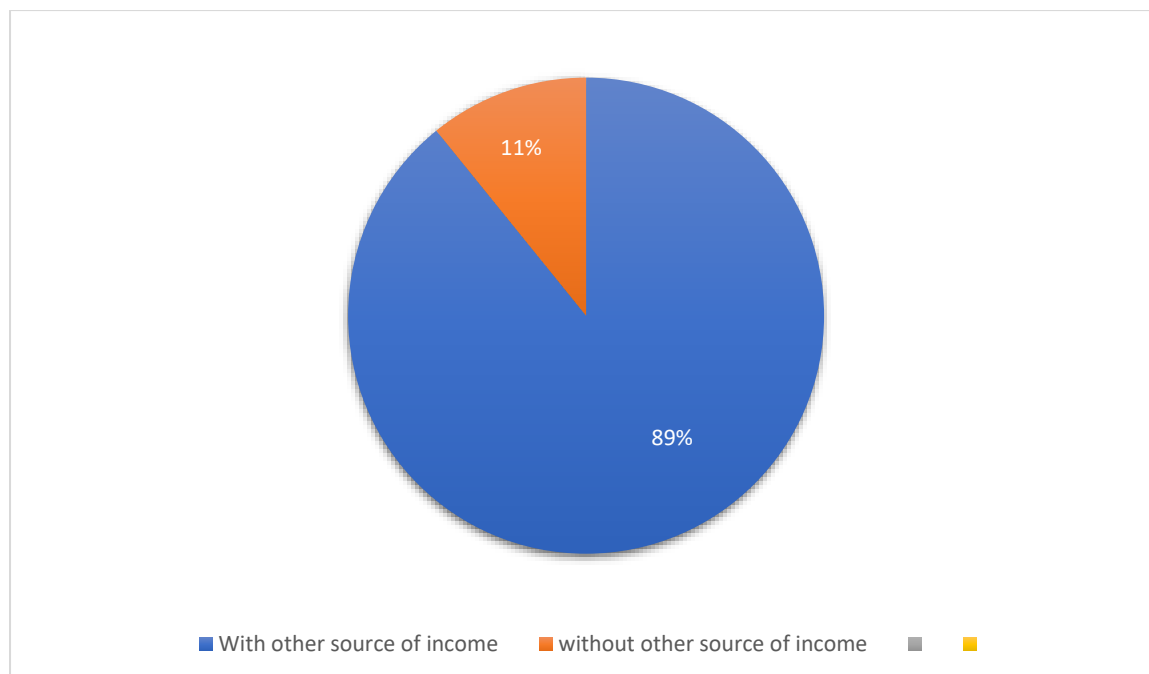
Figure No 4.6 represent 95percentage of total individual family member have continued working and 5 percentages has discontinued working. This highlights that the majority of families maintained their employment status despite receiving remittance. The data suggest that most families engaged in various activities such as opening small shops, agriculture, wage labor and government services. However, apportion of respondent's families did not participate in any employment.

4.4.9 Other Source of income

Other source of income includes Wage Earning, Agriculture, Pension, Business, Rent, seasonal employment in India etc. During the survey out of 120 respondents 107 respondent have other sources of income and 13 respondents do not have other source of income.

Figure 4.7

Household with or without other source of income (in percentage)



Source: Field Survey, 2023

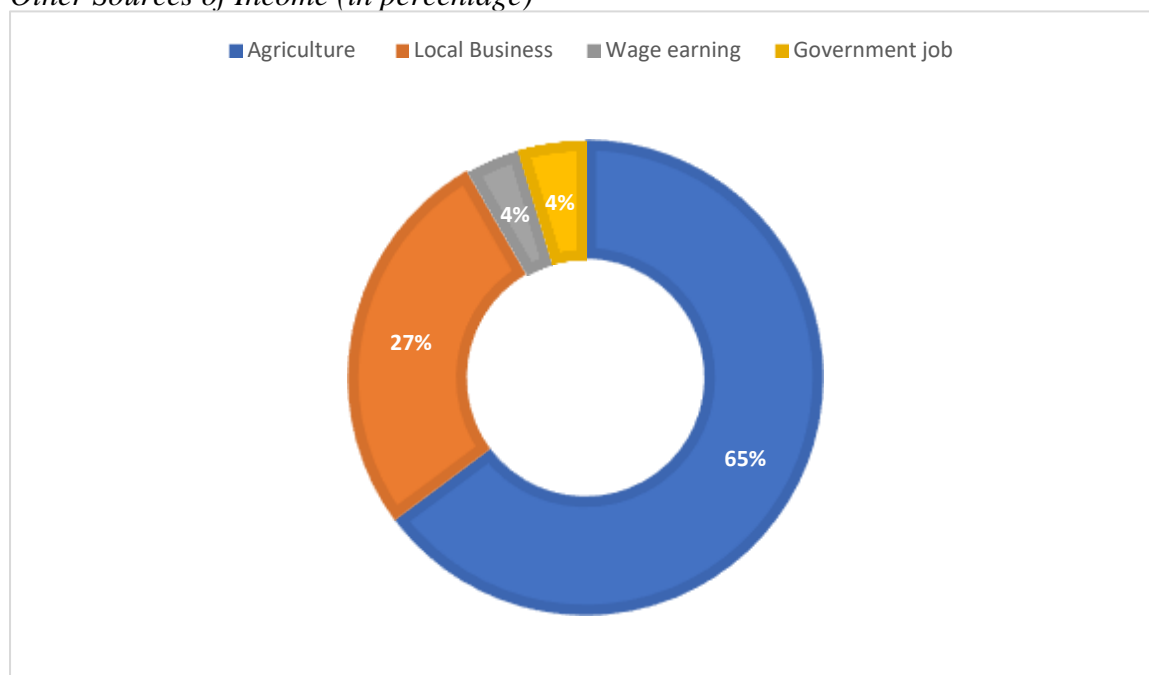
Figure No 4.7 represent 89 percentage of total respondent have other source of income than remittance and 11 percentage of total respondent are without other source of income. This suggest that for the majority of household, remittances are not the primary source of income. However, 11 percentage of household are without other source of income, making it crucial for sustaining their livelihood.

4.4.10 Income from other sources

Other sources of income can be defined as the income source of the family other than the remittance. This may include wage labor, business, agriculture, pensions etc., This shows financial situation of the household. Out of 120 respondents 78 respondents' other source of income is Agriculture ,32 respondents' other source of income is local business, 5 respondents' other source of income is wage earning and 5 respondent other source of income is government job.

Figure 4.8

Other Sources of Income (in percentage)



Source: Field Survey, 2023

Figure No 4.8 represents that 65 percentage of respondent's other source of income is Agriculture ,27 percentage, 4 percentage and 4 percentage respondent other source of income are local business, wage earning and government job. This highlights majority of household either rely on the remittance or agriculture.

4.5 Contribution of Remittance in Economic Dimension

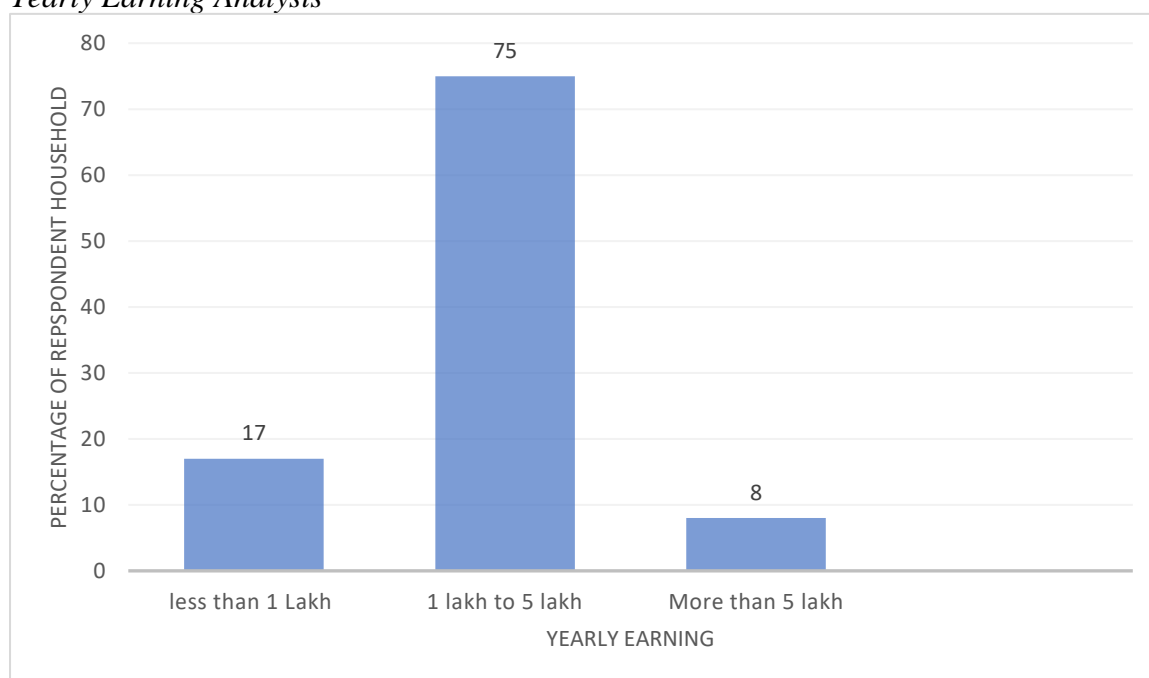
At the household level, remittances have a significant influence on a number of economic factors. As an economic factor, they support household earnings by providing essential funds for everyday needs, healthcare, education e.t.c. Income from the remittance often leads to an improvement in living standards, enabling families to afford better housing, nutritious food, and other essentials. Economically, remittances contribute families to break free from the cycle of poverty by investing in education and skill development, thus opening up opportunities for upward mobility. Additionally, remittances can alleviate financial stress within the household.

4.5.1 Yearly Earning Analysis

Yearly Earning Analysis can be defined as the analysis of remittance received by the household over the period of one year. It provides the overview on the income dynamics of the remittance receiving household. During the survey it was found that 20 respondent household income is less than 1 Lakh, 90 and 10 respondent household are 1-5 lakh and more than 5 lakhs respectively.

Figure 4.9

Yearly Earning Analysis



Source: Field Survey, 2023

Figure No 4.9 represents that 17 percentage of respondent household receive the yearly income less than 1 Lakh, 75 percentage of respondent household receive the yearly income between 1-5 Lakh and 8 percentages respondent household receive more than 5 Lakh. This indicates that the majority of households earn between 1 to 5 Lakh annually, placing them the low-middle income bracket as World Bank's income classification.

Table 4.3:

Allocation of the remittance expenditure (in percentage)

Utilization Heading	Household Percentage utilizing the Remittance
Education expenditure	94
Daily living expenditure	96
Health care	95
Housing related expenditure	91

Source: Field Survey, 2023

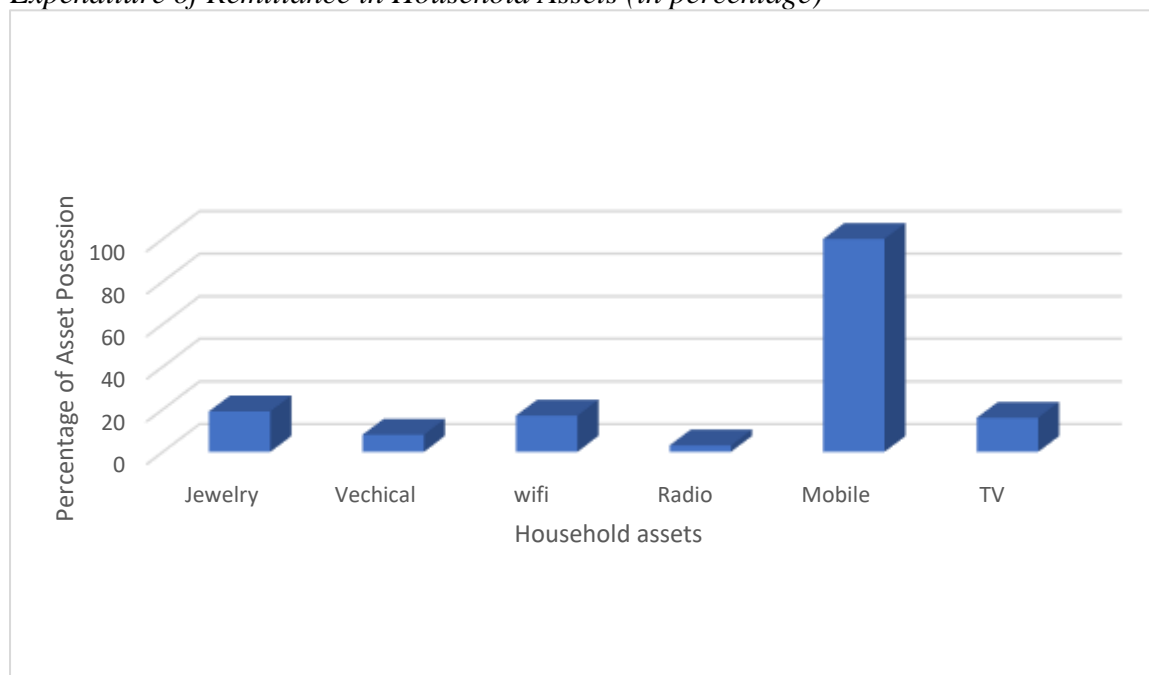
Table No 4.3 Represents the allocation of remittance in different expenditure that 94 percentages of the household allocate the remittance in education. Likewise, 96 percentages, 95 percentages and 91 percentage household allocated their remittance in daily life expenditure, health care and housing related expenditure respectively. This shows that remittance play the crucial role in sustaining the living standard. This emphasizes the crucial role of remittances in upholding living standards. Notably, the highest allocation of remittance is observed in the education sector, followed by healthcare and daily expenditures.

4.5.2 Expenditure of Remittance in Household Assets

In the survey conducted, data from 120 households was analyzed. It was revealed that 23 respondent households possess jewelry, 9 respondent households' own vehicles, 20 respondent households subscribe to Wi-Fi services, and 4 respondent households own radios. Additionally, all 120 households have mobile phones, while 20 households have television sets.

Figure 4.10

Expenditure of Remittance in Household Assets (in percentage)



Source: Field Survey, 2023

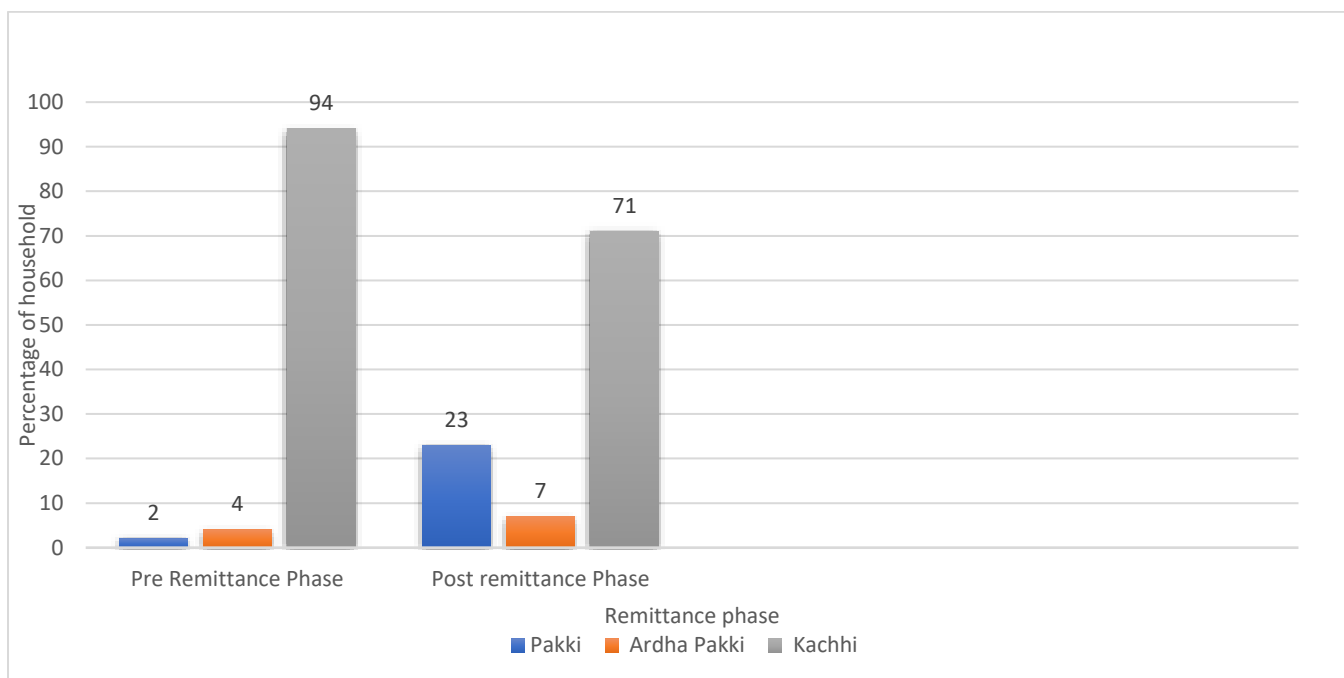
Figure No 4.10 represents 19 percentage respondents possess the jewelry ,8 percentage respondent owns the vehicle, 17 percentage has Wi-Fi facilities, 3 percentage household have radio facilities, which signify the improvement in the household assets particularly in the realms of the mobility, connectivity and personal adornment. Given survey shows that 100 percentage remittance receiving household possess the mobile facilities indicating the profound influence of remittance enhancing the communication capabilities within household.

4.5.3 Change in the Housing Patterns

House can be considered as the significant component that individual prioritize when the income increase. Analyzing changes in housing patterns involves examining the shift or change in housing styles after intervention of remittance income. It helps to understand the shift in income level and lifestyle preference.

Figure 4.11

Comparative analysis of housing structure before and after remittance (in percentage)



Source: Field Survey, 2023

Figure No 4.11 indicates a substantial transformation in housing structures post-remittance phase, with a notable increase in the proportion of 'pakki' houses, suggesting a significant investment in housing development. Prior to remittance, only 2 percent of houses were 'pakki', while post-remittance, this figure jumped to 23 percent. Similarly, 'ardha pakki' houses saw a decrease from 4 percent to 7 percent, while 'kacchi' houses decreased from 94 percent to 71 percent. This shift underscores the transformative impact of remittance on housing infrastructure, signaling a considerable enhancement in the quality and permanence of residential structures.

Table 4.4

Correlations between the remittance and housing structure

Types of houses	Before remittance	After remittance	Total
Kacchi	2	28	30
Pakki	113	86	199
Total	115	114	229

Source: Self estimation

Table 4.5

Calculation of expected frequency

Types of houses	Before remittance	After remittance	Total
Kacchi	15.05	14.95	30
Pakki	99.95	99.05	199
Total	115	114	229

Source: Self estimation

- 1) Null Hypothesis (H0): There is no association between receiving remittance and the type of houses (Pakki vs Kachhi).
- 2) Alternative Hypothesis (H1): There is an association between receiving remittance and the type of houses (Pakki vs Kachhi)

Chi-square test statistic:

$$X^2 = \frac{(2-15.05)^2}{15.05} + \frac{(28-14.95)^2}{14.95} + \frac{(113-99.95)^2}{99.95} + \frac{(86-99.05)^2}{99.05}$$

Therefore, $X^2 = 53.18$

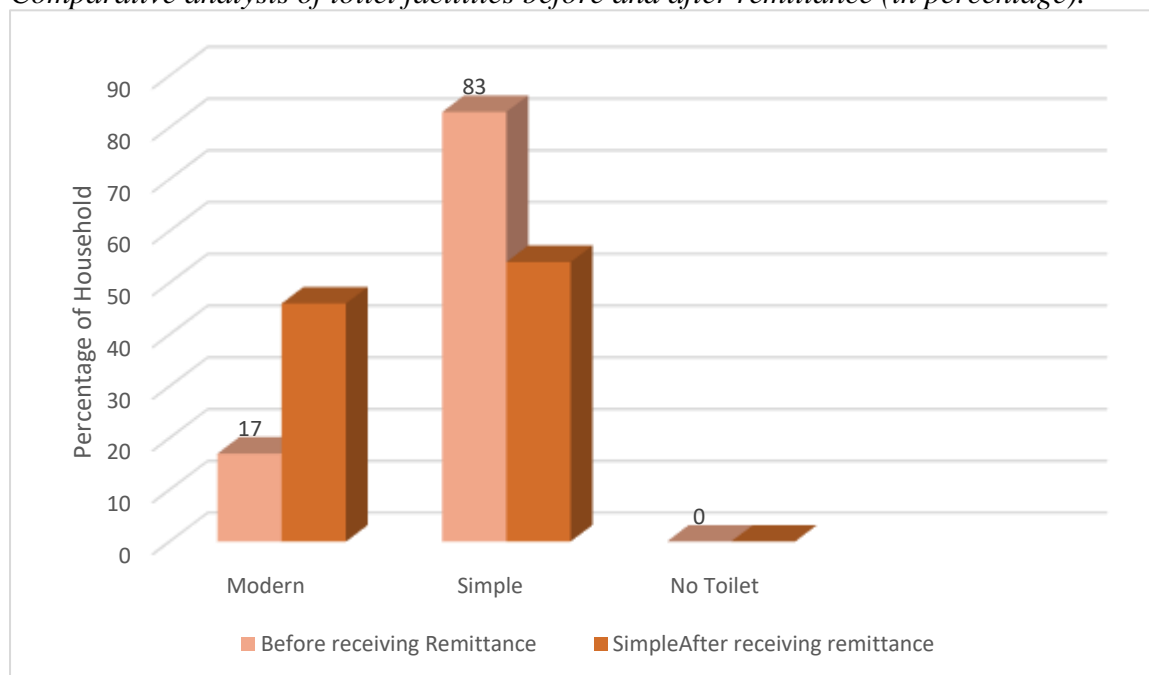
Since our calculated Chi-square value (53.18) is greater than the critical Chi-square value (3.84) at 1 degree of freedom with 5 percent error, we reject the null hypothesis. Therefore, it is concluded that there is a significant association between remittance and housing structure.

4.5.4 Change in the toilet Facilities

Toilet facilities represent the level of living standard and awareness of sanitation of the family.

Figure 4.12

Comparative analysis of toilet facilities before and after remittance (in percentage).



Source: Field Survey, 2023

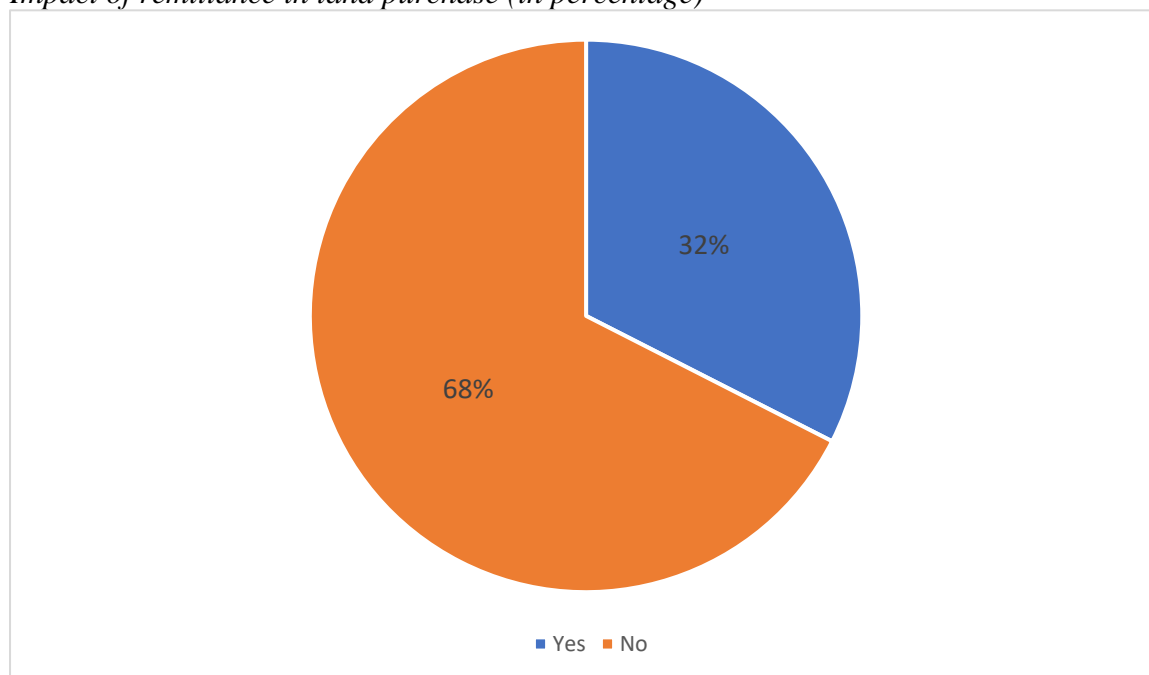
Figure No. 4.12 shows that 83 percentage of household use simple pit toilet and 17 percentage of household use modern pit toilet before receiving remittance whereas 46 percentage household use modern pit toilet and 54 percentage household use simple pit after receiving remittance. The increase in modern pit toilets highlights the positive impact of remittance on improving sanitation infrastructure

4.5.5 Purchase of Land

In the Nepalese society land is the significant sign of economic condition. By examining land purchases can reveal the influence of remittances on such investments, bringing the on the concentration of remittance income within respondent households. During the survey out of 120 respondents 39 household has purchase the land while 81 respondents has not purchased the land.

Figure 4.13

Impact of remittance in land purchase (in percentage)



Source: Field Survey, 2023

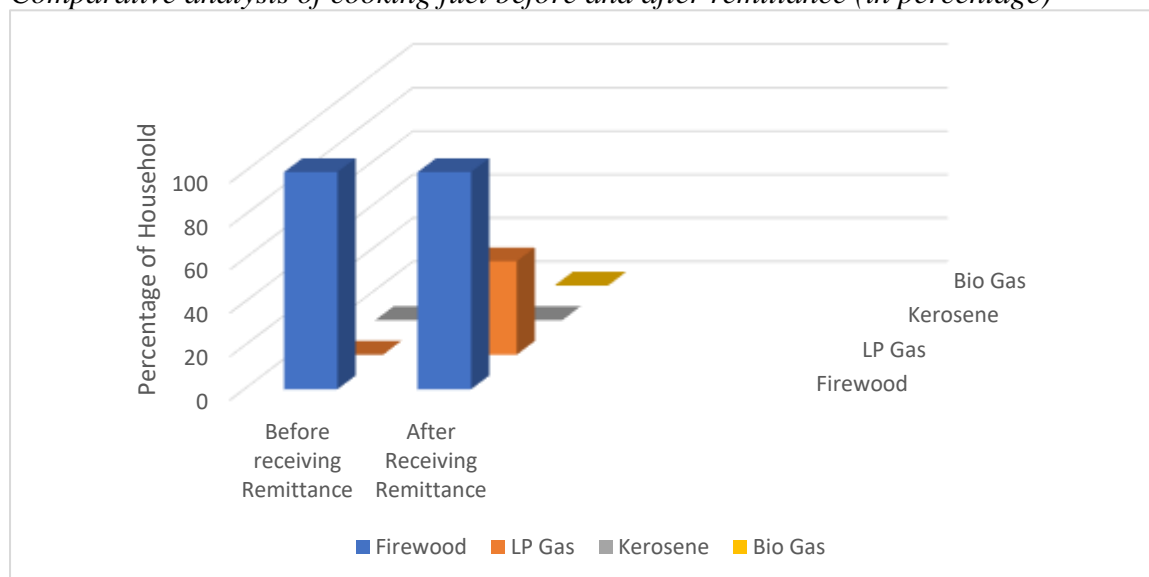
Figure No. 4.13 shows that 68 percentage of the respondent did not purchase the land while 32 percentage of the respondent purchase land after remittance income involvement of remittance income. The increase in land ownership post-remittance income indicates that remittance serves as a vital resource for individuals and families to invest in real estate. Land acquisition stands out as one of the principal areas where remittance money is being directed.

4.5.6 Usage of fuel for cooking

In many parts of Nepal, firewood had been primary fuel source for cooking. The reliance in the firewood is connected with availability, affordability and traditional usage. During the survey out of 120 households ,120 uses the firewood for cooking before receiving remittance. After receiving remittance 51 household have started using LP Gas and firewood. and remaining 69 households exclusively firewood. No households utilize biogas or kerosene for cooking purposes.

Figure 4.14

Comparative analysis of cooking fuel before and after remittance (in percentage)



Source: Field Survey, 2023

Figure No 4.14 shows that 100 percentage uses the firewood before receiving remittance. After receiving the remittance, 43 percent of households use firewood and LP Gas together, while 57 percent use firewood only. Post-remittance, 43 percent of households opted for a combination of firewood and LP Gas, while 57percent continued to use firewood exclusively. This indicates a decrease in the consumption of firewood, with remittance serving as a catalyst for investing in LP Gas. The shift towards LP Gas usage underscores the transformative role of remittance in improving household living standards. Investing in LP Gas represents a move towards cleaner, more efficient cooking methods, which not only reduce environmental impact but also enhance health and safety within households.

Table no 4.6

Means and standard deviation on the uses of LP Gas

	Before	After
Use of LP Gas	0	52
No of Household	120	120
Mean	0	0.43
Standard deviation	0	3.10

Source: Self estimation

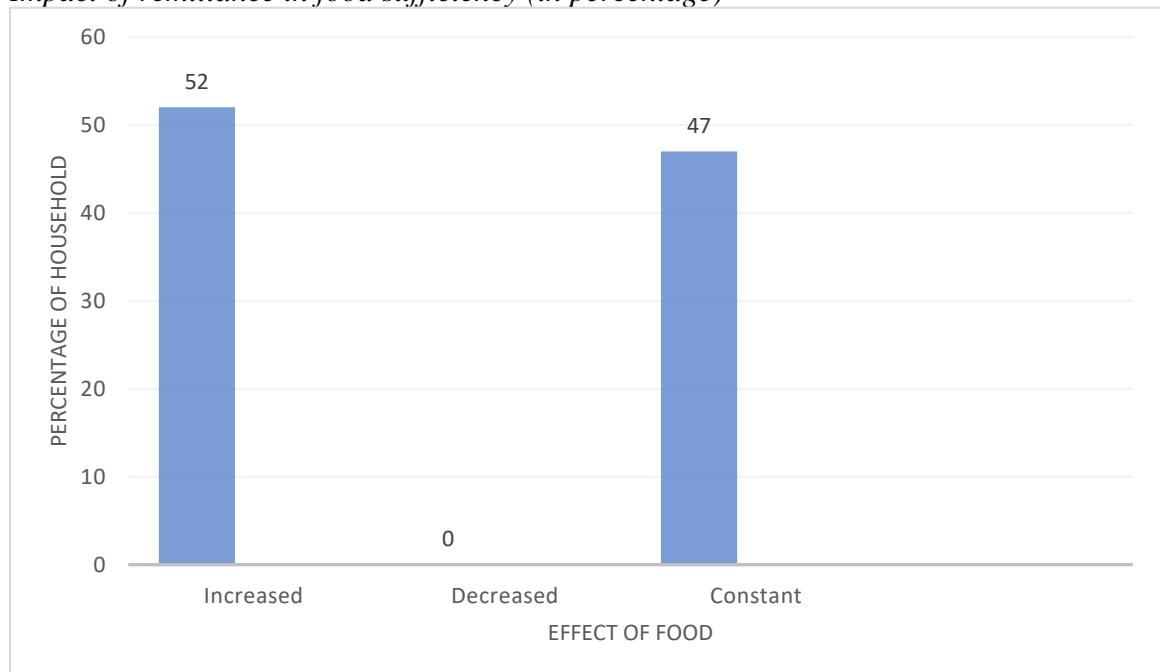
In the analysis of LP Gas usage before and after remittance, it was observed that there was an average increase of 0.43 units in LP Gas consumption following the receipt of remittance. This finding emphasizes the significant impact of remittance on LP Gas usage patterns within the surveyed households. Hence intervention of remittance impacts the utilization of the LP gas within household.

4.5.7 Effects on Food sufficiency

Remittances have a big impact on both the economy and society. One important area they affect is food availability. How much food people have can greatly influence their living standards? Many people who receive remittances find that they have more food available to them, which improves their overall quality of life. During the survey out of 120 respondents 63 respondent indicated increased in food sufficiency ,57 respondents indicated constant on food sufficiency. None of the respondents indicated decline in food sufficiency.

Figure 4.15

Impact of remittance in food sufficiency (in percentage)



Source: Field Survey, 2023

Figure No. 4.15 shows that 52 percentage indicated in increased in food sufficiency and 47 percentage indicated constant on food sufficiency. There is no decline in the food sufficiency. The data indicates that 52 percentage of respondents reported an increase in food sufficiency, while 47 percentage reported a constant level of food sufficiency

after receiving remittance. Remarkably, there was no indication of a decline in food sufficiency among the surveyed households. This suggests that remittance has a positive impact on food sufficiency within rural households in Nepal. The increase and maintenance of food sufficiency post-remittance underscore the role of remittance in improving access to food resources and enhancing food security. The findings highlight how remittance income contributes to the overall well-being of households, enabling them to meet their nutritional needs more effectively. This not only reflects improved economic conditions but also underscores the broader economic benefits of remittance for rural communities, including increased resilience against food insecurity and poverty.

4.5.8 Preference in school

School preference refers to the process by the individuals and household select the educational institutional. Education significantly impacts society, often prioritized as the primary investment. It serves as the medium to uplift living standard and nurturing positive change in community development.

During the survey it was found the out of the 120 household 18 household send their children to the private school and 102 children went to the government school.

Table 4.7

School type distribution

Types of school	School type distribution
Government school	85
Private school	15

Source: Field Survey, 2023

4.5.9 Allocation of the education expenditure in government school

During the survey it was found that there is the quite difference in the expenditure in the private school and expenditure in the public school. It can see by the in the given table.

Table 4.8

Allocation of the education expenditure on government school

Expenditure Heading	Percentage of expenditure on Education
School Fees	0
Tutoring	10
Books and supplies	85
Others	0

Source: Field Survey, 2023

Table NO.4.8 shows the allocation of education expenditure in the government school. No money is allotted for school fees, highlighting the facts government schools are subsidized. The 85 percentage goes towards books and supplies, indicating the major expenditure. Furthermore, 10 percentage of the funds are set aside for tutoring, demonstrating the efforts made to promote students' academic advancement by providing extra help.

4.5.10 Allocation of education expenditure in Private school

Education expenditure in private school refers to the cost enrolled educate student in privately running institution. The expenditure includes school fees, tuition fee, books and supplies, transportation cost, house rent etc.

Table 4.9

Allocation of the education expenditure on private school

Expenditure Heading	Percentage of expenditure on Education
School Fees	95
Tutoring	20
Books and supplies	85
Others	70

Source: Field Survey, 2023

Table No 4.9 shows that 95 percentage of respondent household spend on school fees, 20 percentage of respondent on tutoring, 85 percentage of respondent spends on books and supplies and 70 percentage of respondent spends on others. Others include transportation, house rent of student who stay on near to school for study. The families with kids enrolled in private schools had to pay extra for things like school supplies,

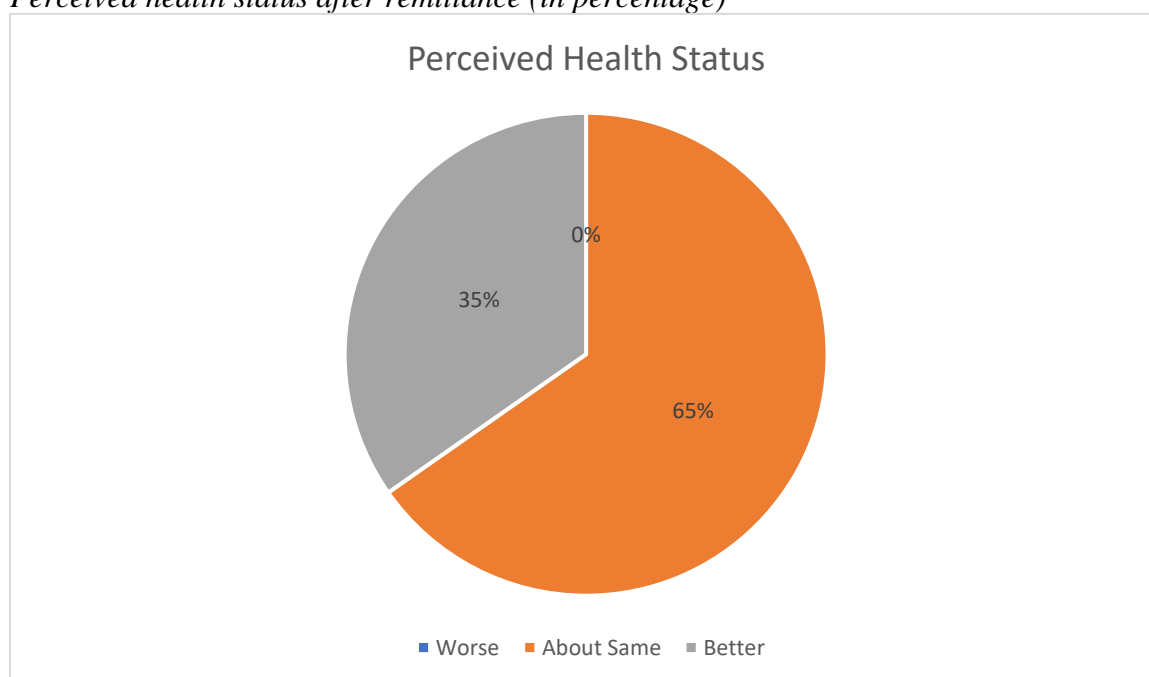
transportation, and maybe even rent, particularly if they lived in a city like Kathmandu, Surkhet, Kohalpur, or Dang.

4.5.11 Perceived Health Status

People's health is one of their most basic needs, so it's important to take into account how much remittance income influences household health conditions. Out of 120 respondents 78 respondent perceived their health status as About same, 42 respondents perceived their health status as better and none of the respondent perceived their health status as Worse.

Figure 4.16

Perceived health status after remittance (in percentage)



Source: Field Survey, 2023

Figure No. 4.16 represent that 35 percentage of the respondent perceived their health status as better, 65 percentage of the respondent perceived their health status as About same and none of them perceived health status as Worse.

4.5.12 Change in preference of healthcare

The term "healthcare" describes the provision of medical services to preserve or enhance a person's health, including the diagnosis, treatment, and prevention of illnesses or injuries. People's healthcare decisions are influenced by their cultural ideas, interests, and views of what constitutes high-quality care.

Figure 4.17

Comparative analysis in change in preference in healthcare before and after remittance (in percentage)

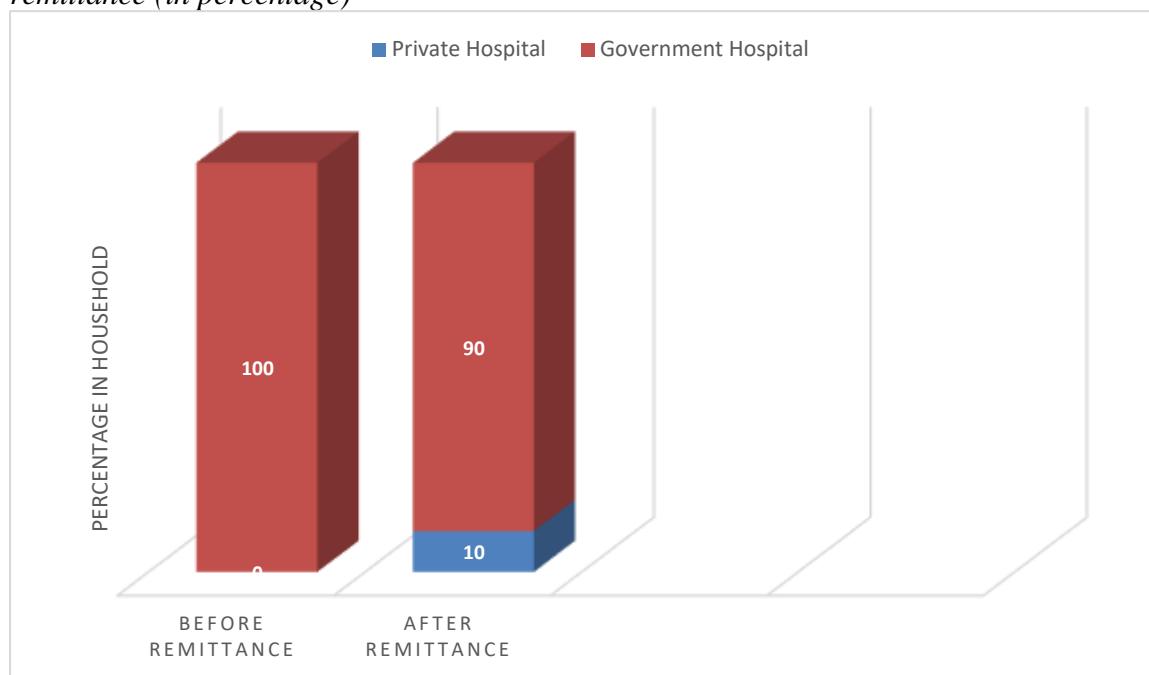


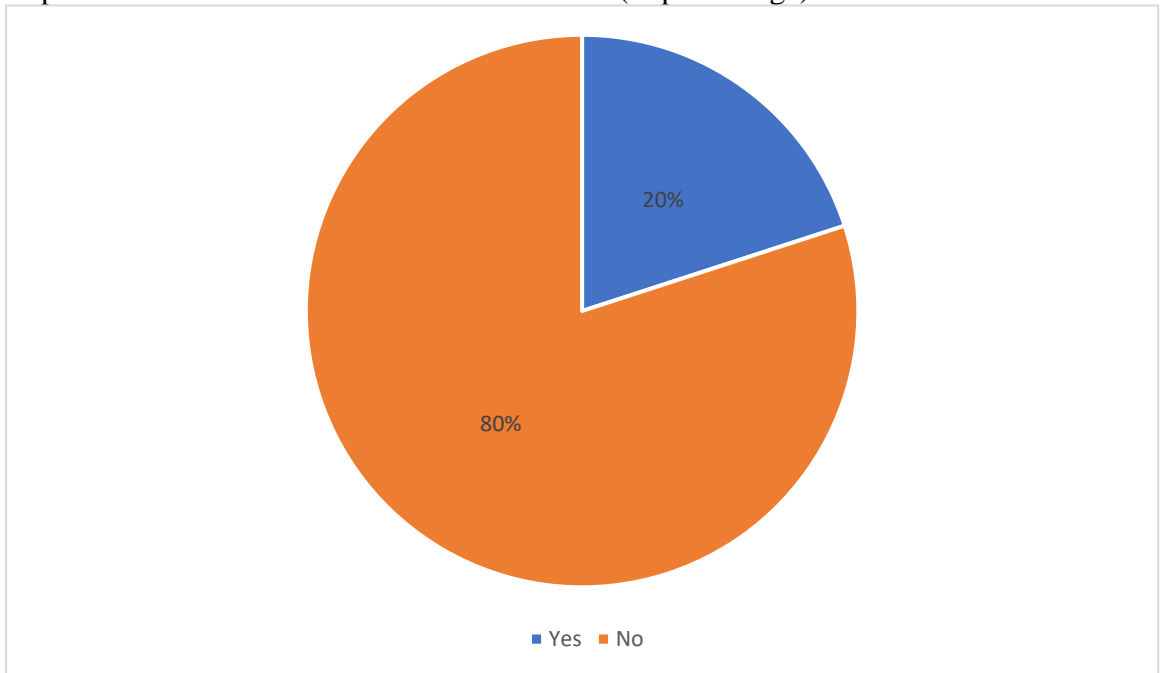
Figure No. 4.17 show 10 percentage of people prefer to visit private hospitals after receiving remittances and remaining 90 percentage preferred government hospital. The survey findings reveal that households often rely on government hospitals for their medical needs due to economic considerations, as they are more affordable. However, instances arise where households must seek treatment at private hospitals, indicating higher costs involved. Additionally, some households are compelled to travel to urban centers such as Surkhet, Nepalgunj, and Kathmandu to access seeing the nature of their health emergency.

4.5.13 Remittance household travelling to new places

Travelling to new places can be referred as the measuring tools of individuals living standard. We can observe whether individuals explore new places as increase in income through remittance. During the survey out of 120 respondents, 96 respondents have not travel to new places and 24 have travel to new places as the part of refreshment.

Figure 4.18

Impact of remittance on Travel for refreshment (in percentage)



Source: Field Survey, 2023

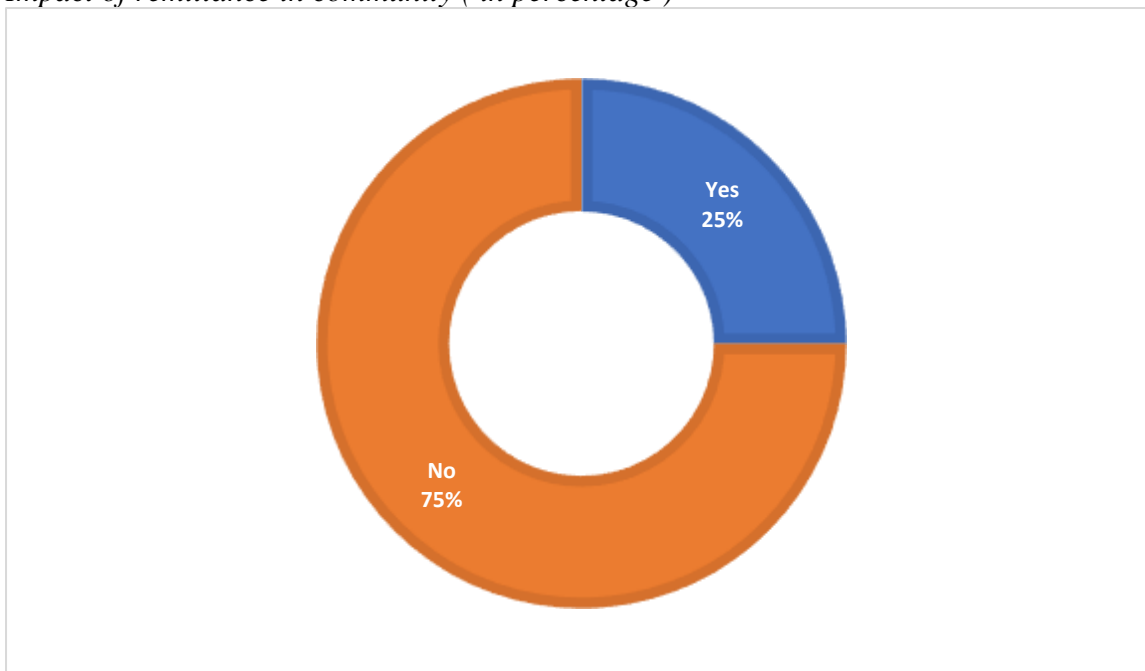
Figure No 4.18 shows that 80 percentage respondents do not travel for refreshment and 20 percentage travel for refreshment. This shows that majority of respondent do not allocate the resources for travel as form of refreshment.

4.5.14 Contribution to the Community

Any kind of monetary help given by the household in the community, it also shows the capacity of the individual does remittance income has impact in community. Out of 120 respondents 30 household contribute in the community and 90 respondents do not contribute in the community.

Figure 4.19

Impact of remittance in community (in percentage)



Source: Field Survey, 2023

Figure No. 4.19 shows that 25 percentage of the respondent contribute to the community and 75 percentage of respondent do not contribute to the community. While remittance income plays a crucial role in enhancing individual and household economic conditions, its impact on broader community development appears to be limited based on the survey.

4.6 Discussion

During the survey it was found that 96 percentages, 95 percentages and 91 percentage respondents allocated their remittance in daily life expenditure, health care and housing related expenditure respectively. This shows that remittance play the crucial role in sustaining the living standard. Finding shows the remittance is positively associated with the education, health, daily life expenditure. Same finding was found on G. E. (2022) that the study remittances are positively associated with expenditures on food and education.

From the given study it is found that remittance is one the major source of earning and affects the income level of household. Overall finding suggest that remittance increase economic status of the household. The same finding has been found in the study Dhungana (2014). Remittances, a significant source of income in Nepal, profoundly

influence household income. This study examines how remittance impacts household expenditure socioeconomically. It concludes that remittances play a crucial role in enhancing the economic status of migrant families, and empowering households to expand their spending capabilities.

The survey revealed that 96 percent, 95 percent, and 91 percent of respondents allocated their remittance towards daily life expenditure, healthcare, and housing-related expenses respectively, underscoring the crucial role of remittance in sustaining living standards. This underscores a positive association between remittance and education. Similar findings were observed in other studies, where remittances were positively correlated with expenditures on food and education. Additionally, Thapa & Acharya (2017) research concluded that households receiving remittances tend to allocate more towards consumption, health, and education compared to those not receiving remittances. These findings highlight the multifaceted impact of remittance on household welfare and expenditure patterns, emphasizing its significance in socioeconomic development discussions. During the survey it was found the 96 percentage of household allocated their remittance toward daily life expenditure or consumption purpose similar finding was found the study NRB (2021) where Nepalese household use remittance primarily for the consumption purpose.

A significant transformation in household investment, particularly in housing, has been observed, with a notable shift from makeshift (*kacchi*) structures to more permanent (*pakki*) dwellings. This change signifies a substantial alteration in housing areas, as evidenced by a 74 percent conversion rate from *kacchi* to *pakki* houses. Such statistics underscore the pivotal role of remittance income in facilitating improvements in housing infrastructure, highlighting housing as a primary sector benefiting from remittance inflows. Same findings were seen Khatri (2017) where the remittance was seen as the importance financial mean for investment in human capital (i.e. education, health and hygiene), housing and land purchase and in Sapkota (2024) where Remittance-receiving households were able to construct better housing, acquire more assets, and access improved healthcare and services.

CHAPTER V

SUMMARY AND CONCLUSION

5.1 Introduction

This chapter related to the study's final section. This chapter is divided into two sections: Summary and the Conclusion. The entire survey is briefly presented and concluded in the summary section. Similar conclusion has been made to the relevant areas and stakeholders in the conclusion section. These can be utilized to make choices and conduct corrective action.

5.2 Summary

For the fulfillment of the study objectives, Primary data were collected from the Bhagawatimai Rural Municipalities of Dailekh Districts, Nepal using structured questionnaire. It was purposively selected due to its rural character, primarily engaged in agriculture with minimal industrial presence. The area offers limited employment opportunities, mainly centered around agricultural activities. A total of 120 remittance receiving household were interviewed. The collected questionnaire was entered through Microsoft excel. Microsoft excel was used for analysis of the data. Simple descriptive statistics such as ratio and percentage have been used in the analysis while the findings have been interpreted through tables, graphs and narrative texts.

According to the data gathered by the interviewing Bhagawatimai RM, the majority of contributors are in the 20–30 age range, and females make up the smallest proportion of the sample overall 5percentage among all age categories. Religious composition with 4 percentage of them practicing Christianity and 96 percentage practicing Hinduism. In terms of education, the majority of respondents (36 percentage), then higher secondary education (31 percentage), finished SEE. 97 percentage of respondents, according to statistics were married. It shows the nations where individual have traveled to pursue jobs abroad, with Malaysia (31 percentage) and India (27 percentage) being the most popular choices.

Subsequent investigation shows that 95 percentage of households kept working after receiving remittances, while 47 percentage of foreign workers worked in agriculture. It's interesting to note that 89 percentage of respondents had income from sources other than remittances, with agriculture accounting for the majority (65 percentage). 75

percentage of households had an annual income of between one and five lakhs. Modern pit toilets and Pakki houses increased significantly after the remittance.

In addition, 43 percentage of respondents utilized LP gas and firewood for cooking, and 68 percentage of respondents did not purchase land after remittance. For 47percentage of households, food sufficiency stayed the same, the majority of educational costs were incurred on books and supplies. Only 20 percentage of respondents thought their health had altered, the majority of households (80 percentage), reported that they did not engage in any form of travel for refreshment.

5.3 Conclusion

From the survey, it is evident that 75percent of households have individuals earning between 1 to 5 lakh per annum, categorizing them as low-middle-income according to the World Bank classification. Many individuals went to Gulf countries primarily due to limited job opportunities locally and subsequently contribute remittances back home. This financial inflow plays a crucial role in sustaining livelihoods, with a substantial portion (96percent) utilized for daily expenses. The effects of remittance are evident in several key areas. Post-remittance, there has been a notable increase in Pakki house constructions, adoption of LP gas, and improved toilet facilities. Access to mobile phones has become present everywhere, facilitating better communication and access to information. Moreover, remittance has influenced expenditures on education, with 91percent of households investing in educational pursuits. Health perceptions remain largely unchanged post-remittance, indicating potential for further health-related investments. However, despite economic improvements, recreational spending remains limited, with only 20 percent of households expressing interest in such activities. In terms of social contributions, the impact of remittance appears modest, as only 25 percent of households report active participation in social initiatives. Nevertheless, the overall influence of remittance is positively correlated with enhancements in housing, education, and healthcare. In conclusion, remittance serves as a vital economic lifeline for rural communities, fostering development in essential areas such as housing infrastructure, educational opportunities, and to some extent, healthcare accessibility.

5.4 Recommendation

A number of crucial strategies are recommended in order to the long-term use of remittances and promote economic growth.

1. To create long-term benefits and economic resilience, first remittance receiving households should be encouraged to save and invest in the productive sectors that helps to stimulate local economy.
2. The local government needs to integrate with remittance-receiving households to create opportunities for utilizing that money towards the development and investment in the same area.

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APPENDIX I: QUESTIONNAIRES

QUESTIONNAIRES

Socio economic dimension of remittance in Bhagawatimai Rural Municipality

Survey Questionnaire for Remittance household (respondent) Bhagawatimai Rural Municipality

(All the information that you will provide will be used for thesis purpose only)

Name of Researcher: Shandhya Mainali (MA Economics, Patan Multiple Campus)

SECTION I: GENERAL INFORMATION

Respondent Name:

Respondent's Address:

_____ Dailekh District, Bhagawatimai Rural Municipality

Ward Number:

Relation to the person who is working abroad _____

Demographic information about the person who is working abroad

Name: _____

Age: _____

Gender:

Male

Female

Others

Religion

Hinduism

Buddhism

Christianity

Other

Marital Status

Married

Unmarried

Divorced

Widowed/Widowed

Educational Qualification: _____

Before receiving remittance, what was the occupation before going for foreign employment?

Agriculture Service Wage earning Local business Other (specify).....

Country where s/he is currently working/living

SECTION II: FAMILY AND LIVELIHOOD INFORMATION

1) After receiving remittance, have your family members continued to work?

Yes No

2)Do you have any other sources of income other than remittance?

Yes No

3) If yes, what is your source of income?

Agriculture Business Pensions..... Bank interest..... Other (specify) _____

SECTION III: Implications after receiving Remittance

4) How much do you receive from the remittance yearly?

Upto 1 lakh Above 1 lakhs to 5 Lakhs More than 5 lakhs

5) How are remittances utilized in your family? (Multiple answers can be chosen)

Education expenses Daily living expenses
 Healthcare expenses Saving and investments
 Housing-related expenses Other _____

6) Do you have any change in your household's assets after receiving remittance?

TV Jewelry Vehicles Wifi
 Radio Refrigerators Mobile

7). Types of house:

Before : Pakki Ardha Pakki Kachhi
After: Pakki Ardha Pakki Kachhi

8) Types of Toilet

Before: Modern Simple Pit No Toilet
After: Modern Simple Pit No Toilet

9. Have you bought lands after receiving remittances? Yes No

10. Which kind of fuel do you use for cook food in this household?

Before: Firewood Bio gas L.P. Gas Kerosene

After: Firewood Bio gas L.P. Gas Kerosene

11. What is the effect of food sufficiency after remittance?

Increased Constant Decreased

13) Which school you children currently attend?

Government school Private school

14) What is the expenditure in the private school

School fees Tutoring
 Books and supplies Other (Specify)
 Transportation to school

15) What is the expenditure in the private school?

School fees Tutoring
 Books and supplies Other (Specify)
 Transportation to school

16). How do you perceive your overall health status?

Before: Worse Better About same

After: Worse Better About same

17) Which types of health facilities you Frequently Visit?

Before: Government hospital Private Hospital

After: : Government hospital Private Hospital

18). Have you contributed financially to community causes or activities?

Before: Yes NO

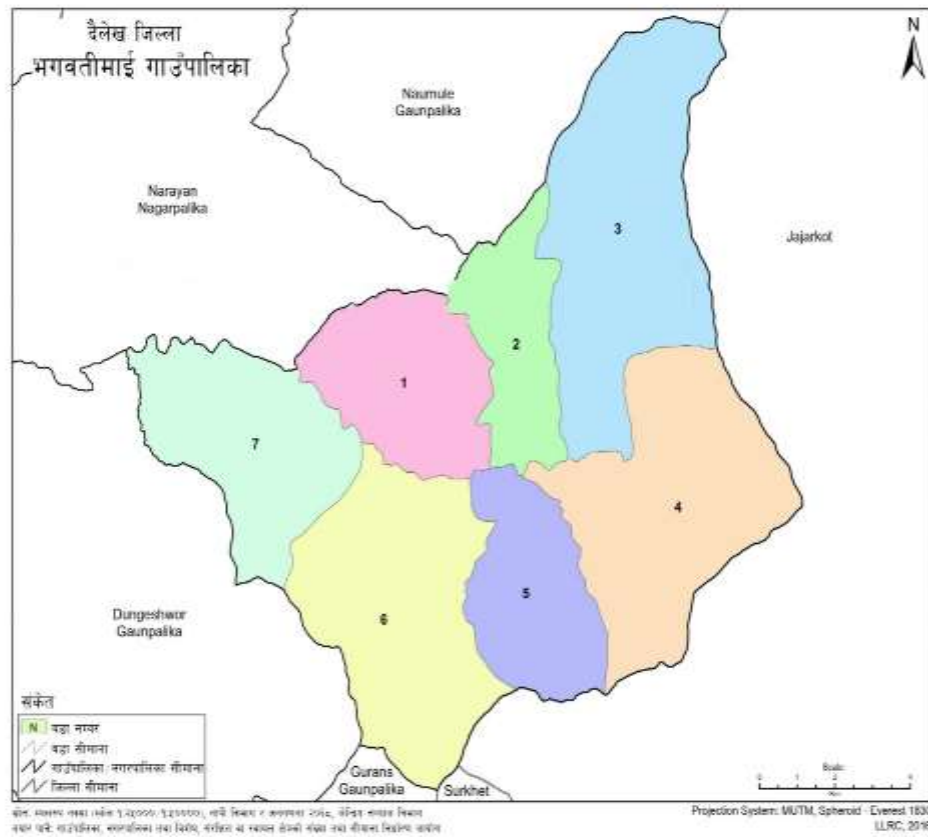
After: Yes NO

19). Have you travel to new places as part of refreshment?

Before: Yes NO

After: : Yes NO

APPENDIX II: Study Area



Source: Nepal Archives