

CHAPTER-ONE

INTRODUCTION

1.1 General Background

Nepal is a landlocked country in south Asia and boarded by China and India. It is located in the Himalayan and contains eight of the world's ten highest peaks. The country encompasses an area of 147181 square kilometers. It has an elongated rectangular shape with roughly east-west length of 885 km and north-south width of 193 km spatially the country is located between the longitudes of $80^{\circ}4''$ to $88^{\circ}12''$ east and latitudes of $26^{\circ}22''$ to $30^{\circ}27''$ north.

Remittance is important source of foreign income for developing countries like Nepal increasing dramatically in size over recent decades. It is a private income that is regularly or periodically transferred from international migrants to family members in their country of origin. It represents one of the largest sources of financial flows to developing countries.

Remittance has proven to be one of the significant international financial flows in recent years. Workers' remittances have overshadowed traditional sources such as official aid and private capital flows (Giuliano and Ruiz- Arranz (2009)) and currently amounts to US \$444 billion (UNCTAD). This amount is nearly three times the amount of official aid and equivalent to foreign direct investment (FDI) flows to developing countries, and the remittance income comprises more than 10 percent of gross domestic product (GDP) in many developing countries (World Bank, 2011).

The increased global integration and the enhancement in communication technology have facilitated the movement of labor from one country to another and, as a result, the flow of remittances started growing at a higher pace. While there is a moderate rise in remittances transmitted to developed countries, the remittances sent by migrants to developing countries has witnessed dramatic surge recently. This happened precisely after 1990s when the migration from developed countries in the North accepted many migrant workers from the

poor South. The remittance sent to developing countries, as a result, stood slightly less than threefold the amount remitted to developed countries of 2010.

Remittances deserve strategic importance both in macro and micro level. On the macro level, the evidences confirm that remittance happens to be an increasingly important and relatively stable source of external finance for the countries afflicted by economic and political crisis (Kapur, 2003). Such countries regard remittances as one of the most secure and reliable sources of foreign currency than other capital flows such as foreign direct investment and official development assistance. On the micro level, remittance has become panacea for the marginalized poor people to enhance their livelihood by providing an alternative source of income. The remittance is believed to have direct impact on the poor and thus contributes to alleviate poverty in a significant way than other sources of external finance. The remittance has been observed as a means to affect well-being and capacities of not only the households getting the remittance but also the sending community as a whole Hass (2007).

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

With growing number of people leaving for foreign jobs, the remittance has convincingly become one of the reliable sources of foreign exchange for the Nepalese economy. Nepal in 2010/11 earned remittance income of NRs 233.0 billion (NRB, Quarterly Economic Bulletin), which amounts to be 17.3 percent of its gross domestic product. According to the current macroeconomic situation of Nepal based on data of fiscal year 2013|14 unveiled by the Nepal Rastra Bank, total remittance income in 2013|14 increased to 543.29 billion compared to Rs 434.58 billion recorded in 2012|13. The rise in remittance boosted the

country's foreign exchange reserve as well as put country's overall BOP into surplus. The gross foreign exchange reserve reached to Rs 543.41 billion in mid-July, up from 533.33 billion recorded in mid-July last year. (Republica Aug 24, 2014), this significant share of remittances indicates that any decline in remittance could potentially disturb the functioning of the economy at macro level, particularly in external sector. A total of 2.4 million people went abroad as migrant workers, which is a significant number for its total 26.6 million CBS(2014), Nepal people in the country. A majority of them have been to Malaysia followed by Qatar (DoFE, 2015). A number of villages in rural Nepal have been deserted of young working age individuals, turning the Nepalese economy from rural agro- based economy into the remittance economy. The striking increase in remittances has now dwarfed the foreign aid, which was earlier thought to be a significant source of development finance for the Nepalese economy.

1.2 Statement of the problem

Despite a constant rise in remittance earnings, the productive use of remittances has been the matter of concern. While the direct economic impact of remittances to alleviate poverty is not much controversial, the non- pecuniary consequences of remittance, such as impact on health, education, gender issues, social participation, politics, women empowerment, and cultural and social changes in origin societies have been still under-plowed areas. Apparently, for instance, the increased income resulting from remittance inflow urges households to reconsider their decision on health and education expenditure. In addition, the increase in household consumption resulting from remittance income, provided that they occur locally, can transmit positive impacts to other households in the community through increased economic activities Hass (2007). Besides, the increased number of migration help raise local wage rate leading to the direct benefits to the people stay behind in the community.

The major portion of the remittance is used for meeting household consumption and paying off loans borrowed to go abroad. Only very few migrants use remittance in direct productive sector like agriculture and manufacturing. The major investment is on education of the children, reinvolvement of the remittance for the migration and for lending money. Very

small investment is designed to address the following research question related to remittance.

- What are the socio-economic implications of Remittance income in Nepal?
- What portion of remittance is invested in productive sector?
- What is the nature of remittance flows at household level?

1.3 Objectives of the study

The major objective of the study is to identify socio-economic impact of remittance in migrant's households in NibuwakharkVDC, Syangja. The specific objectives are as of:

- To analyze the socio-economic impact of remittance receiving households of NibuwakharkaVDC, Syangja. The socio-economic aspects include education, health, information access etc.
- To identify whether migrant workers use their remittance earnings in productive or unproductive sectors.

1.4 Significance of the study

Remittances are typically helpful to meet specific needs of the respondents' family members and thus tend to increase their standard of living. In lower class or poor households, they may finance their remittances to fulfill their basic needs, such as in consumption, housing children education and health care and to pay for loan. IN middle class or rich households, they may provide either loan for individuals going abroad or capital for business and entrepreneurial activities.

This study sketches the outline of the condition of remittance in NibuwakharkVDC. So it is not only useful to those who want to know about the implication of remittance in NibuwakharkVDC but also to those who are keen to interested to know about the situation and flow of remittance of our country as a whole. Similarly, it clearly states the economic status of people of that society before and after the flow of remittance.

This study differs from the previous study because it inclusively studies the situation of remittance of different ethnic group, culture, creed and religion. It reflects the situation of remittance in NibuwakharkaVDC in relation economic condition, flow of remittance, utilization of remittance, development of human condition and economic activities as a whole.

1.5 Limitations of the Study

The limitations of the study are as follows as:

- Study area covers only NibuwakharkaVDC of Syangja district
- Emigration for permanent settlement has not been the subject of the investigation in this study.
- .Most of the analysis is based on primary data, so any distortion of the reality from the study may be due to the biasness of respondents.

1.6 Organization of the study

This study is divided into five different chapters. Chapter one deals with introduction, which covers background of the study, statement of the problem, objectives of the study, significance of the study, limitations of the study, and organization of the study. Chapter two contracts with review of literatures, that deals the theoretical concepts as well as empirical findings of remittance in both Nepalese and international context. Chapter three explains with research methodology. Chapter four includes presentation and the analysis of the survey result. Finally, the summary, major findings of the study, conclusion and recommendations are presented along with the references and appendix.

CHAPTER-TWO

REVIEW OF LITERATURE

The present research aims to analyze the socio-economic impact of remittance on receiving households which is entering inside the country. For this purpose, a review of related literatures in this concerned area is must, which will help to get clear ideas, opinions and other concepts, this chapter emphasize about the literatures which were concerned in this connections.

2.1 Review of Theoretical Literature

This chapter is about the theoretical literature, fully related to the present study. The reviewed literature explores different aspects of socio-economic impact of foreign remittance on household in rural area. The objectives of this chapter are to interpret the present study with the farm work of the previous related studies. Such a review of literature provides a guideline to the researchers and enables us to build upon what has been done by others in the same field.

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

International Context

Russel and Teitlbaum(1992) have analyzed that remittance are often put to” unproductive uses” satisfying basic consumption needs buying medicines, building a house for the emigrant’s remittance, on spending on” conspicuous consumption” in festivals and funerals as well as daily life although such expenses can have a number of multiplier effects in the local economy. Where remittances are invested in businesses, all too often these are seen as small scale, at the margins of profitability and concentrated in the retail and services sectors.

Duranel (1992)hasexplored that remittance is invested in human capital or in capital goods such as land, houses or agricultural inputs. Human capital is going to be increased by using remittance in health and education expenses that are an important element of development in migrant sending countries.

Lucas (1987) has explained that the economic impact of migration can initially be negative through the lost-labor effect, but the positive consequences through remittance expenditure and investment may take decades to fully materialize. In a study of migration from five African countries to South Africa’s mines, Lucas concluded that migration diminishes domestic crop production in the short run, but enhances crop productivity and cattle accumulation through invested remittances in the long run and results in increased domestic plantation wages as well. Taylor (1994) confirmed that the combination of lost-labor and remittance inflow may originally have a negative effect on production in migrant-sending regions but have a positive impact in the long run.

Wahba (2003) has shown the positive effects were not universal in all parts of migrant-sending communities, however. Hass (2007) reveals that the extent to which the investment made by migrants fundamentally depends on the migrants’ legal rights in destination countries, the household’s income, and the specific political and economic conditions in the countries of origin. In some cases, remittances have enabled migrants to invest in land and cattle VanWey (2005), Haas (2006), in other cases remittances have generally not been dedicated to agricultural improvements and overwhelmingly invested in housing and land (Jokisch (2002). Similarly, while in some cases most remittance-driven investments have

remained within the sending region Haas (2006), in other cases migrants prefer to invest in urban areas.

Siddiqui (2005) has analyzed that the effects have been either positive or negative when observing the impacts in multi-dimensional social and psychological aspects. He found that in some instances migration afforded children better educational opportunities whereas in others children's education suffered because of the absence of their mothers. Likewise, most women reported greater confidence following migration but some felt guilty for the misfortunes that struck their families in their absence,

Burgess and Vikram(2005) have explained that remittance can have an important impact on the standard of living of households receiving them. Remittance is spent on education, health and other household consumption and thus is invested on human capital. Other private investments by individuals or the family are also impacts of remittance. The evidences have been divided regarding the socio-economic effect of remittances in the short-run or in the long-run.

Ratha(2005) stated that a strong flow of remittance can also improve the receiving country's creditworthiness, lowering their cost of borrowing money in international markets. A research and policy agenda to maximize the development impact of international remittances would include the following four elements: a) monitoring, analysis, and projection ; b) retail payment systems; c) financial access of individuals or households; and d) leveraging remittances for capital market access of financial institutions or countries.

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

Sanderatne (2011) explained that the outmigrations of Sri Lankans no doubt contribute handsomely to the country's economy. However there are both benefits and adverse

impacts of outmigration. The main positive impacts are that the remittances strengthen the balance of payments and contribute to GDP. They have also contributed to the improvement of living conditions and livelihoods. No doubt one of the ways by which poverty has been alleviated has been these remittances. These have enhanced incomes of the poor especially those in rural areas. No doubt the poor have improved their living conditions owing to remittances from migration.

Unemployment in the country has been reduced by migration but availability of skilled labor has decreased and labor costs have increased. However there are several problems encountered by the migrants in foreign countries and has led to serious dislocation of family life and caring for children and parents left behind. Therefore national policy towards migration must consider all these facets, both good and bad, in determining policy.

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

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

National Context

Gaudel (2006) represents the remittance is need for economic development. He argues that many workers from Nepal going abroad for employment are no doubt young, energetic, laborious and enthusiastic. They do hard work for earning large remittance income to support their families. However, the downside of remittances reflects the view that remaining young generation for long time outside without family may increase their vulnerability and ultimately they will have a tendency to leave their homeland. Thus, in order to recover the loss of economically active labor force to the domestic economy, they should be encouraged to come back again with skilled knowledge for utilizing their savings and working experience for development to the productive areas in accordance with the priority of the national development plans.

Pant (2006) explored remittance inflows to Nepal: Economic impact and policy options. The remittances have been an important avenue of support for family members remaining at home. As the number of workers going abroad for employment continues to rise, the corresponding growth of remittances has become a critical flow of foreign currency into Nepal. This has been partly the result of measures undertaken by the concerned officials to streamline financial systems, dismantling controls and creating incentives, with the aim of attracting remittances particularly through the official channels. Economic growth, interest rate and exchange rate policies are crucial determinants of remittance inflows. In order to further encourage the inflow of remittances to the country through official channels, and to promote the tendency to exchange these remittances of foreign exchange into local currency, it is imperative that these policies be conducive to the inflow of remittances.

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

the feeling of independence and confidence for the migrants and this effect impart to their immediate family as well.

Panta (2010) has comprised that remittances are a critical lifeline for Nepal. To meet the challenges emanating from the slow growth of remittances the country needs to a) improve access to remittances in rural areas, b) link remittances to additional financial services and products, c) develop productive rural investment channels for migrants and community-based organizations, and, d) promote awareness- creation and foster an enabling environment for rural remittances. Microfinance is quite appropriate for addressing some of the core financial service needs pertaining to remittances, given the relatively poor socioeconomic background of the majority of remittance receiving households, and the small size of most of their financial transactions. Areas where microfinance institutions can, t contribute to leveraging the development impact of remittances include money transfer services savings and cash management products and remittance linked lending.

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

Rijal (2012) explored that labor migration is traditional practice of Nepal but now the migration trend has increased sharply and remittance from labor migration is becoming a dominant sector of the national economy. It is considered positive as it has supported the economy during the time of civil war and there is a sharp decline in poverty figures over the last few decades. Similarly, it has brought positive health and education impact especially to the children. Besides such positive impact, the socio-economic and health impact of labor migration includes increasing trend of divorces, ignorance to old aged, scarcity of agricultural labor and feminization in agriculture, psychological problems, trafficking of young females and an increasing trend of HIV/AIDS, STDS, heart attack and

accidental injuries and death. The younger generations of Nepal who are considered as a potential force of national economic development are compelled to migrate as unskilled labor and the remittance from migration is considered unsuitable as a significant proposition of this money goes to family consumption rather than productive uses. Similarly, current and future economic recession should quickly impact on the remittance driven Nepalese economy and there would be great negative socio-economic and health consequences in future.

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

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

Tripathi (2013) concludes that remittance is just a quick fix to our economic woes; it's not a sustainable solution. Dependence on remittance is going to keep us as consumers forever, never really encouraging us to become producers. But that seems to be the very strategy applied by those at the helms of state affairs

2.2 Review of Empirical Literature

Remittance is monetary and other cash transfer by migrant workers to their home countries which plays important role in developing the country. It has been proved to be one of the important development tools for developing country. In this regard many researchers have investigated the importance, use and better utilization of remittances. They have concluded the various ideas about the better utilization of remittance. They have presented various principles, logics, concept and current issue relating to impact of remittance in their own way. Here, the study tries to review the national and international literature empirically similar to the objective and topic of this research.

International Context

Chimhowu (2003) shows that at a local level, remittances now form an important part of household livelihood strategies. Remittances contribute directly to raising household incomes as well as broadening the opportunities to increase incomes. They also allow households to increase their consumption of local goods and services. Available evidence suggests caution in drawing conclusions on the extent to which remittances can be a broad strategy for poverty reduction for two main reasons. Remittances can be unreliable and hence can only make specific contributions at a particular moment in time and in the long term, they can cease altogether as the migrants either return to the home country or are integrated into the host community.

Second, at the community level, remittances generate multiplier effects on the local economy, with job creation and new economic and social infrastructure and services put in place. This is particularly so where there are effective structures and institutions for interfacing with the remitters. Where these have been set up and encouraged, and the state is supportive, remittances can make a difference particularly in remote rural locations where state resources have not been effective.

Third, at the national level remittances provide foreign currency and contribute significantly to GDP. However, for countries with low GDP remittance receipts can distort the functions of formal capital markets and also destabilize exchange rate regimes through the creation of parallel currency markets.

Fourth, remittances can redistribute resources from rich to poor countries. Since remittances now surpass official aid transfers to developing countries, they play a major role in reduce inter-country inequality and promote poverty reduction.

Adam and page (2003) shows that the importance of remittances has been examined empirically in terms of its impact on poverty. By using data from 74 low and middle-income developing countries found that international migration has a strong statistical impact on reducing poverty; on average, a 10% increase in the share of international migrants in a country's population will lead to a 1.9% decline in the share of people living in poverty. Thus, international remittances strongly affect poverty and they tend to minimize the negative effects of economic shocks in an economy.

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

Arif (2009) concludes the overseas migration of Pakistani workers for temporary employment benefits remittance-receiving households by improving both their economic status and their social status. The contribution of remittances is particularly significant for poverty reduction, community development, children's education and the elimination of child labour. Thus, migration needs to be made part of the development strategy in ways that make overseas migration safe and that enhance the social opportunities and capabilities of the poor.

UN (2010) depicted that efforts to increase the volume of remittances should also be supported by efforts in channeling the remittances to more productive uses for sustainable reduction in poverty. Apart from providing food security to the households, if remittances are used for improving skills and productivity of the recipients they will have more sustainable impact on improvements of standard of living. Families receiving remittances should be allowed to use future remittances as collateral for procuring loans for education, house building or other activities like procuring fertilizers, machinery, etc for farms.

Balde (2010) commented that when remittances are saved or productively invested, they can have an indirect positive impact in economy of the recipient countries. In his argument, he observes that remittances alone do not have a direct positive effect in economy but they do have an indirect positive effect that is channeled through the generation of savings and investments.

World Bank Report (2012) shows that there is more than 215 million international migrants in the world. Recorded remittances received by developing countries, estimated to be US \$ 325 billion in 2010, far exceed the volume of official aid flows and constitute more than 10 percent of gross domestic household surveys suggest that migration and remittances reduce poverty in the origin communities. Remittance leads to increased investments in health, education, and small businesses. At the same time, the loss of skills associated with migration can hamper development and delivery of basic services in sending countries. The Diasporas of developing countries can be a source of capital, trade, investment, knowledge, and technology transfers.

Chowdhury (2014) shows that the remittance has both positive and negative impacts onto the family, social, and cultural life of Bangladesh. In case of the family life, remittance increases direct consumptions, increases the ability of buying goods, and helps them improve the standard of living. The families of the transnational migrants can obtain the ability of sending their children to better schools. In addition, families of migrants can avail civic amenities, which contribute to develop their social, economic, and political status. Besides these positive aspects, remittance makes the family members of the migrants more dependent on the remittance. It also provides opportunity of breaking down the extended

families and the creation of the nuclear families. In the case of society level, remittance contributes to social development. It provides freedom, enhances philanthropic and social aid activities, helps victims of natural disasters, and contributes to alleviating poverty from the society. In addition, remittance ensures social security of elderly persons and empowers the women of migrants' family. Above all, remittance creates social capital in the society of Bangladesh. In regards to the negative impacts of remittance on the society, remittance flows increase the price of the land of Bangladesh, create social inequality, and foster the rate of inflation. Beyond the family and social level impacts, remittance provides opportunities of developing the material and nonmaterial culture of Bangladeshi families. However, it is also responsible for the creation of cultural lag and cultural conflict in the society of Bangladesh

Nepalese Context

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

1. There is substantial internal migration from rural to urban areas and even within rural areas, driven by poverty, internal conflict and a search for jobs and better earnings.
2. There cross-brooder migration mainly to India
3. Nepalese workers move to the Middle East and Asian countries for temporary employment.

4. There is a flow a skilled emigration to more developed countries.

For labor migration is subject to considerable risk and uncertainly and for those with very few resources. It is often more secured to remain at home as lesson from Iraq incident. It is the remittance of Nepalese engaged in dirty, dangerous and demanding occupation that has kept the economy afloat. Only 42 percent remittance enters the Nepal through legal channels.

Aryal (2005) has focused on the impact of migrant remittance on household welfare and the land conservation investment in Mardi watershed of Nepal. His study considers increase income and consumption as the indicators of household welfare and the land conservation in investment as the major indicator of land uses sustainability. Further, it will also inquire if internal and international migration remittances have differential impact on household welfare and land conservation. The study summarize that the increase in remittance has positive effect on the household welfare and soil conservation investment. Household productions as well consumption levels have improved similar results are found in case of soil conservation investment of household.

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

Dhital (2007) has tried to assess remittance current position and its role in the economy on this area to dig out the ground realities. She concluded that remittance generate positive multiplier effects in output if they are consumed and contribute to economic growth if they are invested productively

Pant (2008) has argued that bringing recipient households into the formal financial sector is only the first step in using remittances more effectively. Country surveys indicate that, although households typically spend a large proportion of their remittances, their propensity to save can be as high as 40 percent. For policymakers in Nepal, the challenge is to channel these savings into productive uses.

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

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

NRB (2012) revealed that a growing trend of remittances worldwide has drawn attention of both academia and policymakers in recent years. Remittance income is emerging as one of the most significant and reliable sources of external finances for many developing countries. Not only in the macro level, has the contribution of remittances been direct and sizable in migrant-sending households in micro level as well. A significant number of

people in developing world are now receiving remittance earnings to finance their expenditures in home consumption, health and in children's education.

Nepal (2012) has shown the trends, impacts, problems and issues of remittance in Nepal. He has found that there has been increasing trends of migration and remittance and has found that there is positive and negative impact of foreign employment. The migration of Nepal has determined by pull and push factors. He has raised some issues and given the way forward for plan, policy and program.

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

Budha (2016) has concluded that to maximize development process, it is essential to divert more remittance inflows toward capital formation. This certainly increases multiplier effects of remittance. However, such measures of changing the consumption pattern relates not only to foreign employment sector and respective households but also to other sectors of the economy. Developing payment system infrastructure financial products to mobilize remittance are also equally important for productive use remittance. Innovative products related to savings, credit, remittances transfer and insurance must be as per the local requirements of Nepali economy. These can assist not only in mobilizing remittance to productive use but also in increasing the formal flows of remittance and in reducing the remittance related costs such as the costs of transferring remittance and the cost of foreign employment. But such products are largely developed by the competitive financial markets

over the time. Financial literacy programs with a focus on productive uses of remittance may also add to this process

2.3 Review of Literature in Nepalese Context

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

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

Dhakal (2013) has concluded that source of remittance, use of remittance on consumption is increasing positively. Remittance inflow and its current situation in the study area are high as and as in national scenario. Remittances is major sources of foreign currency and contribute positively to recipients national balance of payment on macro level, remittance

are vital sources of foreign currency, which helps to stabilize the balance of payment deficit. But in micro level, study shows that remittance is spent primarily on consumption of goods and expenditure on education and services. Such goods usually are imported. If such tendency is being continuously increasing, then it will fuel a trade balance and which make Nepal vulnerable to certain shocks. The study insists that most obvious effect of remittance is that, it increases the income of recipients would increase consumption. The long term problem of remittance as being sources of income on household economy is not well understood. The study supports the question that is the most of remittance income is being use for consumption, purchase land and education. The study help to conclude that consumption level, purchasing land and investment in education level is being increasing as the remittance income increases. Due to the lack of job opportunity in the country, most of people are migrated for foreign employment, Job not found in country, to decrease family loan, to earn high amount of money are also found as major causes for migration to abroad employment.

Sapkota (2014) states that, for a small landlocked economy battered by a long a decade long moist insurgency (1996-2006) prolonged political instability slows growth rate and large exodus, high inflow of remittance bear a huge significance both at micro and macro level. Exploring various factor of high migration and remittance. This article shows remittance induced Dutch disease effect and policy laxity to improve investment climate in Nepal.

2.4 Research Gap

From the review of above literature, it is concluded that remittance income is one of the most important economic variable in recent time in developing countries like Nepal and the remittance is emerging as one of the most significant and reliable source of external finances for developing countries. Not only macro level the contribution of remittances has been direct and sizable in migrant sending households in micro level as well. Remittance has both positive and negative impact in recipient country but it depends upon the utilization of remittance income. Most of the studies conclude that the productive use of remittance income has alleviated the poverty either directly or indirectly. But in developing

countries only small percentage of remittances are used for productive investment such as income and employment generating activities.

The relationship between health, education, information access, women empowerment and utilization of remittance income will constitute a vital framework for this study. There are diverse opinions within migration literature when it comes to the question of whether remittance are mainly invested or consumed. The conventional approach presents positive effects of remittances only if they are invested properly. If remittances are only used for consumption then their potentiality of positive impact becomes questionable. There are circles however they are used for consumption. Such an argument signifies how the literature is highly contested. This study has scrutinized the available literatures and relates it to the study area context in an effort to fill the gaps on how remittances and its effects are related.

CHAPTER-THREE

RESEARCH METHODOLOGY

3.1 Selection of the study Area

Syangja is the one of the Districts of western region of the Nepal. Geographically its area is 1164square Km, spread within 28°5" to 28°47" North latitude and 83°52" East longitude. This district is bounded by Palpa and Parbat district in west by Tanahu and Kaski in east. This district has 52 VDCs.

The total population of this district is 289148. Within the total population 31 percent are Brahmin, 45.56 percent are magar and gurun, 16.45 percent are chhetri and remaining 6.99 are Kami. Among the total population, religious wise 86.07 percent are Hindu, 12.47 are Buddhist and remaining is from other religion. From production or occupation, more than 80 percent peoples economic activities or income depend upon agriculture (population census, 2011).

3.2 NibuwakharkVDC

According to the census Survey 2011, the total population of this VDC is 3875 among them 1671 are male and 2204 are female. Most of the people of this engaged in agricultural activities. Due to unemployment problem, low productivity in agriculture etc most of people are going for foreign employment. Most of the youths of this VDC are migrated to foreign countries for better employment and earnings. Some of the people of this VDC are also engaged in business, private services as well as government services and labor work.

3.3 Research Design

This is analytical as well as descriptive type of research design. The unit of the information is households and types of data collection for the study area are cross sectional. The descriptive type of research design is used to make the analyzed fact more meaningful and useful for the study purpose.

3.4 Source of Data

During the study various data have been collected from various sources. These sources have been described as following.

3.5 Primary Data

All the primary data has been collected through the direct interview with the help of well structured questionnaire prepared for this study purpose. On which questionnaire contains the questions on socio-economic, educational and other issues to obtain the required information related to his study. Desired units of sample have taken from purposive random sampling method.

3.6 Population

NibuwakharkaVDC of Syangja is the field of this study. There are nine wards and 790 households in this VDC. Approximately 540 (65 percent) are remittance holders whereas only 176 (35 percent) are non- remittance holders in this VDC. So, all household has been assumed universe.

3.7 Sampling Design

To make this study meaningful and advance within the given period and resource, 54 household (out of 540 households) has been taken as sample size. There are nine wards in NibuwakharkaVDC and all of them are selected for the universe. Initially, researcher has taken total of 6 households from each ward and categorized in two groups. One is remittance holder which is denoted by control group and other is non-remittance holder

which is denoted by treatment group. Control group consist of 3 household who are getting remittance income and treatment group also consist of 3 household who are not getting remittance income.

3.8 Secondary Data

Other some required data related to the study has been taken from secondary sources available from official and nonofficial sources. The relative data has been compiled from publication of the national planning commission (NPC), Central Bureau of statistics (CBS), Economic survey, Annual and Quarterly Publication of Nepal Rastra Bank, Different records of Department of Labor and Employment promotion Department of Government of Nepal and other different periodicals, journals, books, reports, magazines and seminar papers.

3.9 Data Analysis, Tools and Techniques

The data collected from the field through questionnaire and interviews are sorted out and tabulated in required from and under several columns and rows. The systematic analysis is made using quantitative techniques. To analyze the quantitative data fundamental operations along with simple statistical tools such as percentage, ratio, average etc has been used. Besides these tables, charts, diagrams etc are also used for the presentation of the findings.

CHAPTER-FOUR

PRESENTATION AND ANALYSIS OF DATA AND INFORMATION

4.1 Introduction

People of Nepal are highly suffering from political instability and devastated earthquake since past years. Nepal is facing the absence of friendly environment for investment and cordial relation between the management and workers has generally pushed the Nepalese youth to abroad for foreign job. The higher level of unemployment lack of security situation, boundary less state and excessive publicity of foreign employment opportunity are another pushing factor responsible to increase the number of worker for this profession.

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

4.2 Average Family Size of Household

The survey data shows that the average family size of control and treatment households remained closest similar i.e. 5.21 persons in remittance household and 5 persons in non-remittance household.

4.3 Educational Status of Household

Entering into the education level, both control and treatment households were found to be no far different from each other. In control group 17.81 percent of the entire family members completed school leaving certificate examination where as 24.28 percent members were found in treatment household. But in higher education level (PCL, BA, MA)

the control group (migrant) were found lower percent than the treatment group (non-migrant). It seems that most members of the remittance holder family is not well educated because they have opportunity to get foreign job as an alternative way of earning money after completion of primary or secondary level education. In migrant household, such degree holders were 12.33, 4.11, and 1.37 and in non-migrant households they were 18.57, 7.14 and 4.28 respectively.

Table 4.1

Education Status of Household

Particulars	Households Group	
	Treatment Group (%)	Control Group (%)
Not formal education	23.28	12.85
Primary	27.40	17.14
Lower secondary	13.70	15.71
S.L.C Completed	17.81	24.28
P.C.L	12.33	18.57
Bachelor	4.1	7.14
Masters	1.37	4.28

Source: Field survey, 2016

Beside above facts, the rate of student enrollment from nursery to secondary school is currently higher in migrant households than in non-migrant households due to remittance income of migrant household which is shown in table 4.1.

4.4 Toilet Facility of Household

The tendency of using toilet facility was observe both in control and treatment group. 55.55 percent of control household were using composing or modern toilet but in treatment household only 22.22 percent using modern toilet. It reflects that higher numbers of households of migrants are using modern toilet rather than the non-migrant households; it is due to the remittance income. Due to the poor economic status of treatment household pit latrine toilet are using more than in control household.

Table 4.2

Toilet Facility of Household

Particulars	Households Group				Total	
	Control Group		Treatment Group			
	No.	%	No.	%	No.	%
Flush Toilet	8	29.62	10	37.03	18	33.33
Pit latrine	4	14.81	11	40.74	15	27.77
Modern	15	55.55	6	22.22	21	38.88
Bush/Field	0	0	0	0		
Total	27	100	27	100	54	100

Source: Field Survey, 2016

Besides, these facts the trend of using open or Bush/Field is almost all zero in both control and treatment household. It is due to the growing number of education level and awareness programs of government which is shown in above table.

4.5 Land Purchasing and purpose of Land purchasing of Household

Land purchase has been the most favored means of creating wealth by remittance recipient households. 72 percent of households in remittance-recipient have purchased land during past three years whereas only 15 percent of households in non-remittance recipient did this during the period.

Table 4.3

Land Purchasing and purpose of Land Purchasing of Household

Household Group	Purchase of land		Purpose of Land Purchasing	
	Yes (%)	No (%)	For construction (%)	For Farming (%)
Treatment Group	72	28	78	22
Control Group	15	85	-	100

Source: Field Survey, 2016

In figure 4.3, the purpose of purchasing land by the households in remittance recipient was mostly for the use of home construction purpose (78 percent of households said this) while the rest 28 percent reported that they purchased land for farming. It indicates, the most of the part of their earning are invested in unproductive sector.

4.6 Fuel Used for Cooking and Source of Drinking Water

In survey area the more households are using traditional type of fuel i.e. wood. In treatment group 62.92 % people are using wood as a major source of cooking food, while 70.37% in control group. The use of bio-gas as a fuel to cook food in treatment household is only 7.40% but in control group 18.51% are using bio-gas as a fuel to cook food. The LPG gas as a fuel in treatment group is more than in control group i.e. 29.62% in treatment and only 11.11% in control household, which is shown by given table.

Table 4.4

Fuel used for Cooking

Fuels	Household Group			
	Treatment Group		Control Group	
	Yes (%)	No (%)	Yes (%)	No (%)
Wood	62.92	47.08	70.37	29.63
LPG	29.62	70.38	11.11	88.89
Bio-Gas	7.40	92.60	18.51	81.49

Source; Field Survey, 2016

In table 4.4, major source of fuel used for cooking their food are wood in both remittance recipient and non-remittance recipient households of the study area. Because no nearest markets are available to use liquefied petroleum gas (LPG) even though rural economy are monetized due to remittance.

On the other hand pipe was found to be the major source of drinking water. 100 percent households in the both treatment household and control households were using this source of water in their livelihoods.

4.7 Delivery Place of Child Born and Vaccination

The women in majority of the households in the study are gave birth in hospital rather than in home .66.66 percent household of child birth in remittance households take place in hospital where as 40 percent in non-remittance household.

Table 4.5

Delivery Place of Child Born

Delivery Place	Household Group			
	Treatment Group		Control Group	
	No.	%	No.	%
At Home	2	33.33	3	60
At Hospital	4	66.66	2	40
Total	6	100	5	100

Source: Field Survey, 2016

In study area who gives child born at home, it was frequently heard that the services of child birth had been provided by well-experience women working since long time in the villages and people had much reliance on them. In contrary to this tendency, however 100 percent of households in both groups found that they were giving regular vaccination to their children.

4.8 Access Information

It was found that the higher number of treatment households had access to information as compared to control households. The ownership on media items such as radio, television, mobile and DVD players is higher in treatment households. Mobile has remained to be the most widely used means of communication in the study area, which was 100 percent in both households.

Table 4.6

Access to Information

Media Items	Household Group	
	Treatment Group (in %)	Control Group (in %)
Radio	92.85	85
Mobile	100	100
DVD Player	35.27	3.70
Television	86	40

Source: Field Survey, 2016

In the above table, the use of television was also found to be higher than that of radio in treatment household due to remittance income. It indicates that the tendency of using technology by households has switched to adopt the new means of communication rather than relying on the traditional means.

4.9 Decision Regarding Households Financial Transaction

A marginal increment in women empowerment was also observed in treatment households. The decision regarding financial transactions, for example, was carried out by both male and female household members. It is observed that financial decisions taken by female are 64.28 percent of treatment households. It is because relatively large numbers of male are far from home country in treatment households. Only 7.40 percent of control group of households decisions are taken by female. It is because most of the male of this group are stayed in home country.

Table 4.7

Decision Regarding Households Financial Transaction

Particulars	Households Group	
	Treatment Group (In %)	Control Group (In %)
Male	28.32	85.71
Female	64.28	-
Both	7.40	14.29
Total	100	100

Source: Field Survey, 2016

4.10 Possession of Bank Account

The use of banking services was also found higher in treatment household. 100 percent of household in this group for example, posses bank account where as control group of household posses only 37.50 percent.

Table 4.8

Possession of Bank Account

Bank Account	Household Group	
	Treatment Group (%)	Control Group (%)
Yes	100	37.5
No	0	62.5

Source: Field Survey, 2016

Above table shows that 100 percent households of treatment group have bank account, it means people sent their money through banking channel.

4.11 Expenditure Pattern of Households

In consistent with the belief that the remittance-recipient households use their income mostly in consumption, in the study area treatment households were found to be consuming

more than the control households. The average monthly household expenditure in control group, for example stood 5 thousand higher than it was in control group.

Table 4.9
Annual Household Expenditure

Particulars	Household Group			
	Treatment Group (In Rs)	%	Control Group (In Rs)	%
Food	44,412	25.22	18125	17.18
Clothing	16564.28	9.40	11750	11.14
Durable Goods	36864	20.93	21625	20.50
Alcohol	17500	9.94	12100	11.47
Tobacco	3714.15	2.10	2907	2.75
Festival ceremonies	18935.71	10.75	11124	10.54
Home purchase/maintenance	12570	7.14	6257.17	5.93
Visiting	5660	3.21	3990	3.78
Transportation	4701	2.67	3290	3.11
Entertainment	7007.14	3.98	4500	4.26
Others	12121.72	6.88	7560	7.16
Total	176050	100	105451.27	100
Monthly Average	14670.83		8787.60	

Source: Field Survey, 2016

Item wise the food stood the major component in which a significant amount of household budget was spent for both types of households; it was 25.22 percent for treatment group and 20.50 percent for control households. The expenditure on durable goods stood second in

both households, expenditure made on home purchase and maintenance by treatment household is 2 percent greater than that of control group household which trend is consistent with tendency of treatment households to purchased land for the construction of house as explained above. The expenditure trend of treatment group shows that the remittance earning is mostly being used in non-productive areas such as durable goods, festival ceremonies and real estate.

4.12 Expenditure on Education and Health

The impact of remittance achieving in the creation of human capital such as investment in health and education has taken the central space in debates among academia and policy makers, many studies have revealed that the remittance receiving households were observed to be spending a significant proportion of their income in health and education-related expenditure. This evidence is further substantiated by study as well.

Table 4.10

Annual expenditure on Education

Households Group	Average Expenditure (In Rs)	Members	Total Expenditure
Treatment Group	17200	21	361200
Control Group	11000	23	253000
Total	29200	44	614200

Source: Field Survey, 2016

This table 4.10 shows that the annual average expenditure by treatment group is Rs 17200 and by control group is 11000. It means annual average expenditure spent by treatment group is more than 6 thousand than in control group households in study area.

Table 4.11

Annual Expenditure on Health

Households Group	Average Expenditure (In Rs)	Households	Total Expenditure (In Rs)
Treatment Group	13700	15	205500
Control Group	10500	13	136500
Total	24200	28	342000

Source: Field Survey, 2016

According to above table, expenditure made on education and health is limited in both households because most part of their income are either consumed or invested unproductive sector due to lack of awareness about importance of education and health.

4.13 Business ownership

In contrary, the business ownership was found to be higher in control households than it was in treatment households. It is quite contrary to the general expectation. Only 7.40 percent of household has some sort of business in treatment group as opposed to 18.51 percent in control group. The explanation behind such unexpected tendency could be that household in control group had already owned the business that potential them going to abroad.

4.14 Agriculture land holding and Annual Average Income from Agriculture

In Nepal most of the people are involved in agriculture and the major source of income of most Nepalese is agriculture which depends on availability of agriculture land, investment in agriculture, use of new technology in agriculture etc. In the study area 85 percent of treatment group households have agriculture land where as 80 percent of control group households.

Table 4.12**Owned Agriculture land of the Household**

Own Agriculture Land (In Kattha)	Households Group			
	Treatment Group		Control Group	
	No.	%	No.	%
Less than 5	6	26.08	3	14.28
5 to 9	10	43.47	12	57.14
10 to14	4	17.39	2	9.52
and above 15	3	13.04	4	20.95
Total	23	100	21	100

Source: Field Survey, 2016

According to this table 4.12, 26.08 percent of treatment group has less than 5 kattha land where as only 14.28 percent belongs control group. Similarly, more than 15 Kattha land holders are 13.04 percent in treatment household which is less than in control group 20.95 percent.

Table 4.13**Average Annual income from Land**

Household Group	Average Annual income from Land		
	No.	Income (In Rs)	Total
Treatment Group	7	23500	164500
Control Group	12	21000	252000

Source: Field Survey, 2016

In the study area 85 percent treatment households have agriculture land but the annual average income from agriculture is estimated only Rs 164500 which is Rs 87500 less than the average income generated by from agriculture by control households as shown in figure.

It indicates that annual average income from agricultural land of treatment household is less than the control group. It happened due to decreasing tendency of treatment households to work in field, invest their remittance income in agriculture sector.

A section is placed in the survey to administer questions only to the treatment group households based on the information collected from 27 households of this group. It was observed that 28 individuals have gone abroad for foreign employment. It means that 1.03 persons per household depart for foreign employment among this group household. Only one female migrant found in study area among the total migrant workers.

4.15 Major Destination of Migrant workers

Middle East is the most favorite destination of the migrant in the study area. Out of them, 82 percents are in Qatar, Dubai, Malaysia. Remaining 18 percent are from Saudi and South Korea which is shown in following table.

Table 4.14

Major Destination of the Migrant workers

Country	No. of Respondents	Percentage
Qatar	9	32
Dubai	7	25
Malaysia	7	25
Saudi-Arab	3	10.71
South-Korea	2	7.14
Total	27	100

Source: Field Survey, 2016

4.16 Expenditure to Migrate

The expenditure to migrate per employee has been reported to have NRs 50000 to 100000 and above. 92.71 percent of workers migrate by loan financing and remaining 7.14 percent of them migrate by self financing.

Table 4.15

Expenditure to Migrate

Expenditure in NRs.	No. of Respondents	Percentage
Below 50000	2	7.14
50000-100000	9	32
Above 100000	17	60.71
Total	28	100

Source: Field Survey, 2016

The borrowing are reasonably expensive for these households because money is borrowed from money lenders due to the lack of financial institution and the average interest rate paid by these households is 25 percent per annum i.e. Rs.2.5 per hundred per month on total borrowing.

4.17 Annual Remittance Income

Generally, people of our country Nepal go foreign employment with the purpose of earning money, but most of the people go there with no skill that cause the problem in earning money. The remittance income of the households in study area stood to be NRs 150000 to 500000 and above per year which is shown by given table.

Table 4.16

Annual Remittance Income

Income NRs	No. of Respondents	Percentage
150000 to 250000	10	35.71
250000 to 350000	9	32.14
350000 to 500000	6	21.42
Above 500000	3	10.71
Total	28	100

Source: Field Survey, 2016

This table 4.16 shows that the 68 percent of total migrants annual income is Rs 150000 to 350000 because they are non-skilled and semi-skilled and from Golf countries. Only 10.71 percent migrant workers earned above Rs 500000 because they are skilled labor and are from countries like South-Korea.

So far as the channel by which the workers send money to their homes, 100 percent respondents said that they send money through formal channels such as banks and financial institution. No one reported that they send money through hundi and other channels.

4.18 Use of Remittance Income

The use of remittance income is an important factor to contribution national level depends upon the priority of placed by individuals on different uses. The sizes of remittance, time of availability, opportunity for investment and many other factors. Utilization pattern of remittance income can be broadly categorized into two type's productive and unproductive sectors. Unproductive sector means the expenditure on household consumption, loan repayment, cultural expenses, consumer's durable goods, real estate etc. Similarly productive sector means the expenditure on education and health, business and agricultural investments. Majority of migrant's workers go abroad because of unemployment at home country, poverty in household and political instability. Generally, the earnings made by them are not sufficient. However, to find out the uses of remittance by the respondents are present below in the table.

4.18.1 Expenditure of Remittance Income on unproductive Sectors

The table has shown the remittance income spend on unproductive sector. Unproductive sector means expenditure on regular household consumption, real estate, social ceremonies etc.

Table 4.17

Average Monthly Expenditure on Unproductive Sector

Sectors	Average Monthly Expenditure	Percentage
Household consumption	13000	32.5
Real estate	11000	27.5
Loan repayment	5500	13.75
Social ceremonies	3500	8.75
Durable goods	7000	17.5
Total	40000	100

Source: Field Survey, 2016

Above table 4.16 shows that 32.5 percent of monthly remittance income among the unproductive sector is used in regular household consumption. After this 27.5 percent of monthly remittance income is used in real estate. 17.5 percent remittance income is used in durable goods and 8.74 in social ceremonies.

It is clearly seen that out of total expenditure on unproductive sectors more than 50 percent remittance income is used in household consumption and in real estate in the study area. The average total monthly expenditure made by treatment household on unproductive area is equal to Rs 40000 out of total monthly income of these households.

4.18.2 Expenditure of Remittance Income on Productive Sectors

The productive sector means expenditure on education, agricultural, business, saving etc. The different households have used their remittance income in different sector. This table shows the expenditure of remittance earnings on productive sectors.

Table 4.18

Average Monthly Expenditure on Productive Sector

Sectors	No. of Respondents	Average Monthly expenditure (In Rs)	Percentage
Education	15	7500	53.75
Agriculture	6	10000	21.42
Business	4	6500	14.28
Saving	3	5000	10.71
Total	28	29000	100

Source: Field Survey, 2016

From above table clearly seen that 53.57 percent of respondents used their remittance earning on education and 21.42 percent households used their remittance on agriculture sector. Only 14.28 percent of respondents are used it income on business which is smallest percent of total respondents. Similarly, only 10.71 percent of respondents are used in saving which is meager percent of total respondent. The average total expenditure of remittance earnings on productive area is equal to 29000. But this expenditure is smaller than as compare to expenditure made in unproductive sectors. It indicates that most of the remittance recipient household used their remittance income earning on unproductive areas than productive areas.

4.19 Socio-Economic Impact of Remittance on Treatment Households

Households with their family members working overseas were to improve their economic and social status.

4.20 Economic Impact of Remittance

This section focuses on households amenities before and after migrant household; Land purchase, main material of house, food practices, Business ownership etc.

4.20.1 Land Purchase before and after Receiving Remittance

It is observed that after receiving remittance income, land purchasing power of the households is increased which is shown by table.

Table 4.19

Land Purchase before and after Receiving Remittance

Land Purchase	Before Receiving Remittance	Percentage	After Receiving Remittance	Percentage
Yes	3	11.11	19	70.37
No	24	88.88	8	29.63
Total	27	100	27	100

Source: Field Survey, 2016

In the table 4.18 before receiving remittance only 11.11 percent of household has purchased the land but after receiving remittance income 70.37 percent of household has purchased the land which indicates that after receiving remittance income the land purchasing power of household is increased.

4.20.2 Main Material of Floor before and after receiving remittance

The main material of floor is changed by household after receiving remittance which is shown by table.

Table 4.20

Changed in Floor of the House by Remittance

Category	Before Receiving Remittance	Percentage	After Receiving Remittance	Percentage
Natural Floor	21	77.77	16	59.26
Rudimentary Floor	3	11.11	3	11.11
Finished Floor	3	11.11	8	29.62
Total	27	100	27	100

Source: Field Survey, 2016

The table 4.16 represents that before receiving remittance most of the households were staying in natural floor which is 77.78 percent while after receiving remittance income it is decreased to 59.26 percent. Whereas the households staying in finished floor increases from 11.11 percent to 29.62 percent.

4.20.3 Main Material of the Roof before and after Receiving Remittance

The main material of the roof of the house is generally changed after receiving remittance income by the household's which are shown through the following table.

Table 4.21

Changed in Roof of the House by Remittance

Category	Before Remittance Receiving	Percentage	After Receiving Remittance	Percentage
Straw, Bamboo, wood	13	48.14	2	7.40
Cemented	3	11.11	9	33.33
Tin, Tile	11	40.74	16	59.25
Total	27	100	27	100

Source: Field Survey, 2016

This table shows that before receiving remittance 48.14 percent of Households were staying under the roof made by wood, bamboo and straw. It is larger than those staying under cemented (7.40) and Tin and Tile (40.74) roof. But after receiving remittance income, percentage of households staying under cemented, tin and tile are increased to 33.33 and 59.25 percent respectively. This indicates the changes in the types of roof of the house by remittance.

4.20.4 Food Practices of Family Members before and after receiving Remittance

Food practices of family members have been changed after receiving remittance in the study area. This is demonstrated by following table.

Table 4.22

Changes in Food Practices of Family Members by Remittance

Category	Before Receiving Remittance		After Receiving Remittance	
	No.	%	No.	%
Lack of sufficiency food & nutrition	17	62.96	3	11.11
Sufficiency food and & nutrition	10	37.04	24	88.89
Total	27	100	27	100

Source: Field Survey, 2016

The table shows that the picture of the living standard has increased after receiving remittance. Before receiving remittance 62.96 percent households were not maintaining living standard due to lack of sufficient food and nutrition. But after receiving 88.89 percent of respondents are maintaining their living standard properly which increased from 11.11 percent respondents.

4.21 Social Impact of Remittance on Treatment households after receiving Remittance Income

Several variables were included in the survey in order to examine the social impact of remittance in the treatment households, the focuses was on children's education, clothing pattern of family members, women involvement in community activities.

4.21.1 Institution of Education before and after Receiving Remittance

The status of quality education has been changed after remittance. To some extent positive impact of remittance seen on educational an activity which is illustrated in following table.

Table 4.23

Changes in the Institution of Education by Remittance

Category	Before Receiving Remittance		After Receiving Remittance	
	No.	%	No.	%
Public School	24	88.89	11	40.74
Private school	3	11.11	16	59.26
Total	27	100	27	100

Source: Field Survey, 2016

This study shows that after receiving remittance, 59.26 percent of household head are sending their children in private school for quality education. Before only 11.11 percent of household were sending their children in private school. The education from government school has decreased 88.89 percent to 40.74 percent. It indicates that most of the household after receiving remittance are migrating in town in the name of children education.

4.21.2 Clothing Pattern of Family Members before and after remittance

Clothing pattern of family members found to be considerable change after receiving remittance in the study area. This also shows the living standard of household.

Table 4.24

Changes in Clothing pattern of Family members by Remittance

Category	Before Receiving Remittance		After Receiving Remittance	
	No.	%	No.	%
Insufficiency of clothing	16	59.26	4	14.81
Sufficiency of clothing	11	40.74	23	85.19
Total	27	100	27	100

Source: Field Survey, 2016

Above table 4.23 shows that, before receiving remittance 59.26 percent of respondents were not maintaining clothing pattern sufficiently rather only 40.74 percent of them was found it sufficiently. But after getting remittance 85.19 percent of respondents have maintained sufficiently and only 14.81 percent are suffered from it. This indicates that positive change in living standard due to the remittance income.

4.21.3 Community activities Participation by women members before and after Remittance

Community participation is one of the social capitals for a person to know society. In this study, organization was counted as mother group, youth club members co-operatives members etc.

Table 4.25

Change in community program Participation by Remittance

Community program (Only women)	Before Receiving Remittance		After Receiving Remittance	
	No.	%	No.	%
Members in Mothers group	6	22.22	25	92.59
Members in Youth Club	4	14.81	12	44.44
Members in Co-operatives	5	18.51	21	77.78

Source: Field Survey, 2016

This Table shows the participation of women members in community program of treatment households. Before remittance income, only 6 women member were involved in mother group out of 27 respondents which is only 22.22 percent, but after receiving remittance it increased 25 women members from 6 members which is 92.59 percent. Similarly, after remittance income members in co-operatives increased from 18.51 percent to 77.78 percent.

It represents that after receiving remittance income it has positive impact on community activities by women in society.

Remittance has the social and economic impact as well as positive and negative impact in remittance receiving households. Decreases in poverty level, unemployment level, increase in income level, and change in consumption level are the positive effects of remittance in the study area. Labor migration has helped to increase the economic condition of the households in the study area but this study also shows that more remitting money is spent in purchasing land , construction of house, maintenance of house so all these investment are considered unproductive investment in economic term which is negative effect. Less amount of remitting money is spent in children's education, health etc.

CHAPTER-FIVE

FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 MAJOR FINDINGS

Remittance is one of the major income sources of earning foreign currency for developing countries like Nepal. Remittance not only contributes to the macro level, its contribution has direct and sizable impact on migrant-sending households in micro-level as well. A significant number of people in developing countries of world are now receiving remittance earning to finance their expenditure in home consumption, health and children's education.

The controversy, however, revolves around how remittance affects household's socio-economic aspects. There is no conclusive answer that remittances always throw positive effects on all dimensions of people's economic and social life. While some studies have shown that remittance directly contribute to reduce poverty level, others point out towards a cost of social and economic distortions that the migration causes. Particularly, remittance contribute positively to the children's better education opportunities in one hand but their education is suffered due to absence of their parents on the other hand.

This study is carried out in Nibuwakharka VDC of Syangja district, a region where a significant number of people are migrating abroad to seek their better life. The main objective of this study is to find out the socio-economic impact of remittance in Nibuwakharka VDC. Moreover the study tried to find the productive and non-productive use of remittance in this VDC.

This study applies simple statistical tools called Arithmetic mean, percentage, and ratio etc to evaluate the impact of remittance earning on various economic dimensions of migrant households. Nine wards were chosen from Nibuwakharka VDC and survey was conducted among 54 household dividing two parts; treatment households 27 and 27 control households. The survey administered the questionnaire that included a number of socio-economic aspects of households, children's education, family health, financial access, women empowerment, business ownership, access information and others.

- ❖ A preliminary comparative analysis between treatment and control households revealed that the education level was not found to be much different between remittance sending and non-sending households. Because education benefits take larger time to materialize but this study takes households in consideration who were abroad only for three years, the similarity between households in education level s plausible. Interestingly, the survey showed that very few people 5.47 percent in treatment household and 11.42 percent were found to have college level degree. This indicates the people going abroad for foreign employment were mostly low skilled worker which raises concern for the policy makers that sending low skilled workers abroad do not benefit both the migrant sending households and the country in general.
- ❖ The toilet facilities of the households in both groups interestingly were not using open toilet/bush/ field toilet. It is due to the public awareness, government policies and in treatment household due to the remittance income 55.55 percent were using modern toilet.
- ❖ The effect of remittance was not even seen in fuel used by households for cooking. In treatment group more than 64 percent and in control household more than 71 percent of households were using wood as a major source of cooking food. Only 7.14 percent of the households were using bio-gas one of the source of fuel in their houses. The use of LPG gas as a fuel to cook in both households was found to be meager percent.
On the other hand it was found that both treatment and control group households were using only piped water as a major source of drinking water.
- ❖ Land purchase is another important transaction that treatment households are found to be involved in during past three years. 72 percent of remittance recipient household purchased land. A majority (78 percent) of remittance receiving households reported that they purchased land for only home construction.
- ❖ In study area it was found that 100 percent of children receive regular vaccination in both treatment as well control household due to the public awareness, government policy and access of information in study area.

- ❖ The expenditure pattern of household in family health and children's education was the important part of this study in study area. Treatment households spent nearly 3 thousand more than on health that of control group where as it was 6 thousand more than in children's education.
- ❖ There is significant advancement in access information to the study area. Importantly access to information was found to be higher in treatment households than in control household. Television and DVD users for example, were found to be higher in treatment households than in control households.
- ❖ The consumption expenditure of treatment households was also observed to be higher than that of control household. Both of the groups spent a sizable fraction of their income on durable goods and festival ceremonies (20 and 10 percent respectively). The expenditure on durable goods and festival ceremonies happens to be higher due to the prevalence of dowry system and cultural programs. The annual expenditure made by treatment groups was observed to be seven thousand higher than the control group. It indicates that the expenditure was mostly on unproductive sectors.
- ❖ The use of banking services was also observed, 100 percent of the treatment households were opened the bank account. But in control group bank account was opened only by 37 percent. It indicates that the migrant people send their money only by banking channels.
- ❖ The expenditure pattern on unproductive areas by treatment group was found higher than the productive areas like food consumption, real estate, durable goods, and social ceremonies. More than 32 percent of remittance income is spent on food consumption and then 27 percent is spent on the real estate.
- ❖ The expenditure pattern on productive areas like education, agriculture business ownership, bank deposit was found to be lesser than in unproductive areas. Out of total respondents more than 53 percent respondents use their remittance income on their children's education. But in agriculture only 14 percent of total respondents invest in agriculture sector while 21 percent of respondents used remittance in business. Similarly, only 10 percent respondents saved their remittance income.

- ❖ Food practices and clothing pattern of treatment household members was found to be improved after receiving remittance. It represents that living standard is improved a lot.
- ❖ Women empowerments in treatment households were also higher than in control households. It is because most of male members of their household are live in abroad. The decision regarding financial transaction was made by 64 percent women of migrant households and other decision were made by both male and female in each group households. Regarding the community activities participation like mothers group, members in co-operatives and youth clubs was also increased in treatment household after receiving remittance. More than 92 percent of treatment household members were involved in mother group and more than 71 percent in members in co-operatives.
- ❖ Annual agriculture income made by the treatment group was found to be very smaller than the control group which indicates that they do not invest their income in agriculture sector despite they receive remittance.
- ❖ The large numbers of this VDCs worker are compelled to go abroad due to the lack of employment opportunities, poverty and political instability of state. In study area the main destination of migrant workers are Qatar, Dubai, Malaysia, Saudi-Arab and Korea. This study found that 80 percent of workers are employed in Gulf countries.
- ❖ The average cost paid for foreign employment by the respondents of the study area. 7 percent paid ranging below Rs 50 thousand, 32 percent paid ranging Rs 50-100 thousand and Rs 100 thousand and above paid by 62 percent worker are compelled to pay high cost than government limitation.
- ❖ 65 percent migrant workers borrow from money lenders for foreign employment and only 10 percent of workers go by their saving and remaining 25 percent borrow with their friends. This indicates that most part of remittance income of these households is spent on repayment of loan.
- ❖ The average annual income of foreign employees in the study area 7 percent earned ranging Rs 1-2 lakh, 26 percent earned ranging Rs 2-3.5 lakh, 33.33

percent earned ranging Rs 3.5 - 5 and 15 percent earned Rs 5 lakh and above. The more money is earned in developed countries more than in Gulf countries.

- ❖ The impact of remittance in study are found that positive impacts of remittance on standard of living like food, clothing, education, health, community participation are highly affected. However on the other hand remittance income has not significant role to encourage saving instead of increase expenditure habits of people on unproductive areas like family expenditure, real estate, house construction and other rituals and habitual expenditure.

5.2 Conclusion

In conclusion, Remittance sent by international migrants to their countries of origin has now grown to be substantially higher. Nepal has been one of the greatest shareholders of global remittance but issue is how such flows have been used in livelihood of remittance recipient households. In recent years it is being an important way of avenue of support family members remaining at home. From above findings, it is difficult to conclude that remittance has played significant role to enhance the productive cycles of rural economy. Although there is positive impact of remittance on living standards (Food, clothing, health and education) of people, it may be analyze that household receiving remittance has not shown much response to strengthen their productive activities except than maintain living standard. The remittance has not been properly channelized in the domestic country productive activities rather than non productive venture buying land, buying durable goods, and to celebrate better fest and festivals.

To make the remittance income more productive in macro level to carry out effective and efficient public policies to channelize remittance in productive projects, the government has to look at what motives Nepalese to send their money at home particularly beyond individual family remittances, and crafts its policies to take advantage from it.

5.3 Recommendations

Based on the analysis above, the following recommendations are forwarded for the policy prescription:

- ❖ From the study, it has found that the major portion of the remittance has been spending on the unproductive sectors like constructions of house, to buy land in urban area, durable goods etc which goes unrewarded. This trend needs immediate amendment by bringing appropriate policy measures to encourage remittance recipient households to use their money in productive areas.
- ❖ The question regarding productive use of remittance has long been debated. There are several alternative ways available to use remittances productively. Some of these alternatives are taxing the remittances and disbursing the revenue for productive use, issuance of remittance bond, outreach through microfinance institution and others. Among these approaches, the productive use of remittance through microfinance institutions considered to be most effective. Since microfinance institution have deeper penetration in rural areas. Nepal can consider utilizing these institutions to mobilize remittance earning in poverty-stricken areas.
- ❖ Nepal is facing problem of general unemployment among youth. The employment opportunities are virtually non-existent in rural areas and currently it is predominant in city areas as well. These situation led many youngsters to leave Nepal seeking employment in foreign countries with an expectation to betterment of their life. Literally, Nepal is exporting unemployment by just allowing people to leave the country and seek employment opportunities abroad instead of trying to create employment opportunities for them within the country.
- ❖ Even remittances are used mostly for consumption; there is need of policies that protect local industries. Remittances are likely to have a positive effect for a particular country when they are used to acquire locally produced products.
- ❖ Remittances impact positively through human capital investments such as education and health. There is need for policies to increase literacy level and encouraging remittance-recipient households to continue investing in education. Education policies that advocate for the continued and increased enrolment of

household members in primary, secondary and tertiary education should be adopted and public awareness about health should be spread all over the Nepal in rural areas.

- ❖ The study revealed that the interest rates on borrowing in prevailing migrant-sending communities are significantly high amounting to an average of 25% per annum i.e. Rs 2.5 per hundred per month. These rates were observed to be quite higher comparison to the interest rates charged by the banking institutions. Due to the unavailability of enough formal banking services , lack of public awareness about banking services in rural areas they are bound to take such types of loan. Since, there are needs for the policies and public awareness programs that can provide access to the banking services in rural people.
- ❖ Most of the respondents in the study area are migrated in unskilled condition, so they can not earn more income than skilled workers. Since, technical training institutions should be establishment in rural areas and a person who wants to go foreign employment should be given training related to the nature work before sending him to foreign country.
- ❖ Finally, one entitled case study of Nibuwakharka VDC,(Impact Evaluation of Remittance),which is the most important current issue of nation is very significant while the study is conducted in small size and may not be sufficient to generate for the whole nation about remittance of migrants. By this study i am confident that it will be certainly beneficial to the people of Nibuwakharka VDC of the entire country.

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APPENDIX

Impact of Remittance

A case study of Nibuwakharka VDC Syangja District

Questionnaire prepared for the household survey

Name of VDC.....

Ward Number.....

The household is in control group or treatment group.....

(1=Treatment Group, 2= Control Group)

Eligibility:

(The household who falls on Treatment group should have been at least for three years in foreign employment and Control group household should not be in foreign employments to date)

Name of Respondent.....

Sex of the Respondent.....

(Male=1, female=2)

Interview Date.....

SECTION 1: GENERAL INFORMATION OF HOUSEHOLD MEMBER

S.N	Household members	Sex	Age	Marital status	Education status
	The name of persons who usually lives in your household, starting with household head	1=Male 2=Female	How old is?	1=unmarried 2=married 3=widowed 4=Divorced 5=separated	
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

Q.N	Questions	Coding categories(Tick the answer)	Skip
1.	What is your caste?	Brahmin Janajati Kshettri Dalit other.....(Specify	
2	What is your religion?	Hindu Buddhist Muslim Christian Other.....(specify)	
3	What is the occupation of the household head?	Government job Own business Waged labor	

		Foreign employment Other.....Specify	
4	What type fuel does your household mainly use for cooking?	Wood LPG Biogas Electricity Other.....specify	
5	What is the major source of drinking water?	piped river tube well other.....specify	
6	What kind of toilet facility do the members of your household normally use?	flush or pour flush toilet pit latrine composing toilet bush /field other.....specify	
7	Did the household purchase/reconstruct the house during the last 3 years?	Yes..... No.....	
8	Main material of the floor?	<u>Before 3 years</u> <u>Current</u> Natural floor.....Rudimentary Floor.....Finished Floor.....Other..... (Specify) (Specify)	
9	Main material of the roof?	<u>Before 3 years</u> <u>Current</u>(Mat, Bamboo, wood).....Cemented.....Tin, Tile.....Other..... (specify) (specify)	
9	How many rooms did/does the house have?	Before 3 years Current	
10	Does the house have Electricity?	Yes..... No.....	

SECTION 2: EDUCATION

Q.N.1	Do you have Children 5 to 16 years old?	Yes.....(if yes State how many) No.....	
2	Which type of school do your children go?	Government Private Other..... (Specify)	
3	Did you Change school for your Children during last 3 years?	Yes..... No.....	
4	How much do you spend for the education during last year? (NRs)	

SECTION 3: HEALTH

Q.N.1 did any of the family members suffer/ is suffering from respiratory diseases or eye infection in last one year? (Refer disease section below for the List of diseases)

Yes

No (Skip the Table)

Line No.	Disease	Health Institution	Type of Health institution	Money
List the line no. of members who were suffered/ are suffering from such disease	Runny Nose/ cold sinusitis Headache fever in past one year Cough Asthma Blood presser sugar Eye infection Other(specify)	How many times did (Name) visit health institution due this illness?	Hospital Clinic Health post Nursing Home	How much money Did you spend to cure the disease(including transportation cost) (Write amount in words)

Q.NO	Questions	Coding categories	Skip
1	Did any members of your family have been suffered from water related diseases (Typhoid, pneumonia, Diarrhea, Cholera, etc.) during last one year?	Yes..... No.....	
2	How many times did you make regular health checkup?	Total No. -----	
3	Is your Child being Vaccinated?	Yes..... No..... Not regular.....	
4	Did any member of your family give birth during last year?	Yes..... No.....	
5	Where did she give birth?	At home..... Health care center.....	
6	What is the total cost for ANC or/and for birth of the last child?	No cost at all..... Below NRs 2000 NRs.2000-4000 Above.NRs.6000	

SECTION 4: ACCESS INFORMATION

Q.No	Questions	Coding Categories	Skip
1	Does your household have the following items? Radio Telephone Mobile Phone VCD/DVD Player T.V	Yes..... No.....	
2	How often do you or anyone in your household listen radio?	Everyday A few times a week Once a week Less than once week Never	
3	What kind of Programs do you listen to radio?	News Entertainment Other	
4	How often do you or anyone in your household watch television?	Everyday A few times a week Once a week Never	
5	What is the total monthly bill of your household for using all these sources(Radio,Phone,etc)	No cost at all Below NRs 500 NRs 500-1000 NRs 1000-2000 Above 2000	
6	Compared to the last five years ago, has the access to information improved, deteriorated, or remained same, in general?	Improved Deteriorated Remained same	
7	How long does it take time to reach the nearest market center? (Hours) (Minutes)	
8	How long does it take time to reach the nearest road? (Hours) (Minutes)	

SECTION 5: HOUSEHOLD INCOME

Q.N.1 How many katha/bigha of agricultural land do all the members of the household own?

BIGHA.....KATHA.....DHUR..... (If no Skip to)

2. Did the household purchase agricultural land during the last three years?

Yes.....1 No.....2 (if yes, BIGHA.....KATHA.....DHUR.....)

FARM INCOME OF LAST ONE YEAR

Types of Crops	Total Income	Total Expenditure
Food Crops (Pady, Maize, Wheat, Millet)	NRs.....	NRs.....
Cash Crops (Oiled seed, Pulse, sugarcane, others)	NRs.....	NRs.....
Vegetables 1	NRs.....	NRs.....
2		
3		
4		
Fruits	NRs.....	NRs.....
Others	NRs.....	NRs.....

Q.N.3 Do you use advanced seed and fertilizer in your farm?

Yes..... No.....

Q.No.4 How many hired labor did you use for producing crops?

No of Persons..... Wage rate..... (Per Day)

Q.N.5 Do you or any member of your family work in the farm?

Yes..... No.....

LIVESTOCK INCOME AND EXPENDITURE

Livestock	Livestock Income	Livestock Expenditure
Buffalo	NRs.....	NRs.....
Cow	NRs.....	NRs.....
Goat	NRs.....	NRs.....
Chicken	NRs.....	NRs.....
Fish	NRs.....	NRs.....
Others	NRs.....	NRs.....

REMITTANCE INCOME (This is only for Treatment Group Households)

Line no. of the members who are migrate d overseas	Male.....1 Female.... 2	His or Her Last degree and division	Years of Migration	Country	Expenditure (NRs)	Source of Expenditure Loan Saving (NRs)	Income (amount annually sent, including goods sent)

Q.N.	Questions	Coding Categories	Skip
6	Did the household purchase land or home after migration took place?	Yes.....1 No.....2.....	9
7	What is the purpose of purchasing land?	To construct home.....1 To use for farming.....2	
8	How much land the household purchase Bigha Katha Dhur	
9	Are you inspired to go abroad to work when you see other people are doing so?	Yes.....1 No.....2.....	12
10	Is that person your relative	Yes..... No.....	
11	Did you take any advice from your relatives regarding your plan to go abroad?	Yes..... No.....	
12	How do you receive your money sent from abroad?	Banking channel Hundi Friends Others (Specify)	

BUSINESS OWNERSHIP

Q.N. 13 As you know, aside from household work, some people have a small business such as hotel, restaurant, rice mills, etc or some make and sell handicrafts such as utensils made from mud, khukuri, etc from which they earn income. Does your household own such business?

Yes.....1

No.....2(skip the following table)

Specify activities	starting date	Total Revenue	No. of HH members employed	Average No. of Hired labor employed	Average Monthly wage paid to Hired labor	Other expenditures(monthly)

SECTION 6: HOUSEHOLD EXPENDITURE

Expenditure on	Amount in (NRs)	Expenditure on	Amount (NRs)
Durables		Festival ceremonies	
Clothing		Home purchase/ Maintenance	
Food		Visiting	
Alcohol		Transportation	
Tobacco		Others	
Entertainment			

SECTION 7: FINANCIAL STATEMENT

Q.N	Questions	Coding Categories			skip
14	Have you had any insurance?	Yes.....1 No.....2.....			15 16
15	What type of insurance do you have?	Life Insurance.....1 Health Insurance.....2 Other.....3 (Specify)			
16	How much insurance premium do you pay per month?	NRs.....			
17	Do you have any account in any bank and financial institutions?	Yes.....1 No.....2(.....)			19
18	Please mention your balance.	NRs.....			
19	Borrowings	From	Amount(NRs)	Interest Rate(% per month)	
		Relatives			
		Friends			
		Saving Clubs			
		Banks			
		Money Lenders(Landlords, shopkeeper, Villagers)			
		Others			
20	Lending	Interest-Bearing NRs..... Interest-free NRs.....			

SECTION 8: GENDER EMPOWERMENT

Q.N	Questions	Coding Categories	Skip
21	Who does take the decision of financial activities in your family?	Male.....1 Female.....2 Both.....3	
22	Who does take the decision regarding the participations in community?	Male1 Female.....2 Both.....3	
23	Who does take the decision of women health related problems in your family?	Male.....1 Female.....2 Both.....3	
24	Who does take the decision of giving birth of new child?	Male.....1 Female.....2 Both.....3	
25	Do women in your family own/ inherit land?	Yes.....1 No.....2 (If yes can they sell, can they decide how to use it? Yes..... No..... (If no, do they interfere the decisions regarding the use of lands? if so how?	
Only for female informants			
26	Do you need to take the permission of your husband or other family members to get out from home? (E.g. shopping, visiting relatives and friends, etc.)	Need to take.....1 Need not to take.....2 Need to inform.....3 Need not to inform.....4	