

**SOCIO-ECONOMIC CONTRIBUTION OF FOREIGN
EMPLOYMENT**

(A CASE STUDY OF SIDDHIPUR VDC, LALITPUR DISTRICT)

A Dissertation

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MASTERS IN PHILOSOPHY (M.PHIL)

**in
ECONOMICS**

By

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Kirtipur,

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Photo 1.1.
Shanti Pukhu (Pond)
Siddhipur Village Development Committee Area

APPROVAL LETTER

I hereby approve that, this dissertation entitled "**Socio-Economic contribution of Foreign Employment (A Case Study of Siddhipur VDC, Lalitpur District)**" is an original research work done by Ms. Rashmee Rajkarnikar, student of M.Phil, Tribhuvan University, Kathmandu, Nepal under my guidance and supervision, as an internal examiner. I, therefore, strongly approve this dissertation for the final examinations by the Research Committee, Faculty of Humanities and Social Sciences, Tribhuvan University in the fulfilment of the requirements for the **MASTERS IN PHILOSOPHY in ECONOMICS**.

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(A Case Study of Siddhipur VDC, Lalitpur District)**

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(A Case Study of Siddhipur VDC, Lalitpur District)**

And found the thesis to be the original work of the student and written
according to the prescribed format. We recommended the thesis to be accepted
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LISTS OF ACRONYMS

BMET	:	Bureau of Manpower, Employment, and Training
BOEET	:	Bangladesh Employment and Training
BOESL	:	Bangladesh Employment and Service, Ltd.
BOP	:	Balance of Payment
CEDA	:	Centre for Economic Development and Administration
CBS	:	Central Bureau of Statistics
CIB	:	Credit Information Bureau
CPI	:	Consumer Price Index
CEDAW	:	Convention on the Elimination of All Forms of Discrimination Against Women
CAR	:	Crude Activity Rate
DOL	:	Department of Labour
DLEP	:	Department of Labour and Employment Promotion
DFID	:	Department for International Development (UK)
EAP	:	Economically Active Population
Eq ⁿ	:	Equation
FDI	:	Foreign Direct Investment
FES	:	Friedrich Ebert Shifting
GNI	:	Gross National Income
GDP	:	Gross Domestic Product
GON	:	Government of Nepal
GFCF	:	Gross Fixed Capital Formation
ICCPR	:	International Covenant on Civil & Political Right
ILO	:	International Labour Organization
IMF	:	International Monetary Fund
LEPD	:	Labour and Employment Promotion Department
MOLTM	:	Ministry of Labour and Transport Management
MOF	:	Ministry of Finance
NRB	:	Nepal Rastra Bank
ODA	:	Overseas Development Assistance
OECD	:	Organization of Economic Corporation and Development

OHCHR	:	Office of the High Commissioner on Human Rights
Rs.	:	Rupees
RAR	:	Refined Activity Rate
SAARC	:	South Asian Association Regional Cooperation
SACEPS	:	South Asia Centre for Policy Studies
SLBFE	:	Sri Lanka Bureau of Foreign Employment
US	:	United States
UK	:	United Kingdom
UAE	:	United Arab Emirates
UN	:	United Nations
UNIFEM	:	United Nations Development Fund for Women
VDC	:	Village Development Committee
WDR	:	World Development Report
WDB	:	World Development Bank
WPI	:	Wholesale Price Index
Y-o-Y	:	Year-on-Year

ABSTRACT

Migration of people from one place to another is a usual phenomenon since the beginning of human civilization. The migration in the beginning was for the sake of food and exploring new places for security purpose. But gradually the migration took the shape in diverse forms and now has become a very essential and common in each and every corner of the world.

Three key factors are driving migration and will continue to fuel this kind of movement for many years. They are i) the "pull" of changing demographics and labour market needs in many industrialized countries; ii) the "push" of population, unemployment and crisis pressures in less developed countries; and iii) established inter-country networks based on family, culture and history.

Migration and foreign employment has become a way of life to many educated youth of the country. The number of people migrated for foreign employment in Nepal, till mid- March 2009 is recorded as 1,432,224. The migration has concentrated in the Gulf countries (more than 65.14%) and maximum being in Malaysia (31.82%).

Though the foreign employment in Nepal is a decades old issue, there is no authentic statistics in terms of number involved in it. Beside that there is serious lack of data regarding real contribution of remittance in the national and local community level and lacks proper information relating to the utilization of remittance and its impact on socio-economic condition of the household and community at the origin of foreign migration. And the facts regarding the changes brought in the gender role and empowerment of migrant's wives due to the foreign employment is little known. There is lack of individual level information of the dependents of the foreign employee in terms of added responsibility and assumption of changed role. Therefore, this study on **Socio-economic Contribution of Foreign Employment - A Case Study of Siddhipur VDC, Lalitpur District**, was carried out with the general objective of this study is to analyze and examine the socio-economic consequences of

foreign employment on the national economy and household level. The followings are the specific objectives of the study.

- to assess economic contribution of foreign employment on national and household level;
- to analyze the changes in the gender role; and
- to study the socio-economic empowerment of the migrant's wives.

To fulfill the above mentioned objectives, as a methodology of the study, both primary and secondary data and information are considered. Standard questionnaire was prepared and interviews were conducted in Siddhipur VDC. A data collection technique was chosen in accordance with the level of understanding likely to arise from their use. For analyzing contribution of foreign employment (Remittance) on National economy, secondary information was reviewed. Collected data were stratified, tabulated and analyzed in appropriate and purposive ways. A computerized SPSS program was used to show the interrelation between remittance and national economic growth using regression analysis.

The world scenario shows that, international migrant remittances have become an important source of external finance in developing countries. Remittances had generated a positive effect on the economy through various channels such as savings, investment, growth, consumption, and poverty and income distribution. At the national level, remittances had contributed significantly to the GDP.

At the community level, remittances had created multiplier effects in domestic economy, producing employment opportunities and spurring new economic and social infrastructures and services, especially where effective structures and institutions have been set up to pool and direct remittances. The poverty reducing and income distribution effect of remittances is also significant.

In many countries, a large portion of remittances are invested in real estate, purchasing houses, or other investments. Remittances had also fuelled inflation, disadvantage the tradable sector by appreciating the real exchange rate, and reduce labour market participation rates as receiving households opt to live off of migrant's

transfers rather than by working. Moreover, remittance's contribution to growth and poverty had reduced the incentives for implementing sound macroeconomic policy or to institute any needed structural reforms.

In Nepal, income from remittance has increased to Rs. 188.0 billions during mid May-mid June 2008. It is widely believed that official records for the remittance economy represent just the tip of the iceberg; particularly as most remittances are transferred informally. The official record shows a dramatic increment in the incoming remittances.

Despite the huge trade deficit, the country is having surplus in the current account because of the growing remittances. The data gives the glimpse of GDP from the year 2000/01 till 2008/09 and the corresponding remittance received. It was found that, during the year 2000/01 share of remittance in GDP was 2.22%. This share reached to 17.04% percent in 2007/08 and in 2008/09 it has reached 20%. On an average, the share of remittance to GDP was 11.21 percent during the review period from 2000 to 2009. World Human Development Report, 2009 claims that, relative size of remittance inflows as percentage of GDP is 15.5%

Three regressions were run in SPSS programme to examine the contribution of remittance to GDP. It shows that, remittance income and EAP appear to be the most relevant variables to raise real GDP in Nepal. The GFCF and other items have also significant impact on increasing real GDP in Nepal.

Similarly, this study also focused on the contribution of the out migration / foreign employment at the household level. For the purpose, Siddhipur Village Development Committee (VDC) has been chosen to quantify the exact contribution of foreign employment on the household income, changes in the gender role, and socio-economic empowerment.

Physical development has been one of the positive outcomes of the migration (foreign employment) in Siddhipur VDC. Behavioral changes are slow to come by and usually take a generation or more to become visible. Foreign employment has helped to increase the economic conditions of the people of the Siddhipur village. It was

observed that, remittance money is spent in maintenance of houses, construction of new buildings and purchase of land. All these investments are considered unproductive investment in economic terms.

Social impact of migration could be considered indirect impact of migration. Such impact can be seen in the women groups of the family. The absence of husband, not only cause hardship to the women, it also brought opportunities. As a problem among the migrant's wife, loneliness was more serious than anything else.

The study had also explored the changes in role of women folks in the country of origin due to husband going abroad for foreign employment. It was observed that majority of the husband's responsibility like assisting in harvesting, household cash management, representing social organizations etc. shifted to the wife of the migrants after husband went abroad.

The study further focused on the socio-economic empowerment of the migrant's wives in the Siddhipur VDC. The four key elements of empowerment - i) Access to information; ii) Awareness about the basic rights; iii) Efforts made for capacity building; and iv) Decision making were assessed in the process of the studied.

To conclude, remittances had generated a positive effect on the economy through various channels such as savings, investment, growth, consumption, and poverty and income distribution. Though, it has positive impact, its major contribution is visible at the household and community level only. It has not created socio-economic impact and long term development of the country due to lack of strategic planning for the utilization of remittance. For the purpose, policies and plans based on updated information on migration are required.

CHAPTER I

INTRODUCTION

1. Introduction

Migration of people from one place to another is a usual phenomenon since the beginning of human civilization. The migration in the beginning was for the sake of food and exploring new places for security purpose. But gradually the migration took the shape in diverse forms and now has become a very essential and common in each and every corner of the world. Millions of people from around the world (especially from the developing world) are leaving their usual place of residence for seeking better employment opportunities and supply of food for their dependents. With globalization, the trend of people going from one place to another has intensified (ILO, 2004).

Poverty and the inability to earn enough or produce enough to support oneself or a family are major reasons behind the movement from one place to another. These are not only characteristics of migration from poor to rich states; poverty also fuels movement from one developing country to others, where work prospects seem-at a distance, at least-to be better (OHCHR, 2003).

Labour migration has, in the 21st century, moved to the top of the policy agendas of many countries. It is estimated that, over 150 million migrants are searching for improved economic opportunities abroad (ILO, 2004).

Followings are the three key factors driving migration and will continue to fuel this kind of movement for many years:

- The "pull" of changing demographics and labour market needs in many industrialized countries.

- The "push" of population, unemployment and crisis pressures in less developed countries.
- Established inter-country networks based on family, culture and history (Bhattarai, 2006).

Recent trend of labour migrants shows that most of them are either unskilled or semi skilled and a few of them are highly skilled. According to estimates by non-government group, there are over 19 million Asian migrant workers in Asia and over 25 million Asian migrant workers working across the world. At least, half of the migrant workers are women, and many are in domestic work, the entertainment industry and also in irregular works (Marwan Macan-M, 2003).

Migration from the village to the city and out of the country has now become so rampant that its impact is felt in every aspect of life in the developing countries. At first, migration was confined within the country, but in more recently times migration to outside the country has grown rapidly. Observing the patterns of migration, it could be classified into four categories:

- **emigrants** or residents of a household in the countries, who had migrated out of the place of resident and are living in the country, outside the residing land.
- **return emigrants** or members of a household in the countries, who had returned to the country/ place of resident after living out of the country for a year or more. The purpose of staying outside the country could be for studies or looking for a job.
- **out-migrants** or residents of a household in the villages with in the country, who migrated out of the village and were living in the town/cities.
- **return out-migrants** or members of a household in the villages with in the country, who had returned to the village after living in the town/cities. The purpose of staying in the town/cities could be for studies or looking for a job.

The first two are termed external/international migrants and later two, internal migrants.

Usually, an international migrant brings/transfers money to their home countries. This transferred money is termed as "remittance". Remittances from foreign employment have become a very important component of the balance of payments for developing countries in recent years.

Until recently, remittances were considered as (microeconomic) benefitting the end user, the recipient household, including effects on poverty. The increasing magnitude of the remittances compare to other external flows to the GDP, in many developing countries, suggest that the macroeconomic effects of remittances are getting critical importance. High levels (or large increases) in remittances flows can be expected to have direct repercussions on foreign exchange rates, domestic rate and the balance of payment, poverty, growth and indirect repercussions on macro variables.

Remittances are incorporated into the national accounts of the receiving economy as a transfer from abroad. As such, they go directly into the expenditure path of the economy. As remittances come into the receiving economy, expenditure and savings will tend to increase thus, initiating higher investment.

The impact of remittance on poverty is considered positive. Remittance directly affects poverty by increasing the income of the recipient. They also indirectly affect poverty in the recipient country through their effect on growth, inflation, exchange rates and access to capital.

Remittances have positive impact on a country's balance of payment. Remittance act as a stable source of external finance and help in bridging the deficit on the current account. Remittances also help in improving several macroeconomic indicators. (Misra, 2007)

1.1 History of Migration in Nepal:

Migration is not a new phenomenon to Nepal, and the total stock of Nepalese nationals working overseas (excluding India) in different capacities is estimated to be about 892,545 (MOLTM/GoN, 2007). The migration between India and Nepal has not been difficult. The compact geographical nature, socio-cultural continuity and the open border have made it always easy. It is believed that migration between India and Nepal started in the ancient times. At that time, people's flow was believed to be from India to Nepal. After the Mughal intervention in India, lots of the ruling class Hindus flew away to the hills of Nepal and even some established the region. At the same period of time or may be before, it is believed that there may have been flow of Nepalese to India. But these evidences are still not accounted.

The known evidence of migration starts from the period after Gurkha established rule in Kumaon and Garhwal of current India in 1804. This was the time when first known flow of Nepalese to India started as they started moving to Kumaon, Garhwal and up to Sulej. At the same period of time, Gurkha moved beyond Sikkim towards the east and the flow started there simultaneously.

During the expansion process in 1905, Gurkha had battle with Maharaja Ranjit Singh of Punjab, who was assisting King Sansar Chand of Kangra. Although Gurkha lost the battle, impressed by the bravery and fighting skills of the Gurkhas, Maharaja of Punjab offered to recruit them in his Army. That can be considered to be the first professional migration from Nepal to India. There is an evidence of one of the great Nepali army commander Balbhadra Kunwar being recruited by the Maharaja of Punjab and fighting in an Afghan war for Maharaja of Punjab.

After 1814-15 war with the British India, the formal entrance of Nepalese to India is believed to begin. 4,656 Nepalese recruited in the British Gurkha regiment is the first accounted evidence of Nepalese employed in India. At the same time large number of Nepalese migrated to India for better employment opportunity in tea-estates of Darjeeling and wood works of Assam. Later on increasing number of migrants started working as watchmen (DFID 2002).

Economic migration to the Middle East from South Asia and other parts of the world was spurred-on by the oil boom in the early 1970s. The reasons behind the migration are almost same in Nepal as other parts of the world. Existing poverty, limited employment opportunities, deteriorating agricultural productivity, insecurity caused by armed conflict are some of the reasons for international labour migration.

There are many villages in Nepal where the labour migration has been established as a culture of community to go aboard for work for a while and return back with some money. The influence of friends, relatives and well wishers has also played a prominent role for the promotion of international labour migration.

The ongoing armed conflict situation of the country has made people displaced from their usual place of residence and the alternative means of employment for displaced youth is established as foreign employment. The conflict has also limited the development activities throughout the country and expansion of industries is stopped or many of the industries were closed. This situation has created unemployment problem within the national border and ultimate step of the people is to go abroad for foreign employment. Though the concrete research has not been conducted yet, the young people from conflict prone areas are compelled to go for foreign employment to save their life.

1.2 Foreign Employment: Existing Scenario

Usually, in underdeveloped countries, domestic labour market suffers from low labour productivity attributing to lack of skills, work ethics, obsolete technologies, and lack of industrial peace. Low growth exists in both agriculture and non-agriculture sectors, which are detrimental to create additional employment opportunities, people are seeking for better opportunities outside the country. Thus, international migration for foreign employment considerably increased in recent years.

But in the present scenario, there is lack of proper support system and monitoring resulting in frequent cheating and exploitation of workers by manpower companies both at home and abroad. Foreign employment is conspicuously confined to low paid

jobs due to lack of appropriate skills required for matching demand for international labour market.

There are three types of People's migration pattern found in South Asia and Nepal. They include: permanent migration to Europe, Australia and North America; contract labour migration to the Gulf and Southeast Asia; and cross border/seasonal migration within the region. In this context foreign migration for employment is increasing day by day in Nepal as well. In fact, foreign employment has become a major area in strengthening the country's economy.

In addition to financial benefits to the sending countries, migration provides opportunities to build their human, capital and social assets. Returning migrants usually bring new skills during employment abroad through what is today recognized as beneficial transfer of know-how and competencies called 'brain gain'.

1.2.1 Foreign Employment: Nepalese Context

After 1990, Nepal entered into liberal and free market; Nepalese people gradually started entering into foreign job markets. Nepal's economy is circumscribed by poverty and stagnation, which is further engulfed by low level equilibrium trap due to prolonged conflict, inefficiency and corruptions. Macroeconomic indicator exhibit that the size of Gross National Income (GNI) is found to be relatively diminutive (US\$ 8.1 billions), and GNI per capita is inordinately low (US\$ 311 per year) as of WDR, 2008. Economic growth rate is confined to 2.5 percent, lowest in South Asian Region. Around 31.0 percent of the total population live below the poverty line in object poverty and 24.1 percent population receive less than US\$ 1 a day. Foreign Direct Investment (FDI) stagnated and siphoned off with the closure of a number of joint ventures in recent times. The balance of trade with India and overseas countries is growing excessively negative, but with favorable balance of payment situation. Fiscal and budget deficits are pressing hard to accelerate the quantum of internal and external borrowings. Saving/Gross Domestic Product (GDP) ratio declined while investment/GDP ratio moderately increased in recent years. Currently Nipse Index illustrates that share market is rising steadily against the back drop of prolonged conflict leading to downswing of the economy.

However, revenues are buoyant, International reserves have sustained increasing trends, and remittances significantly swelled up over the years, particularly due to growing demand for foreign employment at international labour market. Labour market is highly encapsulated by informal sector with poor contribution of manufacturing sector to GDP, and human resources lack quality, efficiency and competitiveness to match at domestic and international labour market and maximize benefits from globalization.

At present the total population of Nepal is 28 million in 2006 (WDR, 2008), which is estimated to be 32.7 million by 2015. The average annual growth rate of population was 2.3 percent as of Population Census 2001, and it is estimated to be 1.9 percent for the period 2005-15. The size of Labour force was estimated to be 11.4 million in 2007. The average annual growth rate of labour force aged 15 and older remained was 2.6 percent during 1990-2007. This exhibits that each year approximately 300,000 labour forces will be added in the labour market. Of the total labour force, around 200,000 are estimated to be absorbed in foreign employment, and remaining 100,000 to be employed in domestic labour market (Dahal, 2007).

Data provided by Department of Labour, Nepal in 2007 shows that, an average of 284 persons go to the Gulf Countries and Malaysia every day with the formal approval. The figures of foreign employment till March 2007 published by Department of Labour (DOL), Ministry of Labour and Transport Management (MOLTM) indicate that, it is growing rapidly resulting in huge amount of remittance estimated to be to the tune of US\$ 1.5 billions.

The number of workers going abroad for employment has been steadily increasing as per the data provided by the Department of Labour and Employment Promotion. In 2008/09, the number of workers going overseas for employment was 219965 compared to 2,159 in 1994/95 (Shrestha, 2008). The detail of number of Nepalese workers abroad is given in Appendix 1.

1.2.2 Foreign Employment Patterns in Nepal

Migration from remote districts to the urban centers and to other countries has increased in the recent days and now become rampant that its impact is felt in every aspects of life of the country. This is a relatively recent development having peaked due to decade long conflict situation and political unrest in the country. Migration and foreign employment has become a way of life to many educated youth of the country. Appendix 2 shows the number of people migrated for foreign employment till mid-March 2009 as 1,432,224. It also shows that the migration has concentrated (more than 65.14%) in the Gulf countries and maximum being in Malaysia (31.82%).

The major factor contributing to large-scale out-migration from Nepal is higher growth of labour force and limited employment opportunities outside the farm sector. The 3 percent annual growth of labour force is not matched by additional job creation; moreover, the low salary structure in the economy, insecurity in the rural areas, and higher demand for the labour in the industrialized Asian and Middle-East Countries are the other contributing factors. The government's liberal policies, accompanied by mushrooming growth of the manpower agencies have also played instrumental roles. Currently, 700 manpower agencies are operating in Nepal. Furthermore, food scarcity, distorted peace and social order are strong push factors for increasing out migration. The poor people from the Mid-West and Far-West are migrating to India and those who can manage the funds are migrating beyond India (Shrestha, 2008).

1.3 Statement of the Problem

Until recently, the issue of foreign employment is virtually an ignored phenomenon. The fact over the last two decades and particularly since the mid 1990s, there has been an explosion in the number of Nepalese households, volume and value of remittance sent back to Nepal, has been little considered.

Though, it is important to understand the exact nature and magnitude of impact of foreign labour migration, which was generally seen as an unfortunate, and essentially marginal, by-product of a stagnant rural economy. It is one of the reasons for a lack of statistics in Nepal regarding labour migration and flows and utilization of remittances

back home. Further to that, Government Agencies did not begin to maintain records of labour migrants and remittances until recently, and the informal nature of this economy continues to make formal recording difficult. Siddhipur VDC, which has been taken as a 'case study' for this study, has the highest number of migrant population among the VDCs around Kathmandu valley also lack authentic information regarding economic contribution, impact of migrants dependent and utilization of remittance earnings. Thus, followings are the major problems observed in this endeavour.

- Foreign employment, though the issue is decades old, there is no authentic statistics in terms of number involved in it;
- Lack of data regarding real contribution of remittance in the national and local community level;
- Little known about the facts that the foreign employment brought change in the gender role and creation of empowerment. There is lack of individual level information of the dependents of the foreign employee in terms of added responsibility and assumption of changed role; and
- Lack of proper information relating to utilization of remittance and its impact on socio-economic condition of the household and community at the origin of the foreign migration.

1.4 Objectives of the Study

The general objective of this study is to analyze and examine the socio-economic consequences of foreign employment on the national economy and household level. The followings are the specific objectives of the study.

- o to assess economic contribution of foreign employment on national and household level;
- o to analyze the changes in the gender role; and
- o to study the socio-economic empowerment of the migrant's wives.

1.5 Justification of the Study

Migrating outside Nepal for work is generally more remunerative than farming. Growing population pressure on land means that many rural households can subsist on food they produce for less than six months a year. The income from remittances has helped to augment food security of a large majority of rural households. Generally, it could be observed that foreign employment increases the rate of employment among the young adult and level of household income.

Migration of male members and increase in house income might lead to behavioural changes and other socio-economic impact in the members of the family. Thus, it is high time that such changes be analyzed and documented. Thus, for the purpose of analyzing these changes in the dependents of the foreign employee, this study has been conducted.

Siddhipur VDC is one of the VDCs around Kathmandu Valley, which has highest numbers of migrant population (457 in number). It could be observed that, the living status of the people have been raised after people started to migrate for foreign employment. But, it could also be observed that, there is lack of information regarding socio-economic impact of the migration on the dependents of the migrants. Thus, Siddhipur VDC being one of the leading VDC in terms of migrant population around Kathmandu valley, is taken for the case study in this study.

1.6 Limitations of the Study

The followings are the limitations of this study:

- No attempt has been made to check the data reliability of the available secondary data;
- The interview was conducted to collect information exclusively from the women dependents (wives) of the foreign employees;

- There are many socio-economic indicators for measuring the impact. For the purpose of this study only two indicators-changes in the gender role in the migrant's family, and empowerment of the migrant's wives is considered; and
- Generalization of household income status, changes in the gender role, and conclusion on socio-economic empowerment status is reached by extrapolating the information collected from the study areas/targeted communities.

1.7 Organization of the Study

The followings are the chapters included in this study report.

Chapter I Introduction

This chapter contain brief introduction of labour migration and foreign employment and driving factors for migration. Historical background of Nepalese labour force migration and present migration scenario is also described in this chapter. Besides that, problem statement and justification and objectives of the study are included. The chapter concludes with the limitations of the study.

Chapter II Review of Literature

The second chapter of this study deals with the review of reference materials. Brief summary of reviewed articles, books, journals, term and study papers, research works and thesis are presented. Beside this, review of present legal frame regarding foreign employment of Nepal is also presented in brief. The literature review work are presented in three different categories - the global, regional, and national context for providing different prospective.

Chapter III Research Methodology

Chapter on research methodology contains the techniques adopted for the study. It includes research design, data collection, data analysis and methods of study.

Chapter IV Foreign Employment: Contribution on National Economy

This chapter is an analytical chapter to identify the overall contribution of foreign employment in national economy based on available secondary information. Presentation in this chapter starts with presenting situation of world economy and

impact of foreign employment. Later description on macro economic situation of Nepal and contribution of foreign employment is described.

Chapter V Socio-economic Contribution of Foreign Employment at the Household Level

Fifth chapter of this study deals with the analysis of socio economic contribution of foreign employment on household income of the Siddhipur VDC. The chapter highlights the changes observed in the living pattern of dependent of the foreign employees due the increased income through the foreign employment.

Chapter VI Changes in the Gender Role of the Migrant's Wives

Foreign employment has direct and indirect impact on the population at the origin and destination. As a direct impact, it changes the life pattern of the dependents of the foreign employee. But as a result of indirect impact individual behaviour of the dependent (wife) starts changing. This chapter examines the changes in the role of the dependents of the foreign employee.

Chapter VII Socio/economic Empowerment of the Migrant's Wives

Empowerment of individual is directly related with the major four components – i) decision making on financial aspects; ii) access to information; iii) awareness about human and individual rights; and iv) capacity development. This chapter gives description of empowering factor on the dependent of the foreign employees in Siddhipur VDC.

Chapter VIII Finding, Conclusion and Recommendations

This chapter highlights the major findings, conclusions of the study and the recommendations provided to the concerned stakeholders.

CHAPTER II

REVIEW OF LITERATURE

2. Introduction

In order to gather fair and precise knowledge about the foreign employment in Nepal, the following literatures on global, regional, and national context and legal provisions for foreign employment has been studied and reviewed. Literatures of following categories, relevant to foreign employment/migration have been reviewed.

2.1 Global Context of Migration and Foreign Employment

Followings are the brief abstracts of the reviewed materials regarding foreign employment.

Kathleen Newland of Migration Policy Institute, in his article, '**Migration as a Factor in Development and Poverty Reduction**' he analyzed the consequences of human-capital movement as a force of globalization and economic change. The writer urged that, understanding the causal relationship between rich country immigration policy and poor country development is a frustrating pursuit. The article was presented at the Fourth Annual Conference of the Global Development Network in Cairo, Egypt, January 16-17, 2003.

The writer further highlights that the balance of costs and benefits accruing to the source countries from migration is controversial. The argument usually comes down to one of remittances versus "brain drain," and the evidence on both sides is weak. Labour mobility has been an important and essential feature of economic and social development throughout the human history.

The most often cited support for the positive side of the argument is the observation that remittances from international migrants play an extraordinary role in the current

accounts of many developing countries, far more important than official development assistance. In 2006 Worldwide, migrant workers in the industrial countries sent home more than \$300 billion, nearly three times the \$104 billion received as foreign aid by the developing countries. This figure exceeds the foreign direct investment to developing countries which stands at \$167 billion. Among the recipients, India ranks at the top with the remittance inflow of \$24.5 billion, followed by Mexico (\$24.2 billion), China (\$21 billion), Philippines (\$14.6 billion) and Russia (\$13.7 billion). Overseas Development Assistance (ODA) from the 23 countries belonging to the Organization for Economic Cooperation and Development (OECD)'s Development Assistance Committee was \$54 billion in 2000. Remittance estimates are notoriously imprecise, however, because remittances often move through private, unrecorded channels.

The benefits of remittance income to source countries do not necessarily explain the full impact of remittances on poverty. Remittances may not constitute a rising tide that raises all boats, but they do have a very important effect on the standard of living of the households that receive them, constituting a significant portion of household income. It is also seen that relatively small portion of remittances that are used for investment (apart from human capital investment through education and health spending) reflects not only the immediate consumption needs of poor families, but also the discouraging investment climate for the poor.

On the other hand, if remittances are the major benefits of migration from the point of view of the source countries, the loss of human resources—particularly highly skilled people—is the most serious cost. The market for advanced skills has become truly a global market, and the most dynamic industrial economies are admitting—sometimes even recruiting—significant proportions of the highly trained professionals from poor countries. The Economist identified September 2002, the following random snapshots of the brain drain:

- About 30 percent of all highly educated Ghanaians and Sierra Leoneans live abroad
- 12 percent of Mexico's population with higher education is in the United States, and 30 percent of its PhDs

- 75 percent of Jamaicans with higher education are in the United States
- Albania lost one-third of its qualified people in the decade after the fall of communism
- Half of all foreign students who get PhDs in the United States are still there five years later

The loss of skilled people imposes several different kinds of costs on their countries of origin. The most obvious is perhaps the cost of the education itself, which in almost all cases has been heavily subsidized by the state. The emigration of the educated thus represents a transfer of human resources from the poor country to the rich.

Richard Black in his article "**Soaring Remittances Raise New Issues**", June 2003, pointed out the following three issues to be addressed, if the development potential of remittances is to be realized:

- First, when and why do migrants choose to remit money, or remit greater sums?
- Second, how are these transfers made, and are there ways to make these transfers easier or more effective? and
- Third, to what use, are remittances put?

Black also stressed that, despite attention on the above mentioned issues there always remain gaps in our understanding of how remittances are, or can be used, to promote development, especially given that existing policy incentives are not generally considered to have been very effective in channelling remittances towards development. He further pointed out the following gaps:

- the use of remittances for private consumption necessarily conflicts with the promotion of more socially useful ends– for example, consumption stimulates demand, which may create markets and jobs, while if "development" is defined as the reduction of poverty, remittances may be very effective in putting cash directly into the hands of poor people, to lift them out of poverty. Thus, it is necessary to analyze further the extent to which remittances do go

directly to poor people, or alternatively act to enhance inequality by enriching the already better-off families of migrants.

- A second challenge relates to the fact that, although early theoretical work in economics focused on analysis of data on domestic remittances from urban to rural areas, more recent research interest, and especially interest in the institutional mechanisms through which remittances are transferred, has focused overwhelmingly on international remittances. In this context, there remains a need to consider how to improve the operation and supervision of financial markets in source areas for internal migration, to ensure transparency and to reduce the costs of domestic transfers – even though these transfers do not involve the specific issues of currency exchange and international regulation of transfers.
- Another issue is that although the micro and meso level have received considerable attention in research on what stimulates remittances, understanding of the significance of the macro context has arguably been left out of many analyses.

Kevin O'Neil of Migration Policy Institute, June 2003, in his article "**Remittances from the United States in Context**" pointed out the cost of sending remittances is a major loss of income for the developing world. He explains that the cost of sending money home varies greatly from country to country and by the method used. The cost of transferring money can represent a significant loss to immigrants and their families. For example, the Inter-American Development Bank estimates that the total cost of sending remittances to Latin America and the Caribbean reached \$4 billion in 2002, or about 12.5 percent of the remittance total for the region. The Pew Hispanic Centre has estimated that the total cost of the average remittance transfer ranges between 15 and 20 percent of the total. Latin American immigrants in particular pay a high percentage of their remittances in the form of fixed, pre-transfer fees because they tend to remit frequently and send small amounts in each transfer (an average of \$200, sent seven times per year).

E. Ravenstein (1885), in his article "**The Laws of Migration**" formulated some laws regarding migration. In the article the writer described that, many people migrate from one place to another places due to various causes, some migrate not only temporarily, they again return his own place. Some people migrates long distance and the other on short distance. So it is difficult to apply universal and uniform laws for migration. However, many economists, geographers, sociologists studied upon it and formulated some rules.

The basic laws given by Mr. E. Ravenstein are the following:

- i) Long distance migrants have preference for countries of commerce;
- ii) The number of migrants to a place decreases as the distance increase;
- iii) The residence of town is less migratory than those of the country side;
- iv) Males appears to pre-dominate in the long distance migration, where as females are dominants in short distance migration; and
- v) Each main current of migration produces a compensating counter stream

International Legal Framework on Labour Migration

There are both general and specific international legal provisions for the protection of the rights of migrant workers.

Universal Declaration of Human Rights

The Universal Declaration of Human Rights is the standard setter that recognizes that certain principles are true and valid for all peoples without any form of discrimination. The declaration recognizes the right to leave one's own country, which is significant for the case of migrants. The objectives of the declaration are reinforced in two international covenants

— International Covenant on Civil and Political Rights (ICCPR)

This covenant recognizes equal rights of men and women to enjoy political and civil rights, including freedom of movement.

— International Covenant on Economic, Social and Cultural Rights (ICESCR).

This covenant ensures their right to work to achieve an adequate standard of living, including by joining and forming trade unions and to strike.

International Labour Organization (ILO) documents

The issue of protection of migrant workers has been highlighted in various International Labour Organization (ILO) documents, standards and setting of activities. The ILO conventions specifically focus on two issues:

- i) the condition in which migration process takes place; and
- ii) the specific protection required for one of the most vulnerable category of workers.

The ILO Convention No. 97 (Revised) is even more comprehensive and includes conditions governing the orderly recruitment of migrant workers, principles of equal treatment between nationals and regular migrants, provisions for family reunification, and appeals against unjustified termination of employment or expulsion. Its Convention No. 143 addresses the question of irregular migrants and provides minimum norms of protection applicable to migrants in irregular situation, or who were employed illegally, including in situations where their status cannot be regularized.

UN Convention on the Protection of the Rights of all Migrant Workers and Members of the Families

It does not propose new human rights for migrant workers, but reiterates the basic rights that have been elaborated in the main human rights international treaties. Among them, the UN Convention recognizes the right of all migrants, including irregular migrant workers, to minimum degree of protection irrespective of their situation. While the convention seeks to discourage illegal labour migration, it provides additional rights for migrant workers, including to the members of their family. It is also the only document of its kinds since the convention protects migrants through the whole migration process. These phases include: decision making, pre-departure, migration preparation, transit and employment at destination country, and return/reintegration. The UN Convention was adopted by the General Assembly on 18 December 1990 and entered into force on 1 July 2003, after ratification by 20 countries. Presently 37 states have ratified the Convention and 15 states are signatories. Except for Sri Lanka, none of the other South Asian countries have ratified the Convention.

There are a number of reasons why states have been reluctant to become a party to the Convention.

- i) As both the sending and receiving countries do not usually want to be bound by obligations. It may be due to the following factors:
 - Monitoring of the implementation of migration policies is considered as national issues, not subject to international interference.
 - The lack of political will on the part of the states;
 - The lack of awareness of the value of the convention;
 - Reluctance to take measures to reconcile incompatible national legislations with the requirements of the UN convention; and
 - Unwillingness to make administrative changes that might incur additional costs on national resources.
- ii) Some of the host countries are not ready to accord equal application of treatment to nationals and immigrants, nor are they willing to facilitate family reunions by providing access to dependents of migrant workers in place of productive migrants.
- iii) Sending countries fear that being a party to the convention may lead to loss of labour markets in the destination countries to the non-signatories of the convention (Khatri, 2007).

2.2 Regional Context of Migration and Foreign Employment

In the Asian context of migration writes Maruja M.B. Asis, (2003) of Scalabrini Migration Centre in Manila, in the article "**Asian Women Migrants: Going the Distance, But Not Far Enough**" has mentioned that, in recent times, particularly in the last 30 years, journeying in Asia has meant international labour migration, initially to the Gulf countries in the 1970s, and to the dragon economies in Asia from the 1980s. And men are not the only ones engaged in it. In the beginning, labour migration involved mostly men from South, East, and Southeast Asia availing themselves of job opportunities in the Gulf countries. The slowing down of infrastructure projects, the second oil crisis in 1979, and the changing labour needs of the Gulf countries resulted in a lower demand for male workers and an emerging need for female workers to fill the demand for medical personnel, maintenance workers, and domestic workers.

At about the same time, the expanding economies of Japan, Hong Kong, Singapore, South Korea, Taiwan, Malaysia, and Thailand became new destinations for migrant workers in the region. Since then, labour migration within the region has increased tremendously. The number has climbed from about a million migrant workers in the major receiving countries at the start of the 1980s to at least 6.5 million at this time, including both formal and unauthorized migrant workers.

What unfolded in the Asian region is a gendered migration process: male migration in response to the requirements of industrialization (construction and manufacturing; plantation work in Malaysia), and female migration in response to the shortage of domestic and childcare workers (with Hong Kong, Singapore, Malaysia, and Taiwan as major destinations in East and Southeast Asia). In the past 30 years, most female migrants have come from three countries: the Philippines, Indonesia, and Sri Lanka. In these three countries, women comprise some 60 to 80 percent of migrants legally deployed every year. Legal migration from Indonesia and Sri Lanka is dominated by women who take up domestic work in Middle Eastern countries, with Malaysia, Singapore, Hong Kong, and Taiwan as other secondary destinations.

On International labour migration from Kerala State in India, KC Zachariah, K.P.Kannan and S. Irudaya Rajan has compiled the following five study reports which describe various aspects impacts, potentialities, problems in Kerala state.

- Migration Pattern and their Socio-economics;
- Consequences of Migration: Socio-economics and Demographic Dimension;
- Returning home: Problems and potentialities;
- Working in Gulf: Employment, Wages and Working conditions; and
- Kerala's Gulf Connection: Remittances and their Macroeconomic Impact

The first paper "**Migration Pattern and their Socio-economics**" covers measurement of flows, stock of emigration, return emigration, out migration and return emigration and discussion of their characteristic, differentials, selective determinants and costs. Magnitudes and compositions of and patterns in utilization of remittances and their consequences on housing, house amenities, possession of consumer durables and related aspects are also discussed.

The second paper "**Consequences of Migration: Socio-economics and Demographic Dimension**" devoted entirely to an analysis of the consequences of emigration, Demographic consequences (on fertility, mortality, and nuptiality), consequences on the elderly and on women, particularly on the 'Gulf wives' and economic consequences on employment, unemployment, poverty and on migration policies.

The third paper "**Returning home: Problems and potentialities**" aims at three aspects of return emigrants in Kerala-their occupational mobility, utilization of their human and material resources in development and their rehabilitation.

The fourth paper "**Working in Gulf: Employment, Wages and Working conditions**" has the following objectives:

- document changes in the labour demand for different categories of emigrant workers;
- enumerate the emigration policies;
- examine employment and working condition, wage levels and related problems of the Kerala emigrants; and
- understand the education and training requirements of future emigrants to UAE.

The fifth paper "**Kerala's Gulf Connection: Remittances and their Macroeconomic Impact**" attempts to construct a time series estimation of remittance from abroad to Kerala economy for the period 1972 to 2000.

"Labour Migration, Employment and Poverty Alleviation in South Asia" is a report of updated summary about the proceedings of the Regional Seminar jointly organized by South Asia Centre for Policy Studies (SACEPS) and Friedrich Ebert Stiftung (FES), Kathmandu, Nepal, August 9-10, 2007. The report was compiled by Sridhar K. Khatri, Executive Director South Asia Centre for Policy Studies (SACEPS).

This report is divided into following eight parts. The first two sections look at how international migration has emerged as a global agenda and its growing importance to South Asian Region.

The third section of the paper examines some of the key issues facing labour migration from the region, particularly the vast inflow of remittances through unofficial channel, problems faced by women migrant workers and the challenging nature of the international labour market.

The next section looks at some of the problems that are often faced by the migrant workers, including how the 'mindset' of governments in the region and the absence of adequate institutional mechanisms to promote and protect workers' interests has led to violations of their rights.

The fifth section examines the contribution of remittances in poverty alleviation and employment in the region. In particular, this portion of the paper looks at how migration has provided access and opportunities to many people from South Asia to make a better living by taking advantage of the international labour market and the difference remittances has made in uplifting the economic status of the poor by generating income in the country of origin. The level of legal protection provided to the migrant workers through national regulations, and regional and international conventions are examined in the next section.

The remaining two portions of the paper looks at measures that need to be taken in South Asia to further promote migration and protect the rights of the migrant workers.

The final section deals with the desired goals that must be achieved by sending countries in South Asia, while the concluding section includes specific recommendations as to what South Asian countries can do collectively to promote migration through the SAARC process.

A paper on "**Policies and Programmes for Remittance Management**" was presented by Madan Kumar Dahal in the SAARCFINANCE Seminar on Management of Workers' Remittances in SAARC Countries, from 9-11 May 2007 organized by.

Nepal Rastra Bank. The paper aimed at exploring trends of remittance income in the SAARC countries and corresponding policies, programmes and its implementation status. The paper has highlighted higher cost of sending remittance, lack of updated data, financial institution still not in the position to accept remittance as financial product and lack of Foreign Employment specific policies are observed as the major bottleneck for implementation of remittance management policies and programmes in the SAARC countries.

Regional Legal Framework on Labour Migration

SAARC Social Charter and Citizen's Social Charter

In South Asia the legal framework has yet to develop fully to protect the rights and interest of migrant workers. The SAARC Social Charter that was adopted by the SAARC Summit in Islamabad, on January 2004, is primarily a gentlemen's agreement which is useful in exerting moral pressure on governments. The objective of the Charter is to establish people-centered framework for social development to guide their work to build a culture of cooperation and partnership.

The SAARC Charter does not recognize labour as a distinctive group and therefore labour, or workers, are not even mentioned in the document. The Charter's emphasis is on promotional concepts and does not speak of rights and freedom of individuals in the region.

South Asia Centre for Policy Studies (SACEPS) Citizen's Social Charter

Unlike in the formulation of the SAARC Social Charter, SACEPS was able to mobilize and sustain a constituency in the civil society which could be used to promote the concept behind the Charter and monitor its implementation. The Citizen's Social Charter does not contain an independent section on labour, but mentions that while its scope shall not be limited by the Universal Declaration of Human Rights it will be guided by, among others, the ILO Convention on the Right of Workers and Convention on the elimination of All Forms of Discrimination against Women (CEDAW). The Citizens' Social Charter recognizes human resource development for a productive workforce must include the well-being of the workforce through promotion and protection of their rights (Art. 116 and 118). Furthermore, it proposes

action plans to implement labour legislation, establish appropriate institutions and provide the conditions necessary to ensure the rights of workers. (Art. 119)

Bangladesh - Emigration Ordinance 1982

Among the five major sending countries of the region only Bangladesh has a comprehensive overseas employment policy, which was only adopted in 2006 after its earlier Emigration Ordinance 1982 and three rules were found to be inadequate in protecting migrant workers from fraudulent practices. There are three government agencies to manage the welfare of migrants: the Ministry of Expatriates' Welfare and Overseas Employment; its Bureau of Manpower, Employment, and Training (BMET); and Bangladesh Employment and Service, Ltd. (BOESL). Whereas BOESL functions as a consultant and recruitment agency for Bangladeshis looking for foreign employment, BMET protects the interests of the emigrants and provides vocational guidance and counselling. Bangladesh has also set up the Wage Earners' Welfare Fund to expand the scope of coverage for migrant workers.

Indian Emigration Act of 1983

Indian Emigration Act of 1983 focuses on the welfare of the migrants and promotion of overseas employment. In an attempt to make the system more responsive to the interest of the migrant workers the Indian government has made some changes and adjustments. There are eight offices of the Protector of Emigrants located in various parts of the country. Currently, there is a proposal for establishing a National Manpower Export Promotion Council which seeks to make both government functionaries and recruitment industry more accountable. Besides the Ministry of Labour the other ministries involved are the Passport Issuing Authority, Indian diplomatic missions (which functions under the Ministry of External Affairs), and Airport.

Emigration Ordinance, 1979 of Pakistan

Pakistan has a comprehensive emigration system that operates under the Ministry of Labour, Manpower, and Overseas Pakistanis. Under the Emigration Ordinance of 1979, the Bureau of Emigration and Overseas Employment that is under the Labour Ministry regulate migration in the private sector, while the public sector migration is looked after by the Overseas Employment Corporation. Migration of purposes other

than foreign employment is controlled by the Ministry of Interior through its various departments. They include: the Federal Investigations Agency, the Directorate General of passports, and the Immigration and National Database and Registration Authority.

Sri Lanka Bureau of Foreign Employment (SLBFE)

In the case of Sri Lanka, migration and remittances are looked after by the Ministry of Employment and Labour, along with its implementing machinery, the Sri Lanka Bureau of Foreign Employment (SLBFE). While the Ministry has responsibility for formulating policies and monitoring the administration of foreign employment, the SLBFE implements a wide range of workers' welfare programme, both at home and in the host country.

Doha Declaration on Foreign Workers

The receiving countries in the Gulf countries have also come to realize the need to formulate common strategy to address the socio-economic impact of foreign workers. In May 1, 2007, the Doha Declaration on Foreign Workers in the GCC was issued at the conclusion of a regional symposium participated by high government officials, academics and decision makers from the sending and receiving countries, including experts in the area of population, labour and migration. The Declaration recognized the importance of strengthening cooperation among the GCC states and called for further integration of their policies through exchange of relevant information among member states, including through international agencies such as the ILO and other UN bodies. A similar declaration of this nature for the sending countries from South Asia has yet to emerge (Khatri, 2007).

2.3 National Context of Migration and Foreign Employment

Bijaya Shrestha in her article on "**Contribution of Foreign Employment and Remittances to Nepalese Economy**" (NRB, 2008) has assessed the contribution of foreign employment and remittances to Nepalese economy and also identifies the information needs and gaps. It is an attempt to assess the role of remittances in poverty reduction.

She further admits that, though remittances sent home by migrant workers is a boon to the economy, the facilities are inadequate to back up the increasing trend of migration. Inadequate information on foreign employment, lack of skill training and lack of assurance of safe working environment and rights of the migrant workers has obstructed foreign employment.

She also suggested that, the government should play a proactive role to promote foreign employment by inducting and adhering to the policy of economic diplomacy. Further to that, formulation and effective implementation of pro poor migration policy is the need of today. Replicating the best practice of the region has to be endorsed in our national context for promotion and regularization of foreign employment, to encourage official transfer of remittance and to streamline the asset and skill of the returnees for the economic development of the country.

She concluded her article that, in Nepal, remittances have emerged as one of the premier sources of foreign exchange, and in recent years they have been an important avenue of support for family members remaining at home. It has been already demonstrated that remittances sent by the migrant workers is an effective tool for poverty reduction.

In "**Nepal's Dependence on Exporting Labour**", 2005 by David Seddon, University of East Anglia in 1997 has mentioned that in the last decade, foreign labour migration has become a major feature of Nepal's economy and society. Approximately 700,000 Nepalese are working beyond India, mainly in the Middle East, East Asia, and Southeast Asia. About five percent of these are women. At least another 700,000 work in the private sector in India, and 250,000 in India's public sector.

He mentioned the following in his study paper:

- The Labour Act, 1985 has facilitated arrangements for Nepali migration to about a dozen specified countries, but the government has failed to develop a coherent labour export policy.
- Significant numbers of Nepali men were employed in the Indian Army. Towards the end of the 1990s, some 250,000 Nepalese were employed in India's public sector, of which perhaps 50,000 were in the army.

- According to research in 1997 by the Nepal Institute for Development Studies — the first systematic look at Nepali foreign labour migration — as many as 750,000 men and women were working in India's private sector. Most were engaged in manual labour jobs in industry, construction work, agriculture, or the service sector.
- With the approval of the Labour Act of 1985, the government of Nepal officially recognized the potential value of foreign labour migration "overseas," meaning beyond the Indian subcontinent.
- According to research in 2002 by the Nepal Institute for Development Studies sponsored by UNIFEM, approximately 170,000 or more Nepalese were in East and Southeast Asia, with nearly 36,000 in Europe and over 10,000 in North America. However, the Gulf countries by this time had eclipsed Asian destinations; over 465,000 Nepalese were working in countries such as Saudi Arabia and Bahrain.

Bal Kumar KC in his article "**Internal Migration in Nepal, (2004)**" has pointed out that, high unemployment and underemployment will force people to remain either under severe poverty or migrate to other places within and outside the country for better opportunity for livelihood. He has made the following findings in his article.

- The volume of inter-district migration may double by 2011, the next census from the present 2.9 million.
- Important causes of internal migration in Nepal in the present decade were poverty, inequitable distribution of income, unemployment, difficult livelihood, and food insecurity. This had push more and more people to foreign countries.
- Migrants are more literate than non-migrants and the level of education in general among migrant males is higher than that of female migrants. Female migrants had increased for aspiration of higher education in order to bridge the gap of gender discrimination or face the consequences of severe social and economic problems in the origin, especially among adolescents.

- In-migration and net positive migration show positive signs of development. Even emigration tends to be good for the country in terms of reducing unemployment and increasing remittances. Any poverty strategy in Nepal is bound to be more successful with a strong component of migration policy integrated with it.
- Further research in this area should focus on developing more recent indicators of development and relating these with migration at the village and the district level. Consequences rather than causes of migration in the urban areas, especially in the Kathmandu Valley would be an important topic for further investigation.

Vidya Bir Singh Kansakar's research work on "**Population Change in Nepal, A case of Mobility during 1911 - 1961**", unpublished PhD Thesis submitted to Patna University, in 1974 has explained different aspects and frame work of historical process of migration. The study has described the economic disparity between the tarai and hills as the major leading factor of migration from hills to tarai. Besides that, government policy is also the cause of movement of people. After the eradication of malaria from tarai, people were encouraged to move to the tarai and inner tarai and from hills to inner tarai.

New Era, has conducted a "**Study on Inter Regional Migration in Nepal**" in October 1981. In the study, Nepalese migration has been categorized into: i) seasonal; ii) temporary; and iii) permanent; natured. The study has also explained the causes of migration in the frame of 'push and pull' factors. High population pressure, insufficient land holdings, shortage of food grains and environmental shifts in hills are 'push' factors. Where as, existence of land resources in tarai, government incentives, planned resettlement, availabilities of the several facilities and pressures of friends and relatives are 'pull' factors for the hill people.

"**An Overview Paper on Overseas Employment in Nepal**" by Ganesh Gurung for International Labour Office in Nepal, 2004 is a critical overview of statistics on migration, and details a range of limitations and holes in the available data. In addition, the report gives a demographic picture of Nepal's migrant workforce. The

author has analysed the caste, class and educational backgrounds of migrant workers in relation to their overseas destination and work opportunities.

The report clearly illustrates the numerous bureaucratic steps that workers who seek employment overseas must pass. In particular, this includes a considered assessment of Nepal's 'manpower' agencies. The author clarifies in minute detail the necessary documents and signatures that are required to guarantee a visa, and demonstrates how this lengthy process creates an enabling environment for abuses. By offering vivid cases studies and personal accounts, the author shows us that it is always the migrant worker who suffers. The majority of Nepal's migrant workers are offered no protection from injury or exploitation by their employers and are not represented by any formal workers' organisation. This report explores these vulnerabilities and suggests interventions that may begin to offer Nepal's growing migrant workforce greater support.

Prakash Bhattarai's study regarding the **“Migration of Nepalese youth for Foreign Employment: Problems and Prospects”** conducted in October 2005 aims at evaluating the Nepalese government's policies and programmes related to the regulation and management of foreign employment profession in Nepal.

This study, at the some time has seek to identify the issues and challenges on foreign employment, nature of labour migration trend and the number of socio-economic and demographic aspects related to the migration of Nepali migrant workers. The study has also evaluated the internationally recognized policies and programmes to protect the rights of the migrant workers.

Both qualitative and quantitative information has been incorporated in the study. The researcher has conducted trend analysis of Nepali labour migrants by fiscal year and observed the concentrations of people in different countries in different period of time.

As a finding of the study, Bhattarai mentioned that, migrants workers have been facing problems both in the origin and the country of destination. Further to that, government polices relating to the international migration are not properly

implemented. On the other hand government lacks commitment in protecting the rights of the migrant workers.

Finally, the study has concluded that the foreign labour migration can be regulated with the proper implementation of government policies and programmes. The foreign employment profession should also be accepted as a dignified occupation as because of its importance to strengthen the national economy and it also making our young people engage in some sorts of income generating activities even in the difficult period of the country.

"Patterns in Foreign Employment and Vulnerability of Migrant Workers" (November, 2000), the paper was prepared by Ganesh Gurung, Executive Chairman of Nepal Institute of Development Studies.

The paper is concerned with the issues related to Nepalese migrant workers. It seeks to understand the workers' mobility and how it links to their HIV vulnerability. It also compiles recommendations for appropriate measures to reduce these vulnerabilities and improve the migration experience for Nepalese workers.

Gurung has recommended at various steps of foreign migration process. Followings are the areas of his recommendations:

- A. Recommendations regarding pre-departure
- B. Recommendations regarding the post-arrival experience of migrant workers
- C. Recommendations regarding the reintegration experience of migrant workers

Beside that, Gurung has pointed out the following Problems and Prospects of Foreign Employment :

- _ Present insurance system in Nepal must be changed to better protect Nepalese while they are working abroad.
- _ Since most Gulf countries do not have Embassies/Consulates in Nepal, visa processing is both time consuming and costly. An effort should be made to establish consulates in Kathmandu.

- _ Since the foreign employment policy is control-oriented rather than promotion-oriented, a comprehensive review of the foreign employment policy should be made.
- _ Credit support should be provided to the poor in order to promote their participation in overseas employment, which at present is beyond their financial capacity.
- _ New training centres should be established and the existing ones improved in order to better serve the needs of Nepalese migrant workers.
- _ Gender discrimination, such as the ban on women seeking overseas employment, should come to an end

Bed Nidhi Ghimire "**Migration and Employment: A case study of Sandhikharka VDC of Arghakhanchi District**", unpublished M.A. thesis, TU Kathmandu, 1997, has pointed out that, Population of Sandhikharka VDC has migrated not only to various parts of Nepal, but also to India, Arabian countries, Korea and UK. Employment opportunities, business facilities were the main pull factors of their out migration. The majority numbers of these out migrants are economically motivated. Economically their standard of living is raised through employment activities.

A study on "**Remittance Income from India**" was conducted by the Research Department of Nepal Rastra Bank. The study aimed at exploring trends and nature of remittance income, channels of remittance income from India, and analyze the existing system of adopted by SAARC countries for remittance income through formal channel.

The study observed among other that, Policies adopted by Nepal government and the Nepal Rastra Bank primarily focused on the remittance income from the third countries rather than from India. Besides that, time duration and cost implication on remittance income transfer from India is not customer friendly.

The study has also identified the following measures as for encouraging remittance through formal channels:

- Reduction of tax in Inward Remittances;
- Provide preferential treatment in custom for goods with returning migrants;
- Flexibility in foreign exchange and capital control in case of Remittance income;
- Encourage system of collective remittance and matching fund,
- Issuing of government bonds and debenture focusing Diasporas.

2.4 Legal Provisions for Foreign Employment

Followings are the legal frame works enacted by the government for the promotion of foreign employment.

- i) Interim Constitution of Nepal, 2063
- ii) Foreign Employment Act, 2064
- iii) Foreign Employment Regulation, 2064
- iv) Policies for Foreign Employment

Interim Constitution of Nepal, 2063 (2006/07)

The Interim Constitution of Nepal, 2063 has guaranteed various fundamental rights of citizens of Nepal. All the citizens are equal despite of difference in terms of sex. The constitution has guaranteed freedom of movement and freedom to adopt any kind of profession. It has also guaranteed reasonable payment for the labour and provided right against exploitation.

Foreign Employment Act and Regulations, 2064 (2007/08)

Government of Nepal has promulgated Foreign Employment Act, 2064 for the promotion of foreign employment as a respectable profession. This act puts emphasis in preserving rights and providing necessary security for the foreign Employees. As per the clause 85 of the Foreign Employment Act, 2064, Nepal Government has endorsed Foreign Employment Regulation, 2064 which has widened the scope and

simplified the procedure for implementing the Foreign Employment Act. The act consists of 12 Chapters where as the regulation consist of 10 Chapters:

The following are the major characteristics of the act and regulations.

- Progressive system for protection of labour's right;
- Provided various facilities and made foreign employment a profession of an honored;
- Increased provision for punishment on crime against labour, and prescribed mechanism for implementation;
- In case of emergency, the act has provisioned foreign Employment fund as a relief mechanism; and
- Act has increased the role of government in promotion of foreign employment.

Some of the weaknesses of the act and regulations:

- Lack of government contribution in Foreign Employment fund;
- Lack of real representation of organizations working for the right and welfare of the labours; and
- Lack of mediation mechanism for settlement of disputes.

Policies for Foreign Employment

Though, the government of Nepal has not developed foreign employment specific policy document, there are foreign employment related topics in various government manifestos. Followings are some of the foreign employment related policies:

Labour and Employment Policy, 2062 (2005/06)

The following policy and strategies in relation to foreign employment has been highlighted in the Labour and Employment policy, 2062.

- A distinct policy on labour migration will be formulated and enforced for the promotion of safe and decent foreign employment.

- The implementation of the global labour parameters in the informal sector will be encouraged through employers' and workers' organizations.
- The "skill for employment" programme will be implemented by coordinating the vocational and skill development training programmes conducted under different ministries and agencies and making them more effective in accordance with the changing technology and nature of demand of the labour market.
- The global standards of gender equality and promotion will be adopted and their provisions gradually implemented.

Action Plan for National Human Rights, 2061 (2004/05)

- Review the effectiveness of the implementation of the foreign employment related acts.
- Establish foreign employment information centre

The Three Year Interim Plan, 2064/65-2066/67 (2007-2010)

The three year Interim plan has jot down the following Objectives policies and working policies relating to the foreign employment promotion in the country.

Objectives

- Strengthening and promoting foreign employment at regional and international labour markets by increasing competitive efficiency of the workers in compatible with liberalization and globalization;
- To reduce unemployment by developing skilled and competitive labour force in accordance with the demand of the domestic and international labour markets; and

- To make foreign employment safe and organized, and identify new areas of employment.

Policies and Working Policies

- Legal, technical and practical trainings will be made available in order to make the maximum use of opportunities available for employment by identifying foreign labour market.
- Women as well as worker-friendly legal and institutional reforms will be made in order to make domestic and foreign employment reliable and safe. Further, necessary skills and training will be provided to labour force.
- Dalits, Adibasi Janajatis, Muslims, Madhesis, conflict affected, disadvantaged communities and individuals will be encouraged for foreign employment by providing appropriate skills.
- Labour agreement will be made with countries having more than a stipulated number of labourers along with the development of diplomatic mechanisms for the protection and welfare of Nepalese going for foreign employment.
- Arrangements will be made for accident and life insurance for the entire work period for those going for foreign employment.
- The subject of foreign employment will be incorporated in the syllabus of training institutes of different agencies to increase awareness, knowledge and liabilities on legal, social and security aspects, for the protection and welfare of individuals going for foreign employment.
- The remittances will be used for productive purposes by inducting appropriate programs while making the remittance system simple and strengthened.

Gaps and Problems in Legislation and Implementation

Although the Foreign Employment Act (2064) is well intentioned, its implementation has not effectively promoted foreign employment and protected the migrant workers. For the Act to be effectively implemented there must be a coordinated effort by all

agencies involved in labour migration. The active participation of the police, immigration, banks, airlines and foreign missions abroad is equally important.

Licensed recruitment agencies deplore existing legal provisions relating to migration clearance. In particular, the need to receive governmental approval for job offers, for the advertising of job offers, and for the selection of applicants causes delays in sending people abroad. As a result, agents claim, the business is being retarded. Similarly, prospective migrant workers complain about the excessive cost of securing foreign employment. License holders and unauthorized recruiting agencies often charge in excess of the legally permissible service charge. Malpractices, graft, corruption and the exploitation of workers have become common phenomenon in the recruitment of workers for employment overseas.

There is a high incidence of fake employment contracts, visas, and forged documents for migration clearance and travelling. The result is that many Nepalese become stranded or get deported from countries where they have gone for work. As discussed above, a foreign worker who feels cheated can take their problem to the DLEP. After the submission of their case and with the permission of a court, offenders can be kept in police custody for up to 30 days while an investigation is conducted.

However, there is no set time limit in which cases must be submitted. Among the cases filed by the DLEP to date, a District Court has given its verdict against 'Everest Foreign Employment', 'Manakamana Manpower', and 'International Manpower Nepal'. With the support of the DLEP Rs. 24,461,640 has been paid to victims (Gurung, 2004).

2.5 Concluding Remarks

To conclude, migration has both positive and negative consequences to the country of origin. Remittances from international migrants play an extraordinary role in the current accounts of many developing countries. Where as the loss of skilled people impose several different kinds of costs on their countries of origin.

There always remain gaps in our understanding of how remittances are, or can be used, to promote development. Besides that cost of sending remittances is a major loss of income for the developing world. The cost of transferring money can represent a significant loss to immigrants and their families.

In order to protect human rights of the migrants international declaration, convention, and agreements has been made to protect migrants through the whole migration process including decision making, pre-departure, migration preparation, transit and employment at destination country, and return/reintegration. But, both the sending and receiving countries do not usually want to be bound by such obligations.

In the Asian context of migration, Gulf countries have been the destination since 1970, later expanded to the dragon economies (ASEAN countries) in from the 1980s.

Both male and female migrants are increasing day by day. Male population are migrating in response to the requirements of industrialization (construction and manufacturing; plantation work in Malaysia), and female migration in response to the shortage of domestic and childcare workers (with Hong Kong, Singapore, Malaysia, and Taiwan as major destinations in East and Southeast Asia).

Though the numbers population migrating for foreign employment has increased and country of origin is benefiting remittance income in South Asian countries, the legal framework to protect the rights and interest of migrant workers has not yet fully developed.

Foreign employment and remittances has great contribution to the Nepalese economy. But, the magnitude of contribution is only guess works due to lack of authenticity of information.

Nepali migrant workers have been facing problems both in the origin and the country of destination. Though limited protective measures had been developed, polices and guidelines relating to the international migration are not properly implemented. Further to that, government lacks commitment in protecting the rights of the migrant workers.

CHAPTER III

RESEARCH METHODOLOGY

This study is based on primary and secondary sources of information. For the purpose of studying the contribution of the out migration / foreign employment, Siddhipur Village Development Committee (VDC) has been chosen.

Siddhipur VDC is situated in Lalitpur district of Bagmati zone, some 3.2 kilometer away from the south-east boundary of the Lalitpur sub-metropolitan City. Previously, Siddhipur VDC was called 'Sano Gaun'. Later, in 2021 BS, it is given the name "Siddhipur".

3.1 Research Design

In order to achieve the study objectives, the descriptive and analytic research method have been adopted. To provide the direction to the study and analysis, standard questionnaire was prepared and interviews were conducted in Siddhipur VDC.

The questionnaire consists of seven different sections. The first, second and third sections includes questions for collecting personal and other general information of the migrants family and household. Specifically, it consists questions relating to the 'personnel descriptions', 'descriptions regarding foreign employment', and 'information about present social status of the migrants household'.

The fourth section of the questionnaire consists of questions to get the glimpse of the economic status of the migrant's house and the economic implication of the foreign employment.

The fifth section of the questionnaire aims at collecting changed status of empowerment level of the migrant's wife. For the purpose, the questionnaire is

designed to get information regarding the following four basic indicators of empowerment.

- Access to information;
- Awareness about the basic rights;
- Capacity building efforts; and
- Decision making.

The Sixth section of the questionnaire focused in collecting information regarding changes in gender role of the migrant's wife due to her husband migration for foreign employment. And the last section of the questionnaire was for the collection of the problems (physical and mental) faced by the migrant's wife because of assuming of the household and family burden in absent of her husband.

The questionnaire used for collection primary information is given in Appendix 3.

The study aimed at analyzing the overall contribution of foreign employment (remittance) on national economy (first objective of the study), with the help of secondary information. For the purpose, publication, reports, research works, review, survey reports etc. were collected from the following organizations.

- Nepal Rastra Bank;
- Ministry of Finance;
- Central Bureau of Statistic;
- Department of Labour and Transport;
- Association of Foreign Employment Business, Nepal;
- International Labour Organization;
- District Development Committee Office, Lalitpur;
- United Nations Development Fund for Women (UNIFEM); and
- Other non-government organizations working for foreign employment.

Data/ information regarding remittance and other related information were collected and analyzed. A relationship between the independent variables (Remittance, Gross Fixed Capital Formation, and Economically Active population), dependent variables real Gross Domestic Products (GDP) has been shown in this research work. The result

of this analysis is to examine the contribution of remittance in national economic growth.

3.2 Method of Data Collection

3.2.1 Preparation for the Field Survey

Based on the review of literature, following activities were carried out as preparation for the field survey:

- Identify Siddhipur VDC as the targeted community for the survey work. Siddhipur VDC was specially selected for the study because; this VDC is in the least distance (7 kms.) from Kathmandu. It is also known as the VDC with highest number population engaged in foreign employment jobs. The total number of population in foreign employment jobs from this VDC are 439 male and 18 female. (Siddhipur VDC, 2008). The detail of country-wise migration from this VDC is given in Appendix 4.

- For collecting primary information sample survey method was used. Information regarding the total numbers household has been obtained from the VDC Office. There are 936 households in this VDC. Data shows that, a total of 457 populations had migrated for foreign employment. Out of total population (from 457 household) 104 household (23.0 %) has been interviewed in this study for collecting primary data. For the purpose, random selection of interviewee method was used. Numbers of respondents per ward were proportionately selected, where as numbers of households with in the wards were randomly selected. Ward-wise number of household selected for interview is given in the table below:

Table 3.1 : Household and Sampling Frame for the Siddhipur VDC

Ward no.	Numbers of Household	Ward-wise migrated population	Number of Sampled Households
1	231	113	25
2	140	68	15
3	73	36	8
4	31	15	3
5	40	20	5
6	70	34	8
7	23	11	2
8	76	37	8
9	252	123	26
TOTAL	936	457	104
Percentage		100%	23.0%

Source: VDC and field survey, 2008

- For analysis of socio-economic contribution of the foreign employment at the individual and household level (second and third objectives), through primary information a questionnaire was designed to collect household's socio-economic status, individual empowerment of the dependent of the foreign employee, and changes in gender role of the dependent. The interview was conducted to collect information exclusively from the women dependents (wives) of the foreign employees. (refer Appendix 3)

3.2.2 Methods and Techniques for Data Collection

A data collection technique was chosen in accordance with the level of understanding likely to arise from their use. Wherever possible, results were cross-checked (triangulated) by using a number of different sources and by utilizing a range of structured, semi-structured and unstructured data collection techniques. The field survey was designed in order to establish householder's views, sampling a population of potential respondents in order to generalize conclusions more widely. As well as eliciting the views of respondents, equal importance was placed on their actions and experiences, using both a time and an incident focus. Data collection techniques were pre-tested, developed and adapted accordingly.

Two complementary data collection techniques were used during all the phases of the fieldwork survey:

Semi-structured Interview Survey

A series of semi-structured interviews were carried out with the sampled 104 household in the targeted wards of Siddhipur VDC for getting information regarding changes in household income and changes in gender roles.

Observation Techniques

For collection of formal/informal nature of empowerment status due to foreign employment, observation and data collection technique was applied. The observation techniques enabled data gathering on: social and behavioral aspect of the population in the sampled wards. The following were the dimension of community empowerment due to foreign employment.

Access to Information: information opens the doors of opportunity, access services, exercise their rights and enhance accountability;

Inclusion/participation: Inclusion of poor people and other excluded groups in decision making is critical to ensure bringing about commitment to change; and

Accountability: members of community are answerable for the action and that affects the well-being of the community.

3.3 Method of Data Analysis

Collected data are stratified, tabulated and analyzed in an appropriate and purposive way. Analysis of data is done with the help of descriptive and statistical tools. Frequency tables are one of the tools for data presentation. Such frequency table along with diagram and graphs are used for analyzing the data.

A computerized SPSS program was used to show the interrelation between remittance and national economic growth using regression analysis. Besides, statistical tools, other simple tools using Excels Program have been also applied.

For examining the contribution of remittance on GDP the following steps were followed:

- Individual time series were determined. Examining of individual time series suggested that, GDP as dependent variable and the first difference stationary. Labour (economically active population of the country), Capital (Gross Fixed Capital Formation), and Remittances were considered as second difference stationary (independent variables).
- After getting confirmation as regard to the variables being behaved well, the empirical data are transformed into log form. and
- Three regressions are run—first including all the above mentioned variables, the second eliminating remittance and third by eliminating labour and capital.

In order to analyze data collected through questionnaires, data are uploaded in Excels Sheets and later analyzed with help of various facilities within the Excels Programmes to create analytical tables.

CHAPTER IV

FOREIGN EMPLOYMENT: CONTRIBUTION TO NATIONAL ECONOMY

4. Introduction

This chapter aims to present the contribution of foreign employment on national economy. The starting of this chapter deals with the present global economic scenario and contribution of remittance. Along with it, this chapter also deals with the macroeconomic situation of Nepal.

4.1 Glimpse of World Economy

According to the World Economic Outlook (Updated) published by the International Monetary Fund (IMF) in January 2009, the world output growth is expected to slow down from 5.2 percent in 2007 to 3.4 percent in 2008. The Fund projects such growth to be 0.5 percent in 2009. The contraction of the world economy will remain subdued primarily owing to the spill-over effect of the financial turmoil emanating from the sub-prime mortgage in the US to the other advanced economies through trade and financial system. This would be the first annual contraction during the postwar period, although the downturn is broadly comparable in the magnitude to those that occurred in 1975 and 1982.

The continuing deterioration of financial crisis in the United States and Euro area will remain a drag on demand and a source of uncertainty for financial markets. The U.S. economy will suffer, as households respond to depreciating real and financial assets and tightening financial conditions. Consequently, the US economy is projected to tip into recession in 2009. Other advanced economies will also slow in the face of trade and financial spillovers, with housing markets a source of drag in some European countries. Growth in the Euro area will be hard hit by the tightening financial

conditions and declining confidence. In the case of Japan, the support to growth from net exports is expected to decline. Moreover, the growth rates of Japan and Euro area are projected to remain low in 2009 compared to that of the preceding year.

In the fourth quarter of 2008, markets have entered into a vicious cycle of asset deleveraging, price declines, and investor redemptions. Credits spread spiked to distressed levels and major equity indices dropped by about 25 percent in October. Weak global demand is depressing commodity prices. Oil prices have declined by over 50 percent since their peak, retreating to levels not witnessed since early 2007 reflecting the major global downturn, the strengthening of the U.S. dollar and the financial crisis despite the decision by the Organization of Petroleum Exporting Countries (OPEC) to reduce production.

The economic growth of the emerging and developing economies is expected to remain buoyant on account of lesser impact of the financial instability underpinned by the mild recession in India and China.

Developing Asia is estimated to register a growth of 7.8 percent in 2008 and is projected to decrease by 5.5 percent in 2009. Likewise, South Asia is estimated to post a growth of 7.6 percent in 2008 and is projected to contract by 6.4 percent in 2009. The neighboring countries, India and China, are estimated to witness a growth of 7.3 percent and 9.0 percent respectively in 2008. The economic growth of India is projected at 5.1 percent and that of China at 6.7 percent in 2009.

The financial market strains and its adverse impact on the expansion of the global economy, the higher price rise of the petroleum products and food-grains in mid-July of 2008 together with the persistent global imbalances have created challenges for the world economy.

World trade volume decelerated at the rate of 7.2 percent in 2007 as compared to a growth of 9.3 percent in 2006 and is estimated to decelerate by 4.1 percent in 2008. Imports are estimated to register a growth of 1.5 percent in advanced economies and 10.4 percent in other emerging markets and developing economies in 2008. Likewise, exports are estimated to rise by 3.1 percent in advanced economies and 5.6 percent in

other emerging markets and developing economies in 2008. The imports are projected to decrease by 3.1 percent in advanced economies and 2.2 percent in other emerging markets and developing economies in 2009; likewise, exports are projected to decline by 3.7 percent and 0.8 percent in the respective economies in 2009.

Inflation rate stood at 2.1 percent in the advanced economies and 6.4 percent in other emerging markets and developing economies in 2007. The inflation in the advanced and developing economies is estimated to accelerate to 3.5 percent and 9.2 percent respectively in 2008. Most of the economies are estimated to experience higher headline inflation in 2008 owing to the higher price rise in the food and energy products on account of the strong demand growth in the emerging and developing economies. Inflation in South Asia is estimated to remain at 6.9 percent in 2007 and is estimated to be 8.8 percent in 2008 and 8.8 percent in 2009.

The net private capital flows to emerging market and developing economies are estimated to decline to US\$ 528.6 billion in 2008 from US\$ 632.8 billion in 2007. Similarly, such flows are projected to be at US\$ 286.6 billion in 2009.

Unemployment rate in the advanced economies was estimated to remain at 5.7 percent compared to that of 3.3 percent in the newly industrialized Asian economies in 2008. The unemployment rate was estimated to be 5.6 percent in the United States, 7.6 percent in the Euro area, 4.1 percent in Japan and 5.4 percent in the United Kingdom in 2008. The unemployment rate in the advanced economies is projected to go up to 6.5 percent while such rate is expected to remain at 3.3 percent in the newly industrialized Asian economies in 2009.

The fiscal imbalances as percent of gross domestic product (GDP) in the United States and Japan were estimated to remain at 4.1 percent and 3.4 percent respectively in 2008. The net debt to GDP ratio was estimated at 101.3 percent in Italy followed by Japan (94.3 percent), Germany (56.1 percent), France (55.5 percent), the United States (46.3 percent), the United Kingdom (37.6 percent) and Canada (21.5 percent) in 2008 (NRB 2007/08).

4.2 Impact of Foreign Employment in the World Economy

International migrant remittances have become an important source of external finance in developing countries. In nominal dollar terms, recorded remittances sent home by migrants from developing countries are more than \$283 billion in 2008, a rise by 6.7 percent from \$265 billion in 2007. This amount, however, reflects only transfers through official channels. Econometric analysis and available household surveys suggest that unrecorded flows through informal channels may add 50 percent or more to recorded flows. Including these unrecorded flows, the true size of remittances is larger than foreign direct investment flows and more than twice as large as official aid received by developing countries.

In real terms, however, remittance flows to developing countries decline from 2 percent of GDP in 2007 to 1.8 percent in 2008. After many years of strong growth, remittance flows to developing countries began to slow down in the third quarter of 2008. This slowdown is expected to deepen further in 2009 owing to the global financial crisis, though the exact magnitude of the growth moderation is hard to estimate largely due to the uncertainties about global growth, commodity prices and exchange rates. (Ratha, 2003).

Remittances had generated a positive effect on the economy through various channels such as savings, investment, growth, consumption, and poverty and income distribution. At the national level, remittances had contributed significantly to GDP. Remittances also contributed to stability by lowering the probability of current account reversals. Since they are a cheap and stable source of foreign currencies, remittances has stem investor panic when international reserves are taking a downward trend or external debt is rising. (Pant, 2008)

At the community level, remittances had created multiplier effects in the domestic economy, producing employment opportunities and spurring new economic and social infrastructure and services, especially where effective structures and institutions have been set up to pool and direct remittances. Where these have been set up and encouraged, and where the state is cooperative, remittances can bring about a change, especially in remote rural areas. (Pant, 2008)

Remittances are found to rise when the recipient economy is in downturn in activity or macroeconomic shocks owing to financial crisis, natural disaster, or political conflict. By making up for foreign exchange losses due to these shocks, remittances have smoothed consumption and thus played a part in maintaining the economic stability of recipient countries.

The poverty reducing and income distribution effect of remittances is also significant. This case is based on the fact that the recipients of remittances are often low-income families whose offspring left the country to work abroad. (Pant, 2008)

Remittances assist in augmenting national income by providing foreign exchange and raising national savings and investment as well as by providing hard currency to finance essential imports hence curtailing any BOP crisis. Since they bear no interest, do not have to be repaid, and their utilization is not tied to specific investment projects with high import content, they have a more positive effect on BOP than other monetary flows such as direct investments or loans.

In many countries, a large portion of remittances are invested in real estate, demonstrating both a desire of migrants to provide housing to families left behind and a paucity of other investment instruments in the recipient. Whether remittances are utilized for consumption or purchasing houses, or other investments, they produce positive impact on the economy by stimulating demand for other goods and services. (Pant, 2008)

Some studies have illustrated that remittances have also deleterious impact on national economic growth in the medium and longer term (Oxfam Novib, 2006). Remittances had fuelled inflation, disadvantage the tradable sector by appreciating the real exchange rate, and reduce labour force. Moreover, remittance's contribution to growth and poverty had reduced the incentives for implementing sound macroeconomic policy or to institute any needed structural reforms.

Some also argue that remittances do little to stimulate development in the countries of origin. A few studies undertaken relating to the uses of remittances, show that, savings produced by remittances are frequently directed to purchases of non-productive assets. Evidences from microeconomic surveys demonstrate that purchases

of land, housing and other real assets, are the most common uses of remittances in the country of origin. In some instances this led to ballooning prices of these real assets (NRB, 2006).

4.3 An Overview of Macro Economic Situations of Nepal

In 2007/08, the Nepalese economy displayed a satisfactory performance in terms of economic growth. The satisfactory performance of agriculture sector together with the satisfactory expansion of service sector placed the overall growth to a peak of four year high. The industrial performance however remained lackluster. Strikes, roadblocks, paucity of petroleum products, load shedding and turmoil in Tarai region continued to drag down the pace of industrial growth in 2007/08.

Nepal's economic growth rate in FY2008/09 is estimated to decline. In comparison to 5.3 percent GDP growth achieved at producers' price in FY2007/08, is estimated to grow in this fiscal year only by 4.7 percent (MoF, 2009).

The ratio of domestic savings to GDP at current prices in FY2008/09 stood at 8.0 percent as compared to 11.2 percent in FY2007/08. Similarly, the ratio of national saving reached 32.3 percent in FY2008/09 from 31.5 percent in the previous year. Consequently, the ratio of investment to GDP down slide from 31.8 percent to 29.7 percent, between these two periods. Ratio of net exports of goods and services to GDP, which remained adverse by 20.6 percent in the previous year, has reached 21.7 percent during this period (MoF, 2009).

Inflation rate in the current fiscal year has remained very high. The point-to point based Consumer Price Index (CPI), which rose by 7.2 percent in mid-March 2008 recorded a growth rate of 13.1 percent by mid-March 2009. During the same period, the Wholesale Price Index (WPI) also has shot up from 6.6 percent to 12.3 percent. Likewise, the GDP deflator price index also rose steeply from 6.3 percent in 2007/08 to 12.2 percent in FY2008/09 (MoF, 2009).

Despite the political turmoil and transition phase of the economy, fiscal situation remained broadly stable in 2007/08. Fiscal deficit stood at 2 percent of GDP as

against the estimate of 2.7 percent in the budget of 2007/08. Such a prudent fiscal situation was made possible primarily due to the impressive revenue mobilization and foreign grants. A host of reforms in tax administration, growing imports and consumption induced by the rise in remittances, the increasing imports of high tax yielding vehicles and spare parts and increase in non tax revenue were among the responsible factors for the encouraging growth of revenue mobilization.

In 2007/08, trade deficit continued to widen as in the previous years. However, there was a surplus in the current account primarily owing to large remittance inflows. The balance of payments also posted a surplus.

Exports, which had decreased by 2.9 percent during the first eight months of FY2007/08 has risen by 17.1 percent during the first eight months of FY2008/09. Imports, nonetheless, has shown the rising trend with 26.1percent growth in the review period of this fiscal year as compared to 19.2 percent growth recorded during the same period of the previous fiscal year. The income from remittance, which amounted to Rs. 82.42 billion in the first eight months of the previous fiscal year, has reached to Rs. 131.0 billion during the review period of this fiscal year.

Total foreign exchange reserves of the banking system amounted to Rs. 212.62 billion as at mid-July 2008, an upsurge by 28.8 percent compared to the figure of the previous year. This level of reserves was adequate for financing merchandize imports of 11.3 months and merchandize and service imports of 9.1 months.

Economic growth in recent years has shown a positive trend in general, showing no visible impact on the growth in deposits with the banking system. The 13.4 percent growth in savings mobilization observed in the first eight months of FY2007/08 grew by 12.1 percent in the first eight months of FY2008/09. The remittance flow on one hand, and expansion of commercial banks and their branches on the other have helped the growth in bank deposits. Remittance income has increased to Rs. 188.0 billions during mid May-mid June, 2009 (NRB, 2009).

Broad money rose by 25.2 percent and narrow money by 21.2 percent largely due to the significant rise in the remittance inflows in the last two quarters of 2007/08 together with the increase in foreign assistance (NRB, 2008).

For managing the Indian Currency reserves, the NRB purchased Indian Currency (IC) 70.6 billion by selling US\$ 1.7 billion in the review year compared to a purchase of IC 39.9 billion by selling US\$ 920 million in the previous year. A widening current account deficit with India and higher amount of payments made to Indian Oil Corporation (IOC) by Nepal Oil Corporation (NOC) contributed to such a rise in IC purchase in the review year.

The stock market experienced impressive growth in 2007/08. The y-o-y NEPSE index increased by 40.8 percent to 963.36 points in mid-July 2008. Similarly, market capitalization to GDP ratio reached 44.6 percent in mid-July 2008 from 25.8 percent a year ago.

Overall, in terms of the macroeconomic performance, the Nepalese economy displayed a mixed performance in 2007/08. While real GDP posted a higher growth compared to the previous year, the annual average inflation remained high. Although the trade deficit expanded, the current account and the balance of payments remained in surplus primarily due to the significant remittance inflows (NRB, 2008).

4.4 Contribution of Foreign Employment to the National Economy

This section of the study examines the contribution of remittance to the National Economy (Gross Domestic Product-GDP).

4.4.1 Conceptual Background of Economic Growth

The macroeconomic effects of remittances enjoy a strong theoretical tradition dating back to Adam Smith, David Ricardo and the labour theory of value and comparative advantage. It advanced right to the endogenous growth innovation in the 1980s assigning human capital a crucial role in modern production and exchange (Pant, 2004).

In order to explain the conceptual theory regarding contribution of remittance in the National Economy, production and growth functions in GDP is examined, which is explained below:

In theoretical terms, production function is expressed as the functional relationship between quantities of inputs and outputs. It shows how and to what extent the output changes with variation in the inputs, with the use of best techniques available during a period of time.

Whatever the objectives of the state be, achieving optimum social welfare/benefits by providing growth, social justice, developing of free market mechanism, ensuring workable competitive condition, utilizing resources efficient are the bases for economic development. Here, the resources means factors that are labour, capital, land etc. For countries' economic development, these factors should be efficiently utilized. Because in real life, production function is generally very complex. It includes wide range of inputs as land, labour, capital, raw materials, time space etc. All these variables enter the actual production function of the firm. The economists have however reduced the numbers of variables used in a production function to only two viz, labour and capital, for the sake of convenience and simplicity in the analysis of input output relations (Dwivedi, 2002).

The number of inputs in the production function, used an independent variables, and it could be expressed algebraically as follows:

$$Q_x = f(L, K)$$

Where, Q_x = Production (economic growth; GDP at constant prices)

L = Economically active population

K = Capital formation (investment; gross fixed capital formation)

f = Functional relationship

In this, the National Income (GDP) is the function of labour and capital. That is, GDP depends on the quantity of Economically Active Population and Gross Fixed Capital Formation. To suit our convenience and specific needs, the production function can be modified accordingly. Famous statisticians Paul H. Douglas and C.W. Cobb of USA have studied production function of the manufacturing industries in America. In the study, the output is manufacturing production and inputs are labour and capital and are expressed by the following equation:

$$Q = A L^a K^b$$

Where 'Q' is the National Income , 'L' is Economically Efficient Labour, 'K' is Gross Fixed Capital Formation, 'A' stands for constant variable and 'a' and 'b' are positive functions and $b = 1 - a$. The Cobb- Douglas Production function is often used in its form:

$$Q = A L^a K^{1-a}$$

The Cobb- Douglas Production function is used to show the physical relation between GDP growth and other two independent variables in particular period of time. In this section, technological relation between the labour, capital and economic growth is examined. For the purpose, data of Economically Active Population, Gross Fixed Capital Formation and corresponding GDP are collected from the secondary sources.

Economic Growth is a sustained increase in per capita national output or net national product over a long period of time. It implies that, the rate of increase in its total output must be greater than the rate of population growth. The level and rate of economic growth determines the levels of living, quality of life, job opportunities and level of employment and over all material well-being of the people. It is also important for the economic independence of a free nation (Dwivedi, 2002).

Usually economic growth is determined by the following four factors : i) Human resources and its quality; ii) Natural resources; iii) Capital formation; and iv) technological development.

Human resources of a country are the most crucial factor in its economic growth. It is comprised of the available labour force and the level of its education, training, skills and its inventive and innovative abilities. Quantity and quality of human resources are both equally important. The labour force along with its skill is also very important in making optimum use of human resources. An excess of labour force of any kind of works is considered as a barrier rather than a force in economic growth. According to the estimate, there are 300,000 human resources produced every year to add in the labour market in Nepal (Three Year Interim Plan, 2007-2010). Labour scarcities in

the middle-east countries have created ample opportunities for the South-East Asian countries for labour migration.

Capital is defined as man-made means of production. It includes investments in physical infrastructures necessary for economic development. Capital formation enhances availability of capital per worker. A high capital labour ratio enhances productivity of labour. In other words, a larger quantity of goods and services are produced per unit of time, this means a high rate. In general, the county with a high rate of saving and investment results in higher rate of growth.

4.4.2. Remittances and Economic Growth

Remittances can be defined as a sum of money that a migrant worker sends back to his or her country of origin. Remittance transfers are a crucial source of income to developing countries as well as to millions of individual households. Basically, remittances are private funds that should be treated like other sources of households' income. In terms of asset formation, larger number of remittance receivers uses their funds to purchase land or buildings in town areas. Someone purchase means of transportation as a part of their investment. Very rare is found in promoting agriculture and tourism. In short, it could be asserted that the productive use of remittance income is yet to be sought, though it forms a significant part of GNP. In order to channel remittances in productive areas for economic growth, the government should plan strategically for productive use of remittance for economic growth.

Observation of the economic growth rates of some the SAARC countries in 2006, shows that, India has the highest economic growth rate of 8.2 percent and the lowest growth rate (1.9 percent) of Nepal. Sri Lanka has received the second position (7.0 percent) then Bangladesh (6.7 percent) and Pakistan (6.6 percent) (Annapurna Post, Dec.15, 2006). In such circumstances, Nepal has reached the insignificant growth rate because of prevalence of the political conflict, unfavorable climate for agriculture and reduction in export of readymade garments.

However, Bangladesh has received the third position in economic growth rate in the SAARC countries' list, mainly because of increasing the flow of remittances and its

utilization in the strong production sector. According to International Monetary Fund (IMF), 'remittance is the sum of worker's remittances, compensation to employees and migrant's transfers'. "Every remitted dollar generates an additional three dollars in economic activity in the receiving counter", according to economists (The Himalayan Times, 23 Aug 2009). Thus, remittance as a major source of foreign exchange earnings can improve a country's creditworthiness and enhance its access to international capital markets.

4.4.3. Remittance Income in Nepal

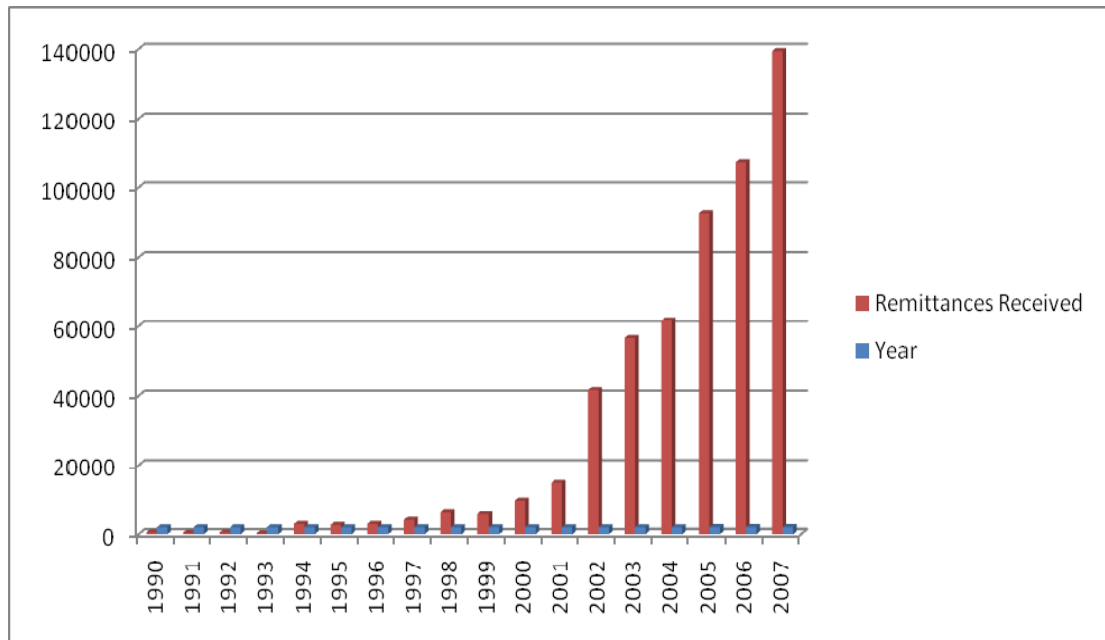
How many Nepalese citizens are working in foreign countries? And how much money do they send back to Nepal? These two questions are extremely important to the Nepalese economy. Yet, there is no exact information available to provide satisfactory answers. Initially, remittance in Nepal was introduced with Gurkha remittances. The official report of the Labour Department shows that there are list of 107 countries where Nepalese are allowed to go for work formally. (List of Countries Opened for Foreign Employment is given in Appendix 5). But still some people are found going abroad in informal channel and working in the government restricted areas too.

During the second half of the 1970s, the recorded value of remittances doubled. In 1974/75 the figure was put at Rs. 90.7 million. This had risen to 216.8 million by 1980/81. Over the next decade, the official value of foreign remittances increased three fold. By 1989/90 it had reached Rs. 676.8 million. This was equal to about half the country's income from tourism and equaled around one seventh of the export economy. Furthermore, it is estimated that by the mid 1980s Nepal was gaining \$47 million annually in foreign exchange from the salaries, remittances and pensions of people employed as British Gurkha's. In addition, Indian currency worth \$100 million was brought to Nepal from Nepalese employed in the Indian Army (Seddon et al 1998).

In the 1990s, the official value of the remittance economy was put at 2.9 billion Nepali Rupees. This was around 7.7% of total foreign exchange earnings, leaving Nepal well below countries like Bangladesh. In Bangladesh, around 33% percent of foreign exchange earnings come from foreign labour employment (Nair 1998).

It is widely believed that official records for the remittance economy represent just the tip of the iceberg; particularly as most remittances are transferred informally. Considering the increasing number of workers going outside the country, it was estimated that, at least Rs.50 billions was received in the fiscal year 2001/02 (Kshetry 2003). It is also estimated that, more than 500 people per day are going abroad for foreign employment. From such migrants, about Rs.100 billion per year is expected to enter into the country through remittance income only (Annapurna Post, Oct.28, 2006).

Figure 4.1. Remittance Received through Formal Channel
(Rs. in millions)



Source : Quarterly Economic Bulletin Mid January 2009, NRB

The official record shows a dramatic increment in the incoming remittance. It increased considerably from Rs. 549.7 millions in 1990/91 to about Rs. 139.421.5 millions in 2007/08. Remittance soared, particularly after 2001/02 (Figure 4.1).

Despite the huge trade deficit, the country is having surplus in the current account because of the growing remittances. The data given in Quarterly Economic Bulletin, NRB 2009 shows the growth rate of 1203.45% in fiscal year 1994/95 compare to 1993/94 which is negative. Even with the widening export import gap and with mounting burden of debt servicing, it appears that remittance is saving the country

from balance of payment crisis. Official estimates regarding the total value of remittances reaching Nepal from the year 1974 to 2007 through formal channel is given in Appendix 6.

4.4.4. Contribution of Remittance to the GDP

Remittance as major component of GDP plays a vital role in increasing economic growth of the nation. There are so many factors determining GDP. But for this study purpose, economically active population of the country, gross fixed capital formation and workers remittances are considered the major factors.

Table below shows the percentage contribution of remittance to GDP (by expenditure Category) at current producer's price (MoF, 2009). The data gives the glimpse of GDP from the year 2000/01 till 2008/09 and the corresponding remittance received. It was found that, during the year 2000/01 share of remittance in GDP was 2.22%. This share reached to 17.04% percent in 2007/08 and in 2008/09 it has reached 20%. On an average, the share of remittance to GDP was 11.21 percent during the review period from 2000 to 2009.

Table 4.1 Contribution of Remittance to the GDP

(Rs. in Millions)

Fiscal Year	Gross Domestic Product (GDP at current prices)	Remittance Income	Percentage contribution of Remittance in GDP
2000/01	441,519.0	9,797.60	2.22%
2001/02	459,443.0	14,859.80	3.23%
2002/03	492,231.0	41,630.00	8.46%
2003/04	536,749.0	56,629.80	10.55%
2004/05	589,412.0	61,784.80	10.48%
2005/06	654,084.0	92,748.60	14.18%
2006/07	728,178.0	107,417.40	14.75%
2007/08	818,401.0	139,421.50	17.04%
2008/09	960,011.0	194,215.60	20.00%
Average share of remittance to GDP			11.21%

Sources: Economic Survey 2009, Ministry of Finance, Government of Nepal. and Quarterly Economic Bulletin--2009 (Mid-January), NRB

After discussing the share of remittance in GDP, it would be appropriate to examine the remittance's contribution to economic growth of the country. This could be achieved by using the mathematical expression called production function as discussed earlier. Production function shows the relation between amount of output to the quantity of capital (in this study Gross Fixed Capital Formation), and labour (in this study Economically Active Population). This can be presented in a normal production function utilizing the following equation:

$$Q = A \beta_1 L + \beta_2 K + \beta_3 R$$

Where, Q is real GDP, L is Labour (Economically Active Population-EAP), K is stock of capital (Gross Fixed Capital Formation-GFCF) and R is Remittance (R), which includes in other determinants of total factor productivity. A, β_1 , β_2 , and β_3 are unknown but fixed parameters known as the regression coefficient; A, β_1 , β_2 , and β_3 are also known as intercept and slope (marginal change) coefficient respectively. The data span for the empirical analysis is from 1987/88 to 2006/07 and include sources from Economic survey of Ministry of Finance and Quarterly Economic Bulletin, Nepal Rastra Bank. (See Appendix 7 for detail)

Economically Active Population (EAP)

The economically active population is generally defined to "comprise all those persons who contribute to the supply of labour for the production of goods and services disregarding whether they actually were employed at the time of enumeration or not" (CBS, 2001). The 2001 census had allowed anyone to count as economically active if they did any work at all during the last 12 months

The extent of economic activity rate is generally measured by crude and refined activity rate. Crude Activity Rate (CAR) represents the number of economically active population as a percent of the total population. Refined Activity Rate (RAR) is a more refined measure of measuring the economically active population. This is simply the activity rate for persons of working age. In the population census 2001, RAR has been defined to represent the number of economically active population of

age 10 years and above as percentage of the population of corresponding age i.e., 10 years and above (CBS, 2001).

For the purpose of this study, economically active population has been calculated using Crude Activity Rate (CAR). In this method, total population figures, population growth rates and rate of Economically Active Populations indicated in the Population censuses 1981, 1991 and 2001 are taken as the basis for calculating the Economically Active Population. The details of Economically Active Population from the year 1987/88 to 2008/09 are shown in the table below. The table shows that economically active population in the year 1987/88 was 6,631,650 which have increased to 11,298,925 in the year 2008/09.

**Table 4.2 Economically Active Population
(1987/88 to 2006/07)**

Year	Economically Active Population (in number)
1987/88	6,631,650
1988/89	6,808,052
1989/90	6,989,147
1990/91	7,175,058
1991/92	7,305,176
1992/93	7,457,124
1993/94	7,612,232
1994/95	7,770,566
1995/96	7,932,194
1996/97	8,097,184
1997/98	8,265,605
1998/99	8,437,530
1999/00	8,613,030
2000/01	8,792,181
2001/02	9,669,275
2002/03	9,886,833
2003/04	10,109,287
2004/05	10,336,746
2005/06	10,569,323
2006/07	10,807,133
2007/08	11,050,293
2008/09	11,298,925

Source: Population censuses 1981, 1991 and 2001, CBS, Nepal

Gross Fixed Capital Formation (GFCF)

Capital formation is the major determinant of economic growth. The purpose of economic development is to build capital equipment on a sufficient scale to increase productivity in agriculture, mining, plantation and industries. This is possible only if there is a rapid rate of capital formation in the country, that is, if a smaller proportion of the community's current income or output is devoted to consumption and the rest is saved and invested in capital equipment.

Capital formation of the country could be measured using various methods. Expenditure method is widely used for calculating capital formation of the country. This method arrives at the Gross capital formation by adding up all the expenditures made on goods and services during a year. Income can be spent either on consumer goods or capital goods. Again expenditure can be made by private individual/households or by government/business enterprises (Jhingan, 1992).

To attain at the Gross Fixed Capital Formation (GFCF), expenditures on consumer goods and services made by the private individual/households and government/business enterprises are added together. Change in stock is further added to the figure to calculate total investment.

For the purpose of this study, Gross Fixed Capital Formation (GFCF) has been calculated based on government's and private's consumption expenditures. The details of Gross Fixed Capital Formation (GFCF) from the year 1987/88 to 2006/07 are shown in the table below. The table shows that Gross Fixed Capital Formation (GFCF) in the year 1987/88 was Rs. 15,237 millions, which has increased to Rs 203,985 millions in the year 2008/09.

**Table 4.3 Gross Fixed Capital Formation
(1987/88 to 2008/09)**

(Rs in millions)

Year	Gross Fixed Capital Formation (Total Investment)
1987/88	15,237
1988/89	19,415
1989/90	19,076
1990/91	25,074
1991/92	31,619
1992/93	39,653
1993/94	44,644
1994/95	55,231
1995/96	68,017
1996/97	71,084
1997/98	74,728
1998/99	70,061
1999/00	92,272
2000/01	98,313
2001/02	84,808
2002/03	90,298
2003/04	106,047
2004/05	114,371
2005/06	113,489
2006/07	106,521
2007/08	172,746
2008/09	203,985

Source: Economic Survey (Various issues), Ministry of Finance

For examining the contribution of remittance on GDP, individual time series is determined. Examining of individual time series suggested that, GDP is the first difference stationary (dependent variable) while labour, capital, and Remittances are second difference stationary (independent variables). After getting confirmation as regard to the variables being behaved well, the empirical data are transformed into log form and multiple regressions have been run to find the relationship between dependent and independent variables. At the initial stage, step-wise regression facility of SPSS was run in order to identify the significance of each independent variable with the dependent variable.

Altogether three regressions were run: first, including all the above mentioned variables; the second, eliminating Remittance; and the third, by eliminating labour and capital. In doing so, the dependent variable GDP is found to have significant relationship with all the three variables; EAP, GFCF and R (See Appendix 8. for the result of regression Analysis). The empirical summary of the results are shown in the table below:

Table 4.4 : Regression Results

Eq ⁿ	Dependent Variable	Independent Variables	Statistic			
			R ²	Adj. R ²	F	DW
1	GDP	0.520 + 0.413 EAP + 0.544 GFCF + 0.67 R (0.212) (3.959) (9.590) (0.802)	0.991	0.989	570.2	1.395
2	GDP	2.225 + 0.483 EAP + 0.537GFCF (1.831) (8.712) (9.684)	0.990	0.989	873.4	1.235
3	GDP	11.416 + 0.921 R (115.861) (10.041)	0.849	0.840	100.8	0.793

GDP=Gross Domestic Product, EAP= Economically Active Population, GFCF=Gross Fixed Capital Formation, R=Remittances

R² = degree of explanation of the dependent variable

Adj.R² =Proportion of variation adjusted to the degrees of freedom

F= F statistic for the joint significance of all coefficients

DW= Durbin-Watson statistics for the presence of autocorrelation

As shown in above table, the coefficient of remittances in equations 1 and 3 indicates that 1 percent change in remittance income will increase GDP by 0.67 percent to 0.921 percent respectively. In the same way, the coefficient of Economically Active Population (EAP) is found to be large in both equations. It implies that 1 unit of increase in EAP increases GDP by 0.413 percent to 0.483 percent in equations 1 and 2 respectively. An examination of t-values associated with the different coefficients reveals that the remittance income in both equations (1 and 3) is significant at 5 percent level. It means that remittance income variable is more responsible to increase GDP in the nation. Apart from this, the coefficient of EAP in both models (1 and 2) is

significant at 5 percent level. It shows that EAP's contribution is effective to increase GDP in the economy. In the same way, Gross Fixed Capital Formation (GFCF) is also found to be effective to raise GDP in the country.

From the test statistic, it is apparent that all regression models are significant at 5 percent level as indicated by the size of F statistic. The percentage of variation explained by R^2 and adj. R^2 produces better results indicating the range from 0.991 to 0.989 in equation 1. However, the Durbin-Watson statistics for all regressions are found very low with large constant coefficients and standard errors of estimation. Thus, a summary of the results obtained from regression models leads the following major findings.

- Remittance income and EAP appear to be the most relevant variables to raise real GDP in Nepal.
- GFCF and other items have also significant impact on increasing real GDP in Nepal.

4.4.5. Contribution of Remittance to the Foreign Exchange

The latest official record (NRB, 2009) shows dramatic increase in remittance particularly since 2001/02 (Table 4.2). Nepal Rastra Bank's official account indicated the following components in total foreign Exchange:

- Remittances;
- Tourist Expenditures;
- Interest Receipts;
- Merchandise Exports
- Diplomatic Missions
- Foreign Aid; and
- Miscellaneous

For this study purpose, comparisons of remittance earning were made between Tourist Expenditures, Merchandise Exports, and Foreign Aid. The contribution of remittance income to the total foreign exchange earning of the country increased considerably though at varying rate from less than one percent in 1993/94 to more than 58% in

2007/08. Table 4.5 below gives details of contribution of remittance with the total foreign exchange and its components.

Table 4.5 : Contribution of Remittance to the Total Foreign Exchange

(In Rs. Millions)

Year	Remittance	Tourist Expenditure	Remittance as % of Tourist Expenditure	Merchandise Export	Remittance as % of Merchandise Export	Foreign Aid	Remittance as % of Foreign Aid	Total Foreign Exchange	Remittance as % of Total Foreign Exchange
1990/91	549.7	1993.8	27.6	5763.4	9.5	3877.5	14.2	16465.9	3.3
1991/92	424.0	3090.7	13.7	10020.6	4.2	3712.6	11.4	25056.0	1.7
1992/93	550.0	2615.1	21.0	10389.5	5.3	5188.6	10.6	27323.4	2.0
1993/94	223.0	4819.7	4.6	16033.2	1.4	4474.6	5.0	36160.8	0.6
1994/95	2907.0	5896.2	49.3	15624.5	18.6	4982.8	58.3	39150.3	7.4
1995/96	2660.0	6605.9	40.3	14719.4	18.1	7943.4	33.5	37459.8	7.1
1996/97	2938.0	6158.8	47.7	15603.9	18.8	8921.5	32.9	38280.4	7.7
1997/98	4084.0	7850.9	52.0	16355.3	25.0	9868.4	41.4	44983.9	9.1
1998/99	6521.0	11584.0	56.3	18766.6	34.7	8518.4	76.6	57939.8	11.3
1999/00	6031.0	11691.0	51.6	23724.4	25.4	11072.4	54.5	64250.0	9.4
2000/01	9798.0	11969.0	81.9	29789.7	32.9	23459.0	41.8	89823.2	10.9
2001/02	14860.0	7798.4	190.6	18311.0	81.2	18968.3	78.3	76153.3	19.5
2002/03	41630.0	10369.4	401.5	22578.9	184.4	12988.0	320.5	98681.8	42.2
2003/04	56630.0	12337.4	459.0	22489.5	251.8	19822.9	285.7	120643.2	46.9
2004/05	61785.0	11814.9	522.9	20852.0	296.3	20397.2	302.9	123268.5	50.1
2005/06	92749.0	11710.8	792.0	21738.5	426.7	17117.7	541.8	157297.3	59.0
2006/07	107417.0	12645.8	849.4	22366.8	480.3	16622.2	646.2	179967.2	59.7
2007/08	139421.5	20339.9	685.5	28663.2	486.4	23642.4	589.7	236927.1	58.8

Source : Quarterly Economic Bulletin, mid-January 2009, NRB

Tourism is recognized as an important sector in the development agenda of most of the countries. Development of tourism in Nepal is an outcome of changes in the political system of the country. Nepal has experienced increased visits of tourists only after 1996. There are of course fluctuating trends in the numbers of tourist visits in Nepal due to various reasons. But it is for sure that, international tourism provides

foreign currency and distributes purchasing power throughout the visited country (Shrestha Malla, 2004).

Tourism has contributed significantly to the Nepalese economy in terms of foreign exchange earning. The tourism receipt was registered US\$78,000 in 1961/62, which has increased to US\$11.5 millions in 1974/75 (Shrestha Malla, 2004). This figure has increased drastically to Rs. 1993.8 millions in 1990/91 and by 2007/08 the figure has reached Rs. 20339.9 millions. (Table 4)

While comparing the size of remittance income with the total earnings from the tourism, in 1990/91 it was 27.6%. In 2007/08 the size of remittance has increase to 685.5% of the total earnings from the tourism. This shows significant impact of remittance earning in total foreign exchange earning also.

Despite its landlocked nature, Nepal is an economy that is heavily trade dependent. Foreign trade - notably exports - was the engine of growth for most of the 1990s (Karmacharya, 2004).

Nepal's foreign trade has gradually increasing since 1980s. Exports in dollars terms grew on an average by 9.4 percent per annum. Traditionally, India has been a major trading partner for Nepal both on export and import. During the 1970s, Nepal made a concerted effort to diversify its foreign trade. As a result particularly in the export sector that Nepal's dependence to India has lessened for certain period from mid-eighties to mid-nineties. Over the course of last decade, it could be observed that more than 90 percent of Nepal's export trade had been concentrated with the three countries; Bangladesh, Pakistan and Sri Lanka. Nepal registered Merchandise Export of Rs. 5763.4 millions in 1990/91 which has increased to Rs. 23724.4 millions in 1999/2000. Data also shows that the Merchandise Export figures Rs. 28663.2 millions in 2007/08.

While comparing the size of remittance income with the total earnings from the Merchandise Export, in 1990/91 it was 9.5%. In 2007/08 the size of remittance has increase to 486.4% of the total earnings from the Merchandise Export (Table 4.2). This shows significant impact of remittance earning in total foreign exchange earning also.

Foreign aid to Nepal commenced in 1950 with Rs.1.01 million worth. Up to 1970, foreign aid flow to Nepal confined to diminutive size. During the period 1950 - 70, bilateral grants played a predominant role in the structure of foreign aid in Nepal (Sigdel, 2004). Table 4.2 exhibits that foreign aid to Nepal increased substantially in each succeeding decade, which leveled to Rs. 3877.5 millions in 1990/91, Rs. 23459.0 millions in 2000/01 and Rs. 23642.4 millions in 2007/08.

Comparing the size of remittance income with the total foreign aids received it is exhibited in Table 4.2 that, the size of remittance was 14.2% in 1990/91, 41.8% in 2000/01, and increase to 589.7% in 2007/08.

4.4.6 Socio-Economic Implications of the Remittances

The income of migrants from the foreign employment has not only increased their economic status but also their social prestige. The rural people lying below the poverty level have succeeded to uplift their economic standard receiving the opportunity of foreign employment. Moreover, the downside of remittance reflects the view that the shortage of labour due to emigration has not only compelled to keep barren land in rural areas but also hamper agricultural productivity and ultimately the country would be liable to import the large quantity of food grains (Gaudel, 2006).

Despite these, remaining young generation from the families for long time may affect their reproductive age and their vulnerability may be subject to communicable diseases. It is also possible that if they come back with good skills and earnings, they may not normally cope with the environment of the homeland and consequently they will have a tendency to leave the country again. Thus, the remittances from foreign employment on the one hand, has played an important role to increase their personal income and thereby improve standard of living and a risk of diseases like HIV/AIDS through migrants on the other may enter into the country. More specifically, this type of communicable disease may be due to poverty, illiteracy, gender discrimination, women exploitation, insecurity, and the lack of legal advice as well as proper treatment. Thus, to minimize this problem, especially rural people should be made aware of the communicable diseases through mass media, education, health care and training cum workshops. Furthermore, a part of remittance income should set aside by

the government through welfare scheme that may become the long run solution to the problem of communicable diseases.

Recently, the decision made by British government has provided the permission for the permanent residence in U.K. to the ex-army of Nepal retired before 1997. From this decision, remittance as a major source of the Nepalese economy will have negative impact in the long run (Gaudel, 2006).

Beside the economic benefits, it would also be important to know what happens to the families who are left behind by male migrants particularly with respect to cost and benefits to the wives of the migrants. No studies have been done on this issue yet in Nepal (Shrestha, 2004). It is assumed that, beside visible economic benefits, the positive changes the migrant's wife could be increased level of self-confidence and ability to get the things done independently in the households and in the community with autonomy with financial management of the households. The negative impacts could be loneliness, added responsibilities, land disputes, problems from in-laws, etc.

Ten year long conflict situation in the country has posed serious challenge to the social and economic stability in the country with rising poverty and unemployment. This has created exodus of the rural population to the urban areas and also to India and other places. The nation's poverty reduction strategy under the tenth five year plan 2002-07 have accorded high priority to foreign employment as a source of labour absorption and poverty alleviation.

There is common consensus within the government and the development agencies that, there is great potential of the overseas migration as a safety valve in view of gloomy economic scenario. Employment in foreign country, have definitely the economic benefits to the individual migrants. Remittances also generate benefits to the community, if they are spent on locally produced goods and services, to helps poverty reduction and rural development. In Nepal, remittance are typically spent on land and housing. These are safe investment for the households/individuals, but in macroeconomic terms, they are non-productive assets, with no lasting impact on the country's real income.

Thus, the remittances have positive impact at household and community level only, it has not created socio-economic impact and long term development of the country due to lack of strategic planning for the utilization of remittance. For the purpose, policies and plans based on updated information on migration are required (Gaudel, 2006).

4.5 Concluding Remarks

The followings are the concluding remarks of this chapter foreign employment Contribution on national economy:

Though, the world economy (especially the western developed countries) had been badly hit by financial crisis, developing Asian countries registered economic growth of 7.8 percent in 2008 and projected to decrease by 5.5 percent in 2009.

Remittance has generated a positive effect on the economy of countries of origin by contributing significantly to GDP, through various channels such as savings, investment growth, consumption and reduction of poverty and income distribution. And at community level, on the one hand it has created multiplier effect by raising the standard of living of the people. On the other, remittance income has fuelled inflation and encouraged investments in unproductive sectors.

In 2007/08 Nepal has displayed satisfactory performance in terms of economic growth. Despite the political turmoil and transition phase of economy, fiscal situation remained broadly stable in this fiscal year. Remittance is viewed as the major contributor in increasing economic growth in the country. Data shows that, share of remittance in GDP (at current prices) was 2.22% in the year 2000/01, which has reached 20.00% in 2008/09. Remittance income through formal channel totals to Rs. 194,215.60 millions in the year 2008/09. During the same period fixed capital formation was Rs. 203,985 millions and economic active population was 11,298,925. Thus, it is clear from the data that, remittance income is one of the major contributors to the transfer of balance of payment of Nepal.

To examine the contribution of remittance to the economic growth of the country, mathematical expression called production function (which deal with input and output relationship) was taken as an instrument. For the purpose, Economically Active

Population (EAP), Gross Fixed Capital Formation (GFCF) and Remittance (R) are considered as inputs and Gross Domestic Production (GDP) as output. Analysis revealed that the GDP have significant relationship with all the three variables; EAP, GFCF and R.

Similarly, contribution of remittance was also examined with reference to the Foreign exchange of the country. For the purpose remittance income was compared with other three components: the tourists Expenditure; Exports; and Foreign Aids of the Foreign exchange. Analysis shows significant impact of remittance earning in total foreign exchange earning.

Remittances have positive impact at household and community level only. But, it has not created socio-economic impact and long term development of the country due to lack of strategic planning for the utilization of remittance. For the purpose, policies and plans based on updated information on migration are required.

CHAPTER V

SOCIO-ECONOMIC CONTRIBUTION OF FOREIGN EMPLOYMENT AT THE HOUSEHOLD LEVEL

5. Introduction

For the purpose of studying the impact of the out migration / foreign employment, Siddhipur Village Development Committee (VDC) has been chosen. A total of 104 households have been interviewed using structured questionnaire to quantify the exact impact of foreign employment on household income, changes in the gender role, and Socio/economic empowerment. Before discussing the impact, it would be appropriate to give the general introductory note of the targeted community of the study.

5.1 A Brief Introduction of the Siddhipur VDC

Siddhipur VDC is situated in Lalitpur district of Bagmati zone, some 3.2 kilometer away from the south-east boundary of the Lalitpur Sub-Metropolitan City. Previously, Siddhipur VDC was called 'Sano Gaun'. Later, in 2021 BS, it is given the name "Siddhipur".

Politically, Siddhipur VDC is located at sector 2 of Ilaka no. 6 of Lalitpur district. It is surrounded by Tikathali VDC in the north, Harishiddhi VDC in the south, Lubhu VDC in the east and Imadol VDC in the west. It is spread in the area of 4051 ropani of land at an altitude of 1372 meter from the sea level.

5.1.1 Land Use Pattern of the Siddhipur VDC

The VDC is rich with very fertile land. The land of Siddhipur VDC can be classified into first grade (3456 ropani) land and second grade (595 ropani) of Land in terms of productivity of the land. First grade lands are considered very fertile for production of rice and wheat.

Similarly, in terms of utilization and ownership lands of Siddhipur VDC could be categorized into the following:

- Residential land	412-12-3	Ropanies
- Veer and Pakha	138-12-2	Ropanies
- Land owned by Guthi	347-7-1	Ropanies
- Minah Land	243-7-1	Ropanies
- Agriculture Land	2911	Ropanies

5.1.2 Population Pattern of the Siddhipur VDC

Total populations of 5277 are residing in 936 household in Siddhipur VDC, which consists of 2611 male population and 2666 female population. Ward-wise population of Siddhipur VDC is given below:

Table 5.1 : Ward-wise Population of the Siddhipur VDC

Ward no.	Numbers of Household	Female Population	Male Population	TOTAL
1	231	709	712	1421
2	140	438	437	875
3	73	215	196	411
4	31	68	75	143
5	40	110	102	212
6	70	195	192	387
7	23	62	48	110
8	76	210	196	406
9	252	659	653	1312
TOTAL	936	2666	2611	5277

Source: Baseline Survey, Lalitpur DDC, 2065

Siddhipur VDC is further classified into settlements. Altogether, Siddhipur VDC is traditionally divided into 18 settlements. Following table shows the settlement-wise population of Siddhipur VDC.

Table 5.2 : Settlement-wise Population of the Siddhipur VDC.

Settlements	Number of Households	Female Population		Male Population		Total	
		No.	%	No.	%	No.	%
Yangal	125	363	13.6	362	13.8	725	13.7
Gwarikhel	59	204	7.6	193	7.3	397	7.5
Satin	41	137	5.1	120	4.6	257	4.8
Dhashin 1	99	301	11.3	317	12.1	618	11.7
Gaachhen	73	215	8.0	193	7.5	411	7.8
Simako	40	110	4.1	102	3.9	212	4.0
Bhimsen Tole	47	124	4.6	117	4.4	241	4.5
Chhauni	29	63	2.3	67	2.5	130	2.4
Taranani	70	195	7.3	192	7.3	387	7.3
Dunchhen	29	86	3.2	79	3.0	165	3.1
Devanani	23	62	2.3	48	1.8	110	2.0
Warapacha	48	120	4.5	112	4.2	232	4.4
Ramdhoka	59	180	6.7	179	6.8	359	6.8
Taphakhel	44	102	3.8	118	4.5	220	4.1
Shiddhi Road	47	142	5.3	157	6.0	299	5.6
Dhashin 2	41	68	2.5	75	2.8	143	2.7
Khusil	44	122	4.5	114	4.3	236	4.4
Durughat	28	72	2.7	63	2.4	135	2.5
TOTAL	936	2666	100	2611	100	5277	100

Source: Baseline Survey, Lalitpur DDC

Population distribution in terms of age bracket shows that, majority of people falls under the age bracket of 15-59, which totals 3559 population. This population is

considered economically active population in Nepal. The table shows Age-wise population distribution of Siddhipur VDC.

Table 5.3 : Age-wise Population Distribution of the Siddhipur VDC.

Settlement	Less than 10 yrs.	10-14 yrs.	15-59 yrs	Above 60 yrs.	TOTAL
Yangal	99	60	500	66	725
Gwarikhel	57	34	277	29	397
Satin	36	33	174	14	257
Dhashin 1	95	53	430	40	618
Gaachhen	78	36	268	29	411
Simako	31	19	140	22	212
Bhimsen Tole	32	16	168	25	241
Chhauni	16	18	80	16	130
Taranani	53	30	228	76	387
Dunchhen	24	12	110	19	165
Devanani	22	8	72	8	110
Warapacha	35	29	159	9	232
Ramdhoka	52	30	259	24	359
Taphakhel	24	27	146	23	220
Shidhi Road	45	35	200	19	299
Dhashin 2	22	14	91	16	143
Khusil	31	22	162	21	236
Durughat	18	13	95	9	135
TOTAL	770	489	3559	465	5277

Source: Baseline Survey, Lalitpur DDC

5.1.3 Caste and Communities of the Siddhipur VDC

Siddhipur VDC is dominated by Newar community (88.93%). Maharjan, Nemkul, Shrestha, Amatya, Shakya, Khadgi, Napit and Kusle are the major casts in Newar community in the VDC. Cast-wise Maharjan is the largest in terms of numbers of population, which covers about 80.42% of the total population.

5.1.4 Occupation of the Population of the Siddhipur VDC

In terms of population in Siddhipur VDC, agriculture is the dominant occupation (about 48%), though land is considered scarce resource here. 27% of this VDC are engaged in service (government and private sector) occupation. Apart from that, 12% of the populations are self employed in various businesses. The details of population according to their occupation are given in the table below:

Table 5.4 : Population of the Siddhipur VDC According to their Occupation

Settlements	Number of Households	Occupation					
		Agriculture	Service	Business	Cottage Industry	Wage Workers	Others
Yangal	125	62	24	18	0	21	0
Gwarikhel	59	16	3	17	7	0	13
Satin	41	18	8	6	1	2	6
Dhashin 1	99	48	25	15	0	1	10
Gaachhen	73	38	22	5	0	3	5
Simako	40	21	13	1	1	0	4
Bhimsen Tole	47	30	12	3	0	2	0
Chhauni	29	14	11	3	0	1	0
Taranani	70	39	20	3	0	3	5
Dunchhen	29	19	3	3	0	4	0
Devanani	23	9	7	3	1	3	0
Warapacha	48	19	13	6	2	8	0
Ramdhoka	59	22	20	7	2	2	6
Taphakhel	44	15	19	6	2	2	0
Shiddhi Road	47	25	11	5	0	6	0
Dhashin 2	41	25	4	2	0	0	0
Khusil	44	18	17	4	1	4	0
Durughat	28	7	15	4	0	0	2
TOTAL	936	445	250	111	17	62	51
Percent (%)	100	47.5	26.7	11.8	1.8	6.6	5.6

Source: Baseline Survey, Lalitpur DDC

5.1.5 Socio-economic Situation of the Siddhipur VDC

Though, 3456 Ropanies of lands of Siddhipur VDC is considered very fertile and Abbal (first grade), majority of population are medium level in terms of economic status. There are large numbers of household without land. Thus, majority of the

house hold are tenant farmer. It is obvious that, the agriculture products are not sufficient for livelihood for the whole year. Population distribution in terms of food sufficiency is given in the table below:

Table 5.5 : Population Distribution in terms of Food Sufficiency

Settlements	Number of Households	Food Sufficiency for				
		The whole year	9 months	6 months	3 months	No land holding
Yangal	125	20	8	16	57	28
Gwarikhel	59	11	2	16	20	13
Satin	41	2	1	18	13	2
Dhashin 1	99	5	12	26	37	17
Gaachhen	73	7	4	26	24	11
Simako	40	7	5	15	7	12
Bhimsen Tole	47	2	3	21	16	6
Chhauni	29	7	2	13	6	9
Taranani	70	15	7	24	12	22
Dunchhen	29	7	2	7	6	8
Devanani	23	3	0	7	8	3
Warapacha	48	2	0	12	25	2
Ramdhoka	59	2	7	10	22	8
Taphakhel	44	7	0	10	20	7
Shidhi Road	47	2	2	12	20	5
Dhashin 2	41	8	2	6	11	11
Khusil	44	6	2	21	8	7
Durughat	28	1	1	10	8	2
TOTAL	936	112	61	269	320	174
Percent (%)	100	12.0	6.5	28.7	34.2	18.6

Source: Baseline Survey, Lalitpur DDC, 2065

The table above shows that, in Siddhipur VDC only 12% of the household produces agriculture products sufficient for the whole year. 6.5% of the household produces agriculture products sufficient for nine months. Similarly, 28.7% and 34.2% of the household produces agriculture products sufficient for six months and 3 months respectively. It is also observed that 18.6% of the household has no land holding at all.

5.2 Reasons for migration in the Siddhipur VDC

Though, agriculture is the major occupation of the people of Siddhipur VDC, food insufficiency is considered the major problems. Agriculture products being the main source of subsistence in this VDC, is not sufficient for the whole year. Besides that, people are found engaged in numbers of works.

Further to that, globalization and modernization has greatly influenced society and its culture not only in the country but also in Siddhipur VDC. Social change is recognized as one of the main pushing factor for migration in this VDC also. In order to adjust with the social change peoples' of this village have started to migrate. A total of 457 people are engaged in foreign employment in the VDC (see annex 4).

5.2.1 Reasons for Migration

In Siddhipur VDC, there are various reasons for migration. Among different reasons some of the most significant reasons are discussed in this section.

i) Social change as the reason for migration:

There is a great deal of relationship between migration and social changes. Past Sanogaun becoming the present Siddhipur VDC had experienced great changes. Situated very close to the Sub-Metropolitan City, Siddhipur VDC has borrowed urban nature in its life style. Urbanization has both positive and negative aspects. Positive aspect is that, people started to become more liberal in their thinking and work as well, at the same time, peoples' simple life style changed into a complex one and more expensive. Siddhipur VDC also could not exclude itself from the effects of urbanization.

As an effect of urbanization, people's needs has increased and choose migration as the solution to fulfil their need and want.

ii) Economic condition and occupation as reasons for migration:

Though, Siddhipur VDC is considered farmers' village data shows that, less than 20% (Table 5.5) of the populations have agriculture products sufficient for more than six

months. This clearly shows that people here have limited land holdings. Besides this, lack of specialized occupation to meet the needs of the urban life style initiated the youths of Siddhipur to migrate.

iii) Education as the reason for migration:

James Walton in Encyclopaedia of Britannica (11th edition) writes that education consists in “an attempt on the part of adult members of human society to shape the development of the coming generation with its own ideals of life” Education viewed as differently for its functional point of view.

- a. It is viewed as process of Socialization
- b. It is viewed as an agent of cultural transmission.
- c. It is implied as an attempt to acquire knowledge.

Education does not mean only gaining of formal education from schools and collages, it is also includes skills acquire for livelihood and other knowledge learned from the society. It is natural that, people seeks for opportunities to utilize the acquired skills for livelihood. Present socio-political scenario has encouraged and attracted the youth to seek opportunities out of the country.

Further to this, today's younger generation population has been socialized with in such notion that, for earning substantial money one needs to work abroad. This type of education has big impact on younger generation. As a result number of migrating people is ever increasing. The fact is true for Siddhipur VDC also.

iv) Imitation as the reason for migration:

Imitation is yet another factor for migration. Seeing the fortune of migrated friends and neighbours after returning back encourages the youths to experience the same. Thus, they are motivated to migrate. But often there are cases on negative experiences which is common to all the migrants without properly understanding the process. The box below is a common case a migrant family of Siddhipur VDC.

Box 5.1. A Common Case 1

“It is hell,” wrote 26 year old Saajan Maharjan (name changed) ward 6 to his father describing his life and employment in Qatar just after 15 days of his arrival there. He could raise only Rs. 90,000 by selling his land and property to find this job. Of this, he paid Rs. 70,000 to the employment agent in Kathmandu who promised him a job at renown resturant. In Qatar, he worked as a guard. He underwent physical and mental torture of losing everything at home and gaining nothing overseas. He returned home after 45 days.

5.3 Foreign Employment in the Siddhipur VDC

Before analyzing the impact of the foreign employment in Siddhipur, it was studied regarding what actually is foreign employment to this VDC. For the purpose, Information regarding trend, cost, capacity and types of employment has been collected and analyzed.

5.3.1 Trend and Volume of the Foreign Employment

One of the focuses of this trend analysis is to observe the concentration of migrant workers as per the country of destination. The following trend is observed regarding country of destination based on 104 sample study of the Siddhipur VDC.

Table 5.6 : Trend of Foreign Employment in terms of Destination

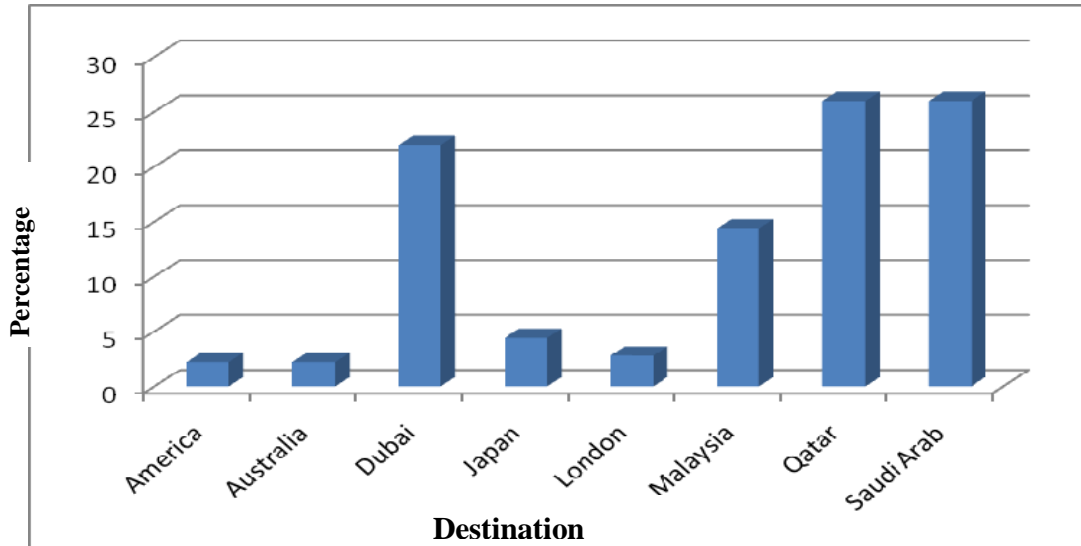
SN	Destination for Foreign Employment	Number	Percentage
1.	America	2	2.2
2.	Australia	2	2.2
3.	Dubai	23	22.0
4.	Japan	5	4.4
5.	London	3	2.8
6.	Malaysia	15	14.4
7.	Qatar	27	26.0
8.	Saudi Arab	27	26.0
TOTAL		104	100.0

Source : Field Study of Siddhipur VDC, 2009

The above table shows the flow of Siddhipurian migrant workers are highly concentrated to Saudi Arab, Qatar and Dubai. Though, it is identified other countries like Malaysia, Japan and America as the labour destination countries although due to high expected income and high demands of Nepalese labour in Saudi Arab, Qatar, and Dubai people of both skilled and semi-skilled qualities motivated to go to these countries. In percentage a total of 74% of the sampled population are concentrated in Arabian countries from Siddhipur.

The above information could also be shown in the figure as:

Figure 5.1 : Foreign Employment and Destination



5.3.2 Cost of Foreign Employment

Manual labourers from Nepal who use recruiting agencies to go for work in the Gulf or to Malaysia have to pay between Rs 70,000-75,000. This figure includes all costs involved in the processing of documents, the medical tests, and the price of an air ticket (Gurung, 2004). The data regarding cost of going abroad for foreign employment collected from Siddhipur VDC is shown below:

Table 5.7 : Cost of Foreign Employment

SN	Amount spent in Rs.	Number	Percentage
1.	up to 100,000	63	60.5
2.	Rs.100,000 to 150,000	19	18.2
3.	Rs.150,000 to 250,000	13	12.5
4.	More than Rs.250,000	9	8.8
TOTAL		104	100.0

Source : Field Study of Siddhipur VDC, 2009

The above table shows the lists of total costs of using formal channels to migrate for work in Gulf countries and Malaysia, and some other countries of the sampled

population of Siddhipur VDC. The data shows that, 60.5% of the sampled migrant's cost for going to the foreign employment was up to Rs. 100,000. The costs for people who use informal channels and the cost of immigrating for work to Europe or countries like Japan ranges from around Rs. 150,000 to more than Rs. 250,000.

5.3.3 Source of Funds for the Foreign Employment

In simple business terms, one needs to invest for future earnings. Here in foreign employment also one needs to invest in terms of money, and in terms of human resources. Information regarding source of funds for foreign employment has been collected and analyzed. The table below gives the glimpse of source of funds for going abroad as migrants of the sampled population of Siddhipur VDC.

Table 5.8 : Source of Funds for the Foreign Employment

SN	Source of Fund	Number	Percentage
1.	Own money	51	49
2.	Loan from Financial Institutions	16	15.3
3.	Loan from friends	19	18.3
4	Loan from Community organizations	2	3.9
5.	Own money and financial institutions	2	3.9
6.	Loan from friends and financial institutions	10	9.6
	TOTAL	104	100

Source : Field Study of Siddhipur VDC, 2009

The above table shows that more than 50% of the populations going abroad as migrants are using borrowed money. Survey also gives account that, the rate of borrowing ranges from 13% in the financial institution to more than 20% in case of borrowing from informal sectors.

5.3.4 Occupational Status of the Migrants

Occupation is another important stratum, to understand socio-economic situation of a person. The following table shows the types of jobs that the migrants are involved in the foreign country.

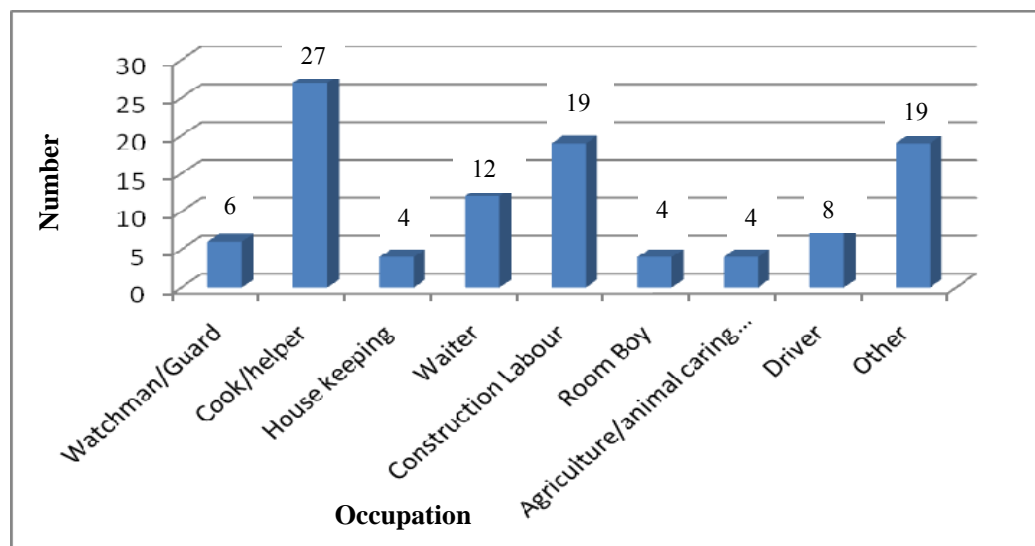
Table 5.9 : Employment in the Foreign Country

S.N.	Employed as	Number	Percentage
1.	Watchman/Guard	6	5.8
2.	Cook/helper	27	26.2
3.	House keeping	4	3.9
4.	Waiter	12	11.6
5.	Construction Labour	19	18.4
6.	Room Boy	4	3.9
7.	Agriculture/animal caring labour	4	3.9
8.	Driver	8	7.8
9.	Other	19	18.4
TOTAL		104	100

Source : Field Study of the Siddhipur VDC, 2009

From the above table it could be understood that, most of the migrants work in the lower level jobs or the jobs which does not required specialized technical skills. Table shows that, 26.2% of the sampled migrants are engaged as cook/helper in restaurants. Where as 18.4% works for construction companies as construction labourers. Besides that, 11.6% of the migrants are working as waiter in restaurants. The data is also shown in the figure below.

Figure 5.2 : Employment in the Foreign Country



5.3.5 Pre-departure Training

Appropriate pre-departure training can make a lot of difference on how well migrant workers, adjust to the new environment in the destination countries. A study done on Nepali migrants going to Malaysia three years ago showed that if they don't stay in dirty conditions or with friends, the workers hardly save any money after deducting the cost of migrating to the receiving countries, commission, the living expenses, etc. Skills development is important especially since demand for skilled workers are rising, while the demands for unskilled workers will grow at a decelerated rate. In Nepal, migrant workers association and government have opened centres to teach the skills required for the migrants.

The table below gives account of pre-departure training situation of the sampled migrant population of the Siddhipur VDC.

Table 5.10 : Pre-departure Training

S.N.	Training Received	Number	Percentage
1.	Yes	35	33.6
2.	No	59	56.6
3.	No information	10	9.8
	TOTAL	104	100
	Skills Acquired		
1.	Cook	19	54.2
2.	Waiter	2	5.8
3.	Driver	12	34.2
4.	Builder	2	5.8
	TOTAL	35	100

Source : Field Study of Siddhipur VDC, 2009

Table above shows that, out of 104 sampled study, only 35 migrants took pre-departure training. Out of 35 migrants participated in pre-departure training programme, 54.2% had acquired cooking skills, 34.2% are trained as vehicle drivers and 5.8% each are skilled as waiter and construction works.

5.4 Socio-economic Contribution of the Migration in the Siddhipur VDC

A set of information were collected using questionnaire in the sampled household for studying socio-economic impact of foreign employment at household level in Siddhipur VDC.

One of the major objectives of this study is the analysis of the consequences of migration on Siddhipur's household economy and society. This study deals with the socio-economic aspects (but not all), includes financial resources, housing and household amenities, children's educations and demographic consequences of migration.

Migration (foreign employment) has been one of the positive outcomes in the physical development of the Siddhipur VDC. The accelerated process of migration, especially the recent trends in Arabian countries have their impact on every facet of Siddhipur's economy and society. Though, it will take more years to visualize the full impact of the migration. Behavioural changes are slow to come by and usually take a generation or more to become visible.

Some of the aspects of the impact of migration on Siddhipur's household economy and society are discussed below.

5.4.1 Economic Contribution of the Migration at the Household Level

Migration has both direct and indirect impact on the demography of the population at origin and destinations. The direct effects become visible immediately and are mostly structural in nature. Indirect consequences are changes in behavioural and personal in nature of the family members of the foreign employee.

The direct impact of the foreign employment especially those taking place in the households of migrants are brought through remittances and their utilization. The sample study of Siddhipur VDC collected information on remittance received in cash, and its utilization to identify the effects. The followings are the direct effect.

Average Monthly Expenses of the Migrants Household

Foreign Employment has helped to increase the economic conditions of the people of the Siddhipur village. As a result pattern of household expenses has changed in terms of nature and amount. In order to identify the impact of received remittance, information about the household expenses have been collected and analyzed. The following are the average household expenses of the sampled migrant's house.

Table 5.11 : Household Expenses of the Migrant's House

S.N.	Expenses Headings	Monthly Average Expenses (Rs.)	Percentage
1	Food	5,400	49.8
2	Cooking Fuel	445	4.3
3	Electricity	207	1.9
4	Water	216	2.1
5	School Fee	1,600	14.7
6	Clothing	1700	15.6
7	Other expenses	1,265	11.6
	Total Average Expenses per Household	10,833	100.0

Source : Field Study of Siddhipur VDC, 2009

The table above show the monthly household expenses of migrant's house. The data shows that, average monthly expenses of migrant's house is Rs.10,833. Out of which 49.8% is spent on food, 14.7% on education and 15.6% in clothing. Though, the family members claim that, their children are sent to private schools and their major portion of expenditure is on education, comparison with non migrant household shows no significant difference in terms school fees.

Source of Income

In order to analyze the impact of remittance, the study also collected the information regarding sources of household income of the migrant's house. The table below shows the sources if household income of the following migrant's house.

Table 5.12 : Source of Household Income of the Migrants

S.N.	Income Sources	Counts	Percentage
1	Agricultural Products	37	35.57
2	Daily Wage Labour	18	17.3
3	Government service	2	1.9
4	Foreign employment	104	100.00
5	service in Private sector	4	3.8
6	Industry and trade	4	3.8

Source : Field Study of the Siddhipur VDC, 2009

Traditionally, people of Siddhipur are the farmers. As discussed above agriculture is their major occupation. It was also observed that, only agriculture products are not sufficient for the whole year. Thus, dependency on agriculture is decreasing day by day. The table above shows that, only 35.57% of the migrant's household depends on agriculture products. Since agriculture alone is not sufficient for livelihood, they need to depend on other income sources too. The data also shows that, 100% of the sampled household depends on remittance, along with their occupational jobs.

Average Income from Remittance

The sample household survey also collected information of remittance (in cash) received by households through private or through public channels such as banks and financial institutions. It was observed that, remittance received varies according to the education level and/or skills of the migrants. The table below shows the average monthly income received by migrant's house as remittance.

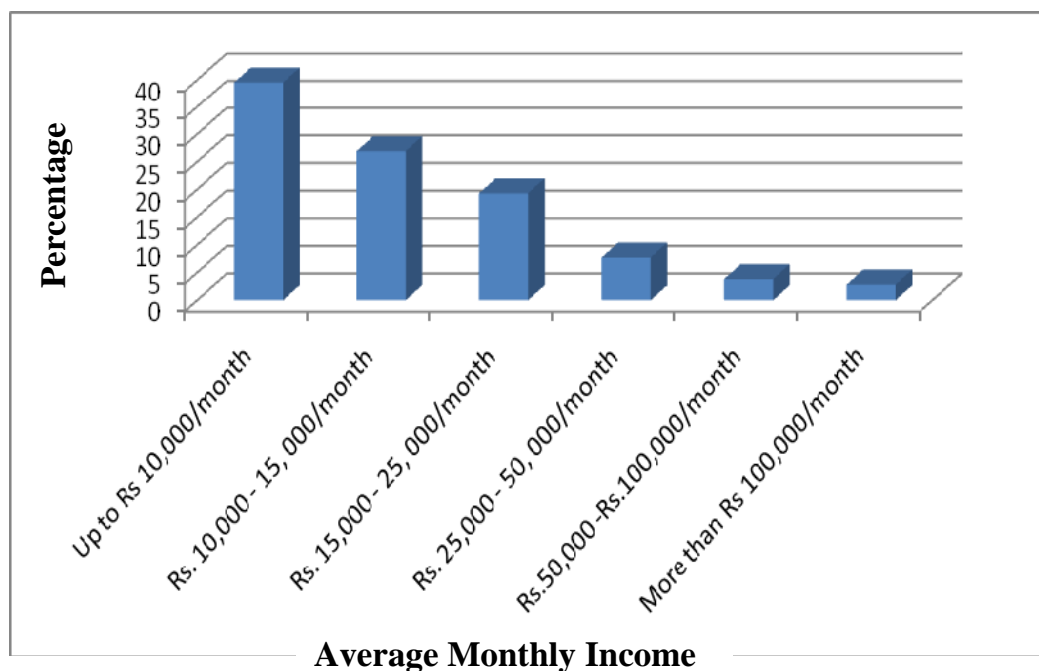
Table 5.13 : Average Monthly Remittance Received

S.N.	Average Income from Remittance	Number	Percentage
1	Up to Rs 10,000/month	41	39.5
2	Rs. 10,000 - 15, 000/month	28	26.9
3	Rs. 15,000 - 25, 000/month	20	19.3
4	Rs. 25,000 - 50, 000/month	8	7.7
5	Rs.50,000 -Rs.100,000/month	4	3.8
6	More than Rs 100,000/month	3	2.8
	TOTAL	104	100.00

Source : Field Study of Siddhipur VDC, 2009

The above table shows that, out of 104 sample study 89 household receives less than Rs. 25,000 per month as remittance from foreign employment. This shows that, most of the migrants are working as low class workers. About 13% of the migrants from Siddhipur VDC are educated or skilled in their profession sending more than Rs. 50,000 per month as remittance. The data is also shown in the figure below.

Figure 5.3 : Average Monthly Remittance Received



Utilization of the Remittance

In Nepal, the major portion of the remittance is used for meeting household use and to payback loans borrowed earlier to go abroad (Seddon and et al 1999 and NRB, 2001). They spent their remittance money on land and housing. These are safe investment for the households, but in macroeconomic terms, they are non-productive assets, with no lasting impact on the country's real income. Only the small proportion of the migrants uses the remittance directly for productive investment like agriculture, manufacturing and trade. The major forms of investments are on education of the children, reinvestment of the remittance for further migration and for lending money (Shrestha, 2008).



Photo 5.2.
Buildings of Siddhipur VDC
Before and After Migration

A survey of 104 households of Siddhipur VDC found that the entire families were dependent on remittance money. The table below shows utilization of remittance in Siddhipur VDC.

Table 5.14 : Use of Remittance by the Siddhipur Migrants

S.N	Utilization of Remittance	Counts	Percentage
1	Repay the loan	47	45.19
2	Maintenance of house	47	45.19
3	Purchase land	19	18.26
4	Construct Building	43	41.34
5	Invest in Business	8	7.69

Source : Field Study of Siddhipur VDC, 2009

The above table shows that, out of 104 sample surveyed households of Siddhipur VDC, 47 migrants have loan repayment as priority of their spending. 53 migrants have taken loan to go abroad. Besides this, money is spent in maintenance of house, construction of new building and purchase of land. The proportions are 45.19%, 41.34% and 18.26% respectively. All these investment are considered unproductive investment in economic terms.

The survey also found that certain portions (7.69%) of migrants are spending remittance in productive investment like business. This shows that, the remittances for the Siddhipur VDC is beneficial only at household and community level; they cannot help long term development of the VDC and the country without its strategic management.

Box 2. Case 2

Thirty eight years old, Mr. Ram Maharjan of ward no 5 left for Dubai for a job of cook in a Hotel. It cost him 80,000 rupees to migrate there, all of which he borrowed. Once he arrived in Dubai he began work and started paying off his debt. Only after he had paid off the cost of migrating would he be able to again support his family by sending back remittances. He returned after five year with enough money to finance his sons study in United State. His experience was quite exciting but never to return again.

5.4.2 Social Impact of Migration at the Household Level

Social impact of migration could be considered indirect impact of migration. Such impact can be seen in the women groups of the family. The wife of a migrant though they are not migrant themselves, they are deeply affected by migration. As a social impact of migration the study also tried to collect data regarding problems of the wives of the migrants. The absence of husband, not only cause hardship to the women, it also brings opportunities for example development of talents, various expertise, etc. which will be discussed in detail in next chapters.

This section of the chapter highlights the problems to the wives of the family due to husband's migration. For this, opinions of the wives of the migrant husbands were collected. The followings are the responses.

Table 5.15 : Problems of the Migrant's Wife

S.N.	Problems	Counts	Percentage
1	Loneliness	67	64.4%
2	Adverse effect on children's education	55	52.8%
3	Added responsibilities (including occupational)	92	88.46%
4	Financial gain not up to expectation	94	90.38%
5	Insecurity feeling	78	75.0%
6	Increase anxiety	57	54.8%

Source : Field Study of Siddhipur VDC, 2009

The above table shows the following.

Loneliness: As a problem among the migrant's wife, loneliness was more serious than anything else. Though, majority of migrant's wives are living in joint family, more than 64% young wives considered aloneness as their major problem arising from their husband's migration.

Loneliness was measured quantitatively by i) the length of the period of separation; and ii) the frequency of communication between the migrant's wife and her husband. The longer the average period of separation, the higher would be the degree of loneliness. Similarly, the less frequent the communication between the husband and wife, the higher would be degree of loneliness.

Adverse effect on children's education: Most of the migrant's wives had children. Taking care of children's education is found to be one of the major problems of the migrant's wife. 52.8% of the sampled studied migrant's wife had one child or more in school. As the father is not in station, the mother is responsible to get them admission to school, to arrange for their transport to school, to arrange tuition and to help the children with their home works.

Added responsibilities: After the husband's migration, the responsibility of taking care of sickness in the fell on the shoulders of the migrant's wife. About 88.46% of the migrant's wives reported that, if any member in the households needed medical care, it was the migrants' wife who arrange for consultation with physicians and took care of the medical treatments.

Financial gain not up to expectation: In almost more than 50 families, migration brought much debt at the time of going abroad for foreign employment, and this had to be repaid. More than 90% of the respondents claimed that, the remittances were not sufficient to meet all the expenses.

Insecurity feeling and Increase anxiety: Other adverse consequences arising from the husband' migration were, feeling of insecurity, increased anxieties, problems with in-laws and misunderstanding with the husband abroad. About 75.0% respondents feel insecure in absence of husband at home; while more than half of the migrant's wife had problems with in-laws, mostly related to the financial matters. But the respondents also claims that, mental disturbance due to misunderstanding with husbands abroad were not so frequent.

5.5 Concluding Remarks

Siddhipur Village Development Committee (VDC) has been chosen for studying the impact of the out migration / foreign employment. A total of 104 households have been interviewed using structured questionnaire.

Physical Development has been one of the positive outcomes of the Migration (foreign employment) in the Siddhipur VDC. Behavioral changes are slow to come by and usually take a generation or more to become visible. Foreign Employment has helped to increase the economic conditions of the people of the village. As a result pattern of household expenses has changed in terms of nature and amount.

Traditionally, people of the Siddhipur are the farmers. Since agriculture alone is not sufficient for livelihood, It was observed that, remittance income has become major source of their livelihood, along with their occupational jobs. In an average majority of the migrants' household receives less than Rs. 25,000 per month as remittance from foreign employment and only few migrants are are educated or skilled in their profession.

Usually Remittance money is spent in maintenance of house, construction of new building and purchase of land. All these investment are considered unproductive investment in economic terms.

Social impact of migration could be considered indirect impact of migration. Such impact can be seen in the women groups of the family. The absence of husband, not only cause hardship to the women, it also had bought opportunities. Feeling of loneliness is seen as the serious problem expressed by the migrant's wives. And usually migrant's wives had problems with in-laws, mostly related to the financial matters.

CHAPTER VI

CHANGES IN THE HOUSEHOLD ROLES OF THE MIGRANT'S WIVES

6. Introduction

The second objective of this study is to examine the changes in the gender role of the migrant's household in Siddhipur VDC. Information regarding gender role has been collected from the sampled migrant's houses. Before, analyzing the collected data, it would be appropriate to define some basic terms regarding gender concept.

Gender:

Gender concerns men's and women's participation in the determination of their lives including access to rights, power and control over resources. In most countries men's and women's gender roles determine their access to, power and control over household assets and decision making (Musa, 2000).

Gender is the social differences or roles allotted to women and to men, roles that are learned as we are growing up, change over time, and depend on our culture, ethnic origin, religion, education, class and the geographical, economic and political environment we live in. These models of behaviour set the standard and influence who we are apart from our sex. For example, only women can give birth (biologically determined), biology does not determine who will raise the children (gendered behaviour) nor do the domestic chores. So gender describes the set of qualities and behaviours expected from men and women by their societies and form their social identity. Thus, gender is an identity that differs from culture to culture, and at different periods in the history.

The current Compact English Oxford Dictionary defines gender as:

1. the state of being male or female (with reference to social or cultural differences).

2. the members of one or other sex. Regarding usage, it states: “The words gender and sex both have the sense ‘the state of being male or female’, but they are typically used in slightly different ways: sex tends to refer to biological differences, while gender tends to refer to cultural or social ones.”

In the social sciences, the term ‘gender’ has been introduced to refer to differences between women and men without strictly biological connotations – socially constructed differences that correspond to the two sexes although they are not caused by biological sexual differences.

Gender Equality:

Gender equality explains the different behaviour, aspirations and needs of women and men are equally valued and favoured and do not give rise to different consequences that reinforce inequalities.

Gender Relations:

Gender relations are the rules, traditions and social relationships in societies and cultures that determine what is considered ‘feminine’ and ‘masculine’, and how power is allocated between, and used differently by, women and men. Gender refers to a social construction of femininity and masculinity that varies over time and place and is enacted through learned, rather than innate, behavior. It is the interdependent relations between women and men. This implies that changes for women will require changes for men and vice versa (European Commission, 2004).

A Gender Analysis:

A ‘gender’ as an analytical concept is that, it directs attention towards social and cultural processes and interventions in terms of their differential effects on women and men, and the relationships between women and men. In this context, gender does not look at women in isolation, and enables differences between women and men, and between different ‘identities’ and groups of women (due, for example, to class, race, ethnicity, age, ability and sexuality) to become visible.

A gender analysis therefore, is not just a question of identifying difference (between men and women), but of analyzing how these differences have led to inequalities in

power between women and men. Nonetheless, in foregrounding the interdependence of women and men in society, the approach leads to the crucial recognition that no problem or issue is gender-neutral.

Most of the people of the Siddhipur VDC lives in traditional joint family or extended family. Joint family in Newars community is such that at least three or more generation people live and eat in same kitchen.

Families are factories which produce human personalities, through warmth, security and mutual support. The culture is the outcome of the individual belief that something is good and desirable for him, which of course is learned from the society, based on numbers of specific and general guidelines. These norms and value of the society forces the individual to behave in a particular way/manner acceptable to the particular society. Thus, Culture basically is the combination of two aspects of persons behaviour— i) individual's behaviour in his/her daily life; and ii) individual's behaviour as an acceptable ways for the members of a particular society.

In Newar community of Siddhipur VDC, it was observed that, there is difference in role for male and female members of the family. Male members of the family are expected to perform more leading role, where as female members are expected to assist them. In terms involvement in the occupational works women folks are involved more compare to male member of the family but, their contribution is not counted and are not given appropriate status. In terms of taking economic decisions male members of the family are responsible regarding money matters. Women are excluded from the high status in the family occupation.

6.1 Changes in Gender Role in the Migrant's House

This part of the study focuses in exploring the changes in role of women folks in the country of origin due to husband going abroad for foreign employment. The focused on examining the role that the society has exclusively allocated for male members of the family, namely;

- Purchase of Daily Necessities;
- Helping in children's school works;
- Agriculture and other occupational works;
- Managing Income and expenditures;
- Representing Community and social works;
- Health and Securities; and
- Small maintenance in the house

Followings are the changes in gender role of the migrant's wife based on the study of 104 migrant's households in the Siddhipur VDC.

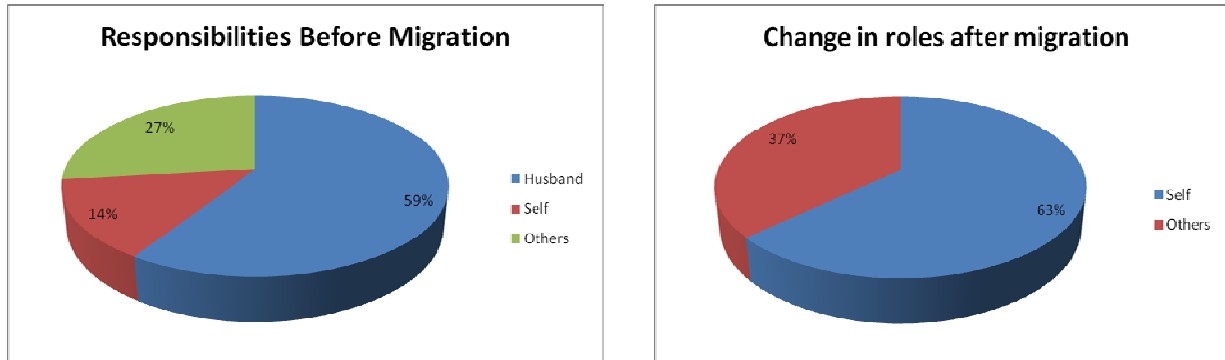
Table 6.1 : Changes in Gender Roles in the Migrant's Household

S.N.	Major Works	Responsibilities Before Migration (in %)				Change in Roles After Migration (in %)		
		Husband	Self	Others	Total	Self	Others	Total
1	Purchase of Daily Necessities	52.8	41.6	9.6	100	74	26	100
2	Helping in children's school works	84.6	5.8	9.6	100	90.4	9.6	100
3	Agriculture and other occupational works							
3.1	Harvesting and storing of agro-products	41.3	19.2	39.5	100	71.1	29.9	100
3.2	Sales of Straw Mats	41.3	19.2	39.5	100	43.3	56.7	100
4	Managing Income and expenditures	45.2	15.3	39.5	100	65.3	34.7	100
5	Representing Community and social works	69.2	2.0	27.8	100	51	49	100
6	Health and Securities	60.5	10.5	29.0	100	76.9	23.1	100
7	Small maintenance in the house	69.2	0	30.8	100	33.7	66.3	100
Average		59.0	14.2	26.8	100	63.2	36.8	100

Source : Field Study of the Siddhipur VDC, 2009

The above table could be shown in pie-chart as shown below:

Figure 6.1 : Changes in Gender Roles in the Migrant's Household



The table above shows the opinions regarding changes in gender role before and after the migration.

Usually purchasing daily necessary goods are the responsibilities of male members of the family. In terms of changed role in the migrant's household, there is a mixed response regarding this matter. Joint family and nuclear family have different responses. The data shows that, before migration, respondent's husband was responsible for purchasing daily necessary goods. 74% of the respondents claim that, this role has shifted to the wife of the migrants after husband went abroad. The intensity of change in the role is more in nuclear family. In case of Joint family, it was observed that, 26% of the responsibility is shared by other members of the family.

Regarding assisting in children's study, the father is helping hand for his children's school works. The above table shows that 84.6% of the respondents claim that her husband was responsible for guiding her children with their school works at home. The data shows that after husband's migration, almost entire responsibility (more than 90% claims) in this regard is shifted to the migrant's wife. In joint family, the respondents claim that, this responsibility is shared by sisters-in-law.

Agriculture is the major source of income of communities of Siddhipur VDC. The agriculture works starts with plough the land till harvesting of the crops and storing.

In agricultural works involvement of men is basically in the works which need physical strength like plough of land, carrying fertilizer and harvested crops etc. Women folks are involved in rest of the plantation works. Besides, it is the responsibility of the women folks to prepare and feed mid-day snacks to the workers. Beside that, women are the helping hand at the time of Harvesting of the crops. Major responsibility of women starts during Sun drying of the crops and storing it safely.

More than 71% of the respondents claim that, before husband's migration women's responsibility is just assisting in harvesting and storing works. But, after husband's migration, the responsibility has shifted to the women.

In Siddhipur VDC, weaving straw mats is common at leisure time. These mats are then sold in the market place of Lalitpur and Kathmandu districts. Though, straw mat weaving are not done commercially, it added in the household income of the Siddhipur VDC. Formerly, husband used to bring it to the market. 43% of the nuclear family claims that, this responsibility has been shifted to them. But, in the case of joint family, responsibility of selling straw mats has shifted to brother-in-law, which is more than 56%.

Similarly, with regards to the management of household income and expenditure, it was observed that, a traditional norm was that, male folks were responsible, though cash is stored in the cub-board by women folks. Previously, management of cash was the responsibility of the husband and father-in-law. After migration, 65.3% of the respondents claimed that, the cash managing role has been shifted to the women folks. This is also true for the joint family, because, majority of the remittance is send in the name of migrant's wife.

Guthi is considered integral part of social life of the newar community. A net-work of such guthi binds the newar community together. Representing in guthi's functions is crucial because, defaulting person or household may result in complete social boycott, through the denial of participation in the group events and feasts, and services to be rendered by these organizations. Representing these organizations is the responsibility of male folks, usually the head of the family. Responsibility of representing these kinds of organization has shifted to the wives of the migrants especially in the nuclear

family. 51% of the respondents claim that, they have to represent guthis like "Dewali Guthi" and many other kinds of social gatherings and works.

Box 6.1. Case 3

Forty five years old, Mr. Govind Maharjan of ward no 8 left for Kuwait for a job of Dish washer in a Hotel. For more than three year, he earns handsomely to support his family, back home. But, last two Mr Maharjan did not send any money, instead Mrs. Nanichori (his wife) received divorced paper. Mr. Nanichhori heard from the returned fellow migrants that, her husband has been involved in affair with another women in Kuwait working in the same Hotel. Nanichhori is experiencing hardship in her live taking care of her children's education and other necessaries alone.

Regarding Health and Securities of the family members, obviously, it is the responsibility of head of the family and other male members of the family. Maintenance of family health and security of the family members specially, in nuclear family is the responsibility of a husband. After husband's migration, 76.9% of the respondents claimed that, the responsibility has sifted to the wives.

Small maintenance in the house are considered men's job. Obviously in joint family of the Siddhipur, women folk are free for such responsibility. This responsibility of having maintenance job done in house has become also the works of migrant's wife in nuclear family. 33.7% of the migrant's wives claim that, they often have to seek help of the technician in the village for small maintenance in the house.

It was observed during the study of changes in gender role of the migrant's family that, migration to some extent has changed and gradually changing the family composition of many household in Siddhipur VDC. Migration has increased the numbers of women-headed households, which affected directly in the changes in gender role of the family. The pie-chart clearly shows that, after migration in an average more than 60% of the migrant's wives claimed that, the husband's responsibility has been shifted to their shoulders compare to only 14% before foreign employment.

6.2 Concluding Remarks

Gender is the social differences or roles allotted to women and to men, roles that are learned as we are growing up, change over time, and depend on our culture, ethnic

origin, religion, education, class and the geographical, economic and political environment we live in.

This part of the study focuses in exploring the changes in role of women folks in the country of origin due to husband going abroad for foreign employment. Seven dimensions of the social responsibilities were assessed.

It was observed that, majorities of migrant's social responsibilities have been shifted to the migrant's wives after his migration for foreign employment. Responsibilities like purchasing daily necessary goods; harvesting and storing of agriculture products; managing of household financing and representing in social organizations are found to be handled by the migrant's wives especially in the nuclear families. Thus, it could be concluded that husband's migration has increased the numbers of women-headed households, which affected directly in the changes in gender role of the family.

CHAPTER VII

SOCIO-ECONOMIC EMPOWERMENT OF THE MIGRANT'S WIVES

7. Introduction

Empowerment refers broadly to the expansion of freedom of choice and action to shape one's life. It implies control over resources and decision. For poor people, that freedom is severely curtailed by their voicelessness and powerlessness in relation particularly to the state and markets.

There are important gender inequalities, including within the household. Since powerlessness is embedded in a culture of unequal institutional relations. According to the World Bank's definition "Empowerment is the expansion of assets and capabilities of poor people to participate in, negotiate with, influence, control and hold accountable institutions that affects their lives".

Since, social, cultural, political and economic conditions vary and institutions are context specific, reform strategies must vary as well. Although there is no single institutional model for empowerment, experience shows that certain elements are almost always present when empowerment efforts are successful.

7.1 Basic Elements of Empowerment

The four key elements of empowerment that must underlie institutional reform are:

- i. Access to information;
- ii. Inclusion and Participation;
- iii. Accountability; and
- iv. Capacity Development

i. Access to Information

Information is power. Two ways information flows from government to citizens, and citizen to government are critical for responsible citizenship and responsive and accountable governance. Informed citizens are better equipped to take advantages of opportunities, access services, exercises their right and hold state and non-state actors accountable.

ii. Inclusion and Participation

An empowering approach to participation treats poor people as co-producers, with authority and control over decisions and resources devolved to the lowest appropriate level. Inclusion of poor people and other excluded groups in decision making is critical to ensure that, limited public resources build on local knowledge and priorities, and brings about commitment to change. However, in order to sustain inclusion and informed participation, it is usually necessary to change rules and processes to create space for people to debate issues, participate in local and national priority setting and budget formation, and access basic and financial services.

iii. Accountability

Accountability encompasses the obligations of political authorities, parties and representatives to explain their intension and conduct to their constituencies and to voters at large and the responsibility of government agencies to fulfill their administrative and social commitments to citizens by presenting transparent periodic reports of their work or public scrutiny and discussion. Citizen action can reinforce political and administrative accountability mechanisms and build pressure for improved governance and transparency.

iv. Local Organization Capacity

Organized communities are more likely to have their voices heard and their demands met than unorganized communities. It is only when groups connect with each other across communities and form networks or associations that they begin to influence government decision making and gain collective bargaining power.

These four elements are closely interlinked and can be successfully applied to four critical development objectives: ensuring the provision of basic services, enhancing local and national governance, broadening access to markets and guaranteeing access to justice (Nepal HDR, 2004).

7.2 Concept of Individual Empowerment

At individual level empowerment is a process of transition from a state of powerlessness to a state of relative control over one's life, destiny, and environment. It is the process of changing oneself from passive situation to a more active situation of control. In other words it could be said that, a person who is powerless with regard to his/her life and his/her environment is not realizing his/her innate human potentials. The empowerment process aims at enhancing the ability to act for oneself and growing independency for the solution of problems in one's life.

Empowerment is the process of changing the individual, the social change and the method used for changing. These three are interwoven which complement and contribute to one another:

The process of individual empowerment can occur in an immense variety of circumstances and conditions, without any connection to the other two processes (husband's migration in this study). But when it occurs in the course of active participation in social change processes, it will have special values for both the individual and the environment.

The process of community empowerment is a social change process which involves organizing and creating a community. It develops a sense of responsibility, commitment, and ability to care for collective survival, as well as skills in problem solving, and political efficacy to influence changes in environments relevant to their quality of life.

For empowering of the individual and community specific method needs to be applied depending on the nature of the individual and the community. These methods stem

from social systems with the aim of encouraging the process of increased control of the individuals and communities who live in these systems intervene.

The potential for empowerment exists in everyone, and the ability to make a difference is a component of human existence. This is also called "contextual theory of empowerment" developed by Giddens in 1991". Usually people are conscious about their social values. The individual interprets the environment of his/her life on the basis of the knowledge available to him/her about the family norms and the social domain. On the individual level, a changes in situation demands for changed response. Empowered people learn to understand their situation differently, which gives them a new social meaning of their situation and their relations with others.

People learn to appreciate a new certain social norms that affect them. They start taking an active part in the moral discourse, and change it by the very fact of their joining it. Empowerment may be described in terms of individuals' ability to effect change, but one cannot understand the power of a particular person, which is expressed in his own specific activity, without relating to the existing structures of control that this person reinforces, interprets and changes through his behavior. Personal efficacy draws its strength from structural forms of control that are embedded in social systems. Hence, the empowerment process depends on what already exists in the society, but the success of the process is defined by what and how much changes on the personal level, the community level, and the social systems connected with the process.

Why, an individual gets empowered by the changed situation, without going into or applying method and tools for empowerment process. There could be numerous reasons. Following are the process of individual empowerment.

- i. The empowerment process begins with sense of frustration. The changed situation creates a kind of frustration. Husband's migration creates vacuum in the life of migrant's wife, resulting into frustration.
- ii. This sense of frustration needs to be accompanied by a minimal level of ability and resources to enable organized activity, as well a minimum of social

legitimizing to permit such activity. In case of empowerment of migrant's wife, she should possess certain ability for initiating changed process and is supported by the family member, in joint family.

- iii. Empowerment process begins, with the mobilization of resolve. That is obtaining resources and means to develop ability in order to achieve something in their lives. In the examination of empowerment level of the migrant's wives access to information is considered basis for developing ability.
- iv. People's recognition of their right to express aspirations and their ability to define them is an outcome of developing a critical consciousness of the existing situation. Examination of awareness level of the migrant's wives regarding their rights;
- v. People's belief in their own ability to achieve outcomes. Examination of capacity building efforts in the study in the process of empowerment of migrant's wives.
- vi. Success in mobilizing resources, including resources of knowledge about organizing and setting up community organizations, is outcomes that indicate that the empowerment process has established itself. In this study assessment ability of decision making of migrant' wives based on available information.

7.3 Analysis of Empowerment of the Migrant's Wives in the Siddhipur VDC

The third objective of this study was to examine the socio-economic empowerment of the migrant's wives in the Siddhipur VDC. Information regarding empowerment level was collected from 104 sampled migrant's houses. Empowerment in this study means having choice, and ability to make choices. It means the exercise of informed choice within an expanding framework of information, knowledge and analysis of available option. Before, analyzing the collected data, it would be appropriate to define the following four empowerment components that have been analyzed in the study.

- i) Access to information;
- ii) Awareness about the Basic Rights;

- iii) Efforts made for capacity building; and
- iv) Decision making

7.3.1 Access to Information

The right information through independent sources is fundamental to improving the situation of the migrant's wives. If the migrant's wife cannot find what changes has occurred in the neighbourhood and environment after husband's migration, she would not be able to make the right decision while assuming the changed role. Thus, during the study questions were asked with the sampled migrant's wives regarding their knowledge about changes/events in the neighbourhood and sources of such information; information regarding changes in agricultural /occupational environment and sources of information and so on. The following results were observed.

Regarding information on environmental changes in the neighbourhood, the result of sample study and analysis is shown in the table below:

Table 7.1 : Information Regarding Changes in Environment in the Neighbourhood

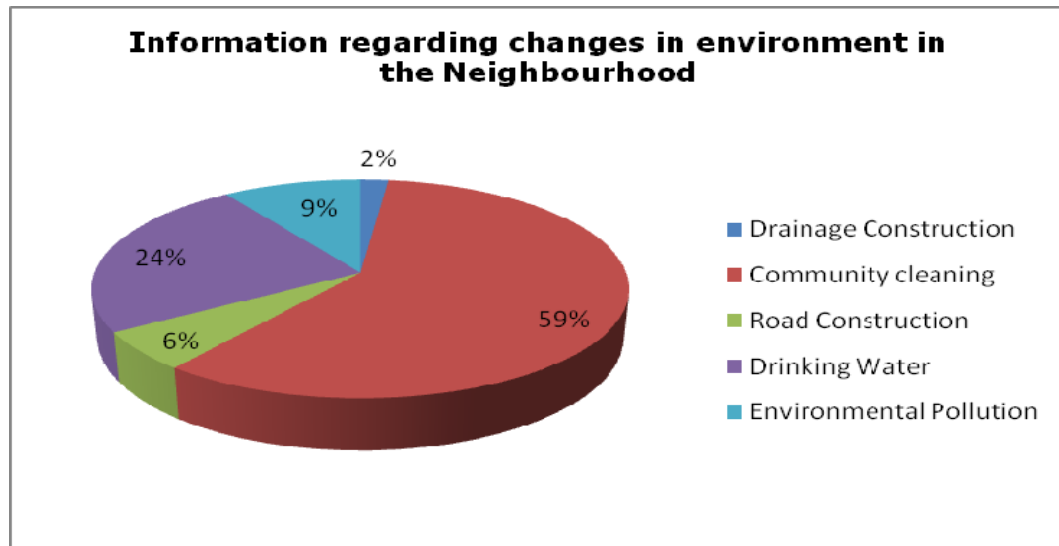
S.N.	Description Information	No.	Percentage	Source of Information
1	Drainage Construction	2	1.92	VDC
2	Community cleaning	61	58.65	Neighbours
3	Road Construction	6	5.76	VDC
4	Drinking Water	25	24.03	Neighbours
5	Environmental Pollution	10	9.64	Neighbours/VDC
	Total	104	100.00	

Source : Field Study of the Siddhipur VDC, 2009

The above table shows that, respondent migrant's wives gets information regarding recent environmental changes in the neighbourhoods of the Siddhipur VDC are i) Construction of drainage; ii) Awareness programme about community cleaning, iii) construction of roads; iv) drinking water supply programmes; and v) Environmental pollution. More than 58% of the respondents claim that they are aware about the

community cleaning programme going on in the VDC. About 24% of the respondents claim that, information regarding Drinking water supply system is important for them. Major source of information were neighbours and VDC Office. 22 respondents claim that they have started collecting such information only after their husband's migration.

Figure 7.1 : Information Regarding Changes in Environment in the Neighbourhood



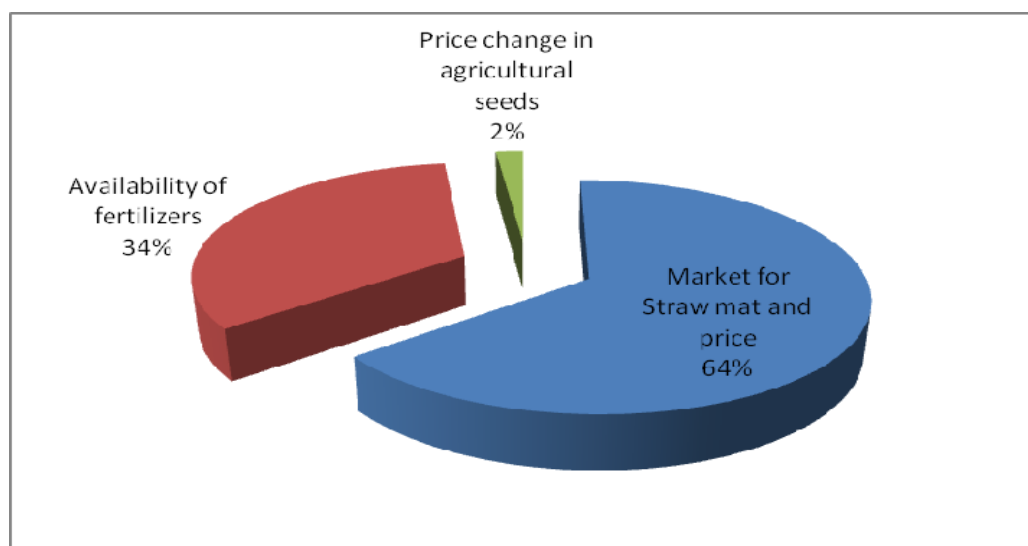
Regarding information on changes in Agriculture/ occupational environment respondent migrant's wives claim that they have started receiving information on Price change in agricultural seeds; Availability of fertilizers in the market and Straw mat's Market and price only after husbands migration. Before, it was their husband's responsibility. 64.41 percent of the respondents claim that, it is important to know about the selling places of straw Mats and its price after husband has migrated. 33.67 percent of the respondents were of the opinion that, information regarding fertilizer is important for them. Table below gives the detail.

Table 7.2 :Information Regarding Changes in the Occupational Environment

S.N.	Source of Information	No.	Percentage	Source of Information
1	Price change in agricultural seeds	2	1.92	Friends/VDC
2	Availability of fertilizers	35	33.67	Neighbours
3	Market for Straw mat and price	67	64.41	Neighbours
	Total	104	100.00	

Source : Field Study of Siddhipur VDC, 2009

Figure 7.2 :Information Regarding Changes in the Occupational Environment



7.3.2 Awareness about the Basic Rights

Usually the process of Empowerment starts with awareness about the rights of individuals and ends with an action phase that is, decision making. The awareness phase is often generated by a crisis or contextual change. It is important for expression of the rights for achieving the desired output in the life. During the study questions were asked with the sampled migrant's wives regarding their awareness level about the basic rights. The results observed are given in the table below.

Table 7.3 : Awareness about the Rights

S.N.	Awareness about Basic Rights	no.	Source of Information
1	Yes	43	VDC and Neighbours
2	No	61	
	Total	104	
	Types of Rights		Percentage
	Women's Right	12	27.9
	Right to speak	16	37.2
	Right to own Assets	15	34.9
	Total	43	100.0

Source : Field Study of Siddhipur VDC, 2009

The table above shows that, out of 104 migrant's wives interviewed, 43 responded that they are aware about their basic rights. And, out of 43 respondents 26 claim that, they have started exploring about the rights after husband's migration. Regarding the types of rights they claimed that, they have been aware about the women's right, Right to speak and Right to own Assets.

7.3.3 Capacity Building Efforts

Capacity is defined as the ability of individuals and organizations to perform functions effectively, efficiently and sustainably. Capacity is not a passive state but part of a continuing process and that human resources are central to capacity development.

Capacity development in the context of individuals is utilize and strengthen existing capacities, rather than to start from scratch. It includes a consideration of all key factors which impact upon its ability to be developed, implemented and the results to be sustained (UNDP, 1998).

Capacity development is essential for a new way of 'doing business'. After husband's migration new responsibilities are shifted on the shoulders of the migrant's wives

(which have been discussed in chapter VI-changed in gender role). These responsibilities need to be discharged effectively and efficiently in order to manage new circumstances created by the husband's migration. For the purpose, migrant's wives need to acquire new skills and knowledge. Thus, during impact study of migration in Siddhipur VDC, questions regarding their efforts for capacity development (their awareness about the capacity development activities in the neighbourhood and their involvement) were asked with the sampled migrant's wives. The results observed are given in the table below.

Table 7.4 :Capacity Building Activities in the Neighbourhood

S.N.	Aware about the capacity development activities	No.	Percentage
1	Yes	84	80.7
2	No	20	19.3
	Total	104	100.0
S.N.	Types of Capacity Building Activities	Count	%
1	Candle making training	28	33.3
2	Soap making training	6	7.1
3	Adult education	15	17.8
4	Solid waste management training	32	38.09
5	Knitting Training	28	33.3
6	Dalmoth Making	9	10.7
7	Straw mat Weaving training	2	2.3

Source : Field Study of the Siddhipur VDC, 2009

The above table shows that, there are various kinds of skills development training conducted in Shiddhipur VDC. Usually these training are conducted as income generation activities, focused on the women folks of the VDC. Out of 104 respondents migrant's wives 80.7 % claimed that they are aware of the income generation training programme conducted in the VDC, focusing women population. The respondents listed the following training programmes conducted in the VDC.

- Candle making training;
- Soap making training;
- Adult education;
- Solid waste management training;
- Knitting Training;
- Dalmoth Making; and
- Straw mat weaving training

38.09% of the respondents claimed that, Solid waste management training was important for clean environment of the VDC.



Photo 7.1
 Woman Weaving Straw Mat
 after participated in the training programme

During interview with the migrant's wives, question was put regarding their participations in the training programme, 55.7% of the interviewee respondent that they have participated in the training program. The table below gives the details of training and their participation.

Table 7.5 : Participation of Migrants Wives in the Training Programmes

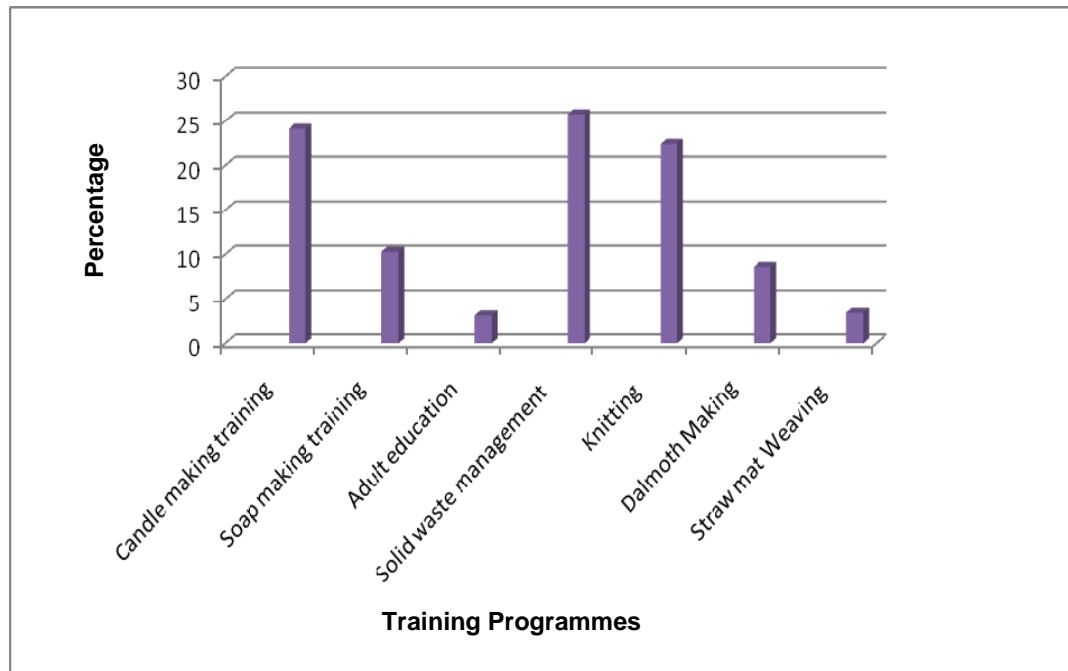
S.N.	Participated in Training Programme	No.	Percentage
1	Yes	58	55.7
2	No	46	44.3
	Total	104	100.0
	Involved in Training Programmes	No.	%
1	Candle making training	14	24.1
2	soap making training	6	10.3
3	Adult education	3	3.1
4	Solid waste management training	15	25.8
5	Knitting Training	13	22.4
6	Dalthoth Making	5	8.6
7	Straw mat Weaving training	2	3.4
	Total	58	100.0

Source : Field Study of the Siddhipur VDC, 2009

The above table and figure shows that, out of 58 migrant's wives participated in the training programmes, 25.8% have participated in Solid waste management training; 24.1% candle making and 22.4% in knitting training. This shows that, majority of the migrant's wives are conscious about the environmental cleanliness and they also give importance to their skill development and income generation activities.

This could be presented in the figure as shown below:

Figure 7.3 Migrants Wives Participation in the Training Programmes



Another component for individual capacity development initiatives assessed was their awareness and participation in various kinds of awareness programmes exclusively focused on build awareness level of the women folks. Out of 104 respondents interviewed 42 responded that, they were aware and have participated in the awareness programmes conducted in the village. More than 42% of the migrant's wives have participated in Health related awareness programmes. Similarly 30.9% of the interviewees claim that, they have participated in Education awareness programmes. The table below gives the details of awareness programmes and numbers of migrant's wives participated.

Table 7.6 : Awareness Programmes and Migrant's Wives Participation

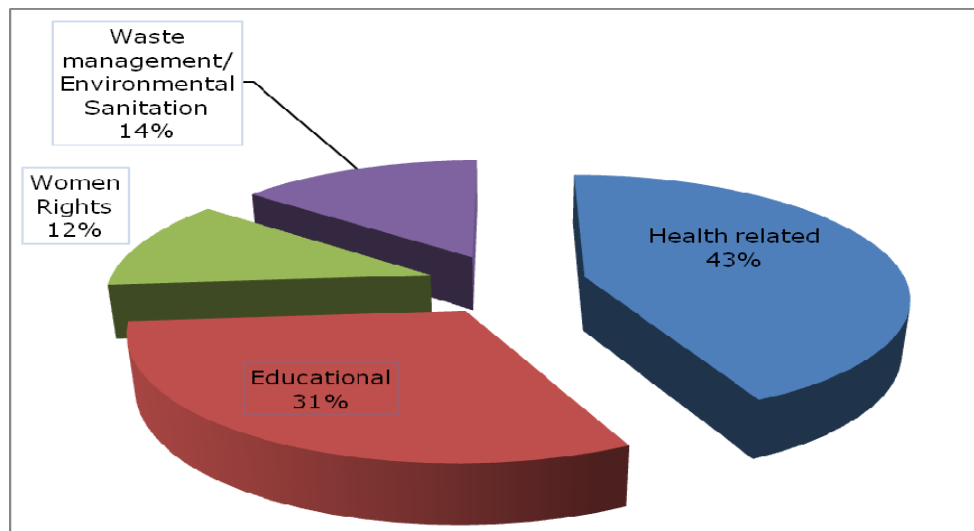
S.N.	Participated in Awareness Programme	No.	Percentage
1	Yes	42	40.3
2	No	62	56.7
	Total	104	100.00
	Types of awareness Programme		
1	Health related	18	42.8
2	Educational	13	30.9
3	Women Rights	5	11.9
4	Waste management/ Environmental Sanitation	6	14.4
	Total	42	100.0

Source : Field Study of the Siddhipur VDC, 2009

The respondent participants also claimed that, they have been able to reap the following benefits out of their participation in the training programmes and the awareness programmes.

1. Domestic Cleanliness
2. Able to read and write
3. Clean neighbourhood; and
4. Washing hands before meal and after toilet

Figure 7.4 : Migrant's Wives Participation in Awareness Programmes



7.3.4 Decision Making

Success in empowerment process is the enhancement of ability to achieve the target that is to control their lives; to participate in decision making; to influence the environment; and tackle the changed circumstances created by the husband's migration. Decision making of an individual is influence highly by the nature of family he/she is living in. Before discussing about the decision making capacity as a contribution of migration, it would be appropriate to observe the family pattern of Siddhipur VDC.

The family system of Siddhipur is characterized by Patriarchal norms. Most of the people of Siddhipur lived on traditional joint family or extended family. It was observed that, one of the impacts of foreign employment is the development of nuclear family system.

Out of 104 respondent households of the survey 40 household are joint family and the rest 64 households are nuclear family system.

Thus, during impact study of migration in Siddhipur VDC, questions regarding their decision making capacity in various field (especially in financial matters) were asked with the sampled migrant's wives. The results observed are given in the table below.

Table 7.7 : Decision Making Capabilities

S.N.	Delivery of Remittance to	No.	Percentage
1	Self	67	64.4
2	Other member of the family	37	35.6
	Total	104	100.0
Financial Decision			
1	Self	67	64.4
2	Other member of the family	37	35.6
	Total	104	100.0
Decisions Regarding Children's School Admission			
1	Self	70	67.3
2	Other member of the family	34	32.7
	Total	104	100.0
Decisions in case of child's sickness			
1	Self	74	71.1
2	Other member of the family	30	29.9
	Total	104	100.0

Source : Field Study of the Siddhipur VDC, 2009

Regarding decision making capability enhancement, respondent migrant's wives are asked questions regarding i) Delivery of Remittance; ii) decisions regarding spending remittance money; iii) Decisions regarding Children's school admission; and iv) Decisions in case of child's sickness. The following were the observation.

Regarding delivery of remittance, 64.4% of the respondents claimed that their husbands send remittance money in their name. This is usually true in nuclear family household. But in majority joint family household, it was observed that, the

remittance money was sent in the name of the head of the family usually father-in-law of the migrant's wife.

Similarly, decisions regarding spending of remittance money mixed responses were observed in joint family and nuclear family. Though more than 64.4% of the respondents (remittance money received in their names) claim that, they are the one to make decision in financial matter, in majority of joint family household, the decisions are influenced by the members of the family in case of spending in capital goods. In nuclear family even the decision for purchasing durable goods is made by the migrant's wives.

Decisions regarding Children's school admission; and in the case of child's sickness, migrant's wives decision are considered final. More than 67.3% claim that, they make decision regarding which school is suitable for their children. Similarly, in case of child's sickness 71.1% of the respondent migrant's wives are responsible for taking the child to the medical doctors.

Empowerment actually is the changes in behavior of individual for coping with the changed in circumstances due to husband's migration. Behaviour of a person is defines as the accepted ways of doing activities in a particular society. This is learned by an individual from the very childhood by interacting with others. Thus, changing behaviour is long term and needs conscious effort. In this study it would not be appropriate to say that migrant's wives have been empowered by husband's migration. Empowerment (behavioural change) might take long time to show the impact. It would be appropriate to say that, migrant's wives have developed certain skills to adjust one's self with the changed circumstance created by the husband's migration.

7.4 Concluding Remarks

Empowerment refers broadly to the expansion of freedom of choice and action to shape one's life. It implies control over resources and decision. For poor people, that freedom is severely curtailed by their voicelessness and powerlessness in relation particularly to the state and markets.

The four key elements of empowerment assessed in the process of the study were i) Access to information; ii) Awareness about the Basic Rights; iii) Efforts made for capacity building; and iv) Decision making. Usually the process of Empowerment starts with awareness about the rights of individuals and ends with an action phase that is, decision making.

Empowerment (behavioural change) might take long time to show the impact. It was observed that respondent migrant's wives have developed certain skills to adjust one's self with the changed circumstance created by the husband's migration.

CHAPTER VIII

FINDINGS, CONCLUSION AND RECOMMENDATIONS

8. Introduction

This chapter presents major findings, conclusions and Recommendations of the study.

8.1 Major Findings of the Study

The following are the major findings of the study.

8.1.1 Present Scenario of the Foreign Employment in Nepal

- ☞ Present scenario of People's migration pattern found in Nepal in search of better opportunities include: permanent migration to Europe, Australia and North America; contract labour migration to the Gulf and Southeast Asia; and cross border/seasonal migration with in the region.
- ☞ Each year approximately 300,000 labour forces are added in the labour market. Of the total labour force, around 200,000 are estimated to be absorbed in foreign employment, and remaining 100,000 to be employed in domestic labour market.
- ☞ Numbers of Foreign employment has been steadily increasing year by year which in 2008/09, is 219,965 compared to 2,159 in 1994/95.
- ☞ The official report of the Labour Department has listed of 107 countries where Nepalese are allowed to go for work formally.

- ☞ As of March 2009 the migration has concentrated (more than 65.14%) in the Gulf countries and maximum being in Malaysia (31.82%).
- ☞ Government of Nepal has promulgated Foreign Employment Act, 2064 and Foreign Employment Regulation, 2064 for the promotion of foreign employment. But, effectively implemented is lacking. Government has not developed foreign employment specific policy document.
- ☞ There is a high incidence of fake employment contracts, visas, and forged documents for migration clearance and travelling. The result is that many Nepalese become stranded or get deported from countries where they have gone for work.

8.1.2 Socio-economic Implications of the Foreign Employment

- ☞ In 1974/75 the figure of remittance received was Rs. 90.7 million. This had risen to 216.8 million by 1980/81. By 2007/08 it had reached Rs. 139421.5million.
- ☞ During the year 2000/01 share of remittance in GDP (at current prices) was 2.22%. This share reached 20.0% percent in 2008/09. On an average, the share of remittance to GDP was 11.21 percent during the review period from 2000 to 2009.
- ☞ Regression results of the production functions shows that 1 percent change in remittance income has impact of increase GDP by 0.67 percent.
- ☞ Remittance income and Economically Active Population appear to be the most relevant variables to raise real GDP in Nepal.
- ☞ Gross Fixed Capital Formation and other items have also significant impact on increasing real GDP in Nepal.

- ☞ The contribution of remittance income to the total foreign exchange earning of the country increased considerably though at varying rate from less than one percent in 1993/94 to more than 58% in 2007/08.
- ☞ Comparing the size of remittance income with the total earnings from the tourism, in 1990/91 it was 27.6%. In 2007/08 the size of remittance has increase to 685.5% of the total earnings from the tourism.
- ☞ The size of remittance income compare to the total earnings from the Merchandise Export, in 1990/91 it was 9.5%. In 2007/08 the size of remittance has increase to 486.4%.
- ☞ The size of remittance income with the total foreign aids received it is exhibited in Table 4 that, the size of remittance was 14.2% in 1990/91, 41.8% in 2000/01, and increase to 589.7% in 2007/08.
- ☞ Remittance has positive impact in the society in terms of increased personal income and social prestige. But hampered agricultural productivity.
- ☞ In Nepal, remittance are spent on land and housing. But in macroeconomic terms, they are non-productive assets, with no lasting impact on the country's real income.
- ☞ There is lack of strategic planning for the utilization of remittance.

8.1.3 Socio-economic Contribution of the Foreign Employment at the Household Level

- ☞ Major reasons of migration in the Siddhipur VDC are:
 - i) Coping with social changes;
 - ii) Unsatisfactory economic condition and occupation status;
 - iii) Seeking of opportunities to match education level; and
 - iv) Imitation

- ☞ In percentage a total of 74% of the sampled population are concentrated in Arabian countries from Siddhipur. For the purpose cost for going to the foreign employment was up to Rs. 100,000. And 50% of the populations borrow money either from the financial institutions or from friends to meet the cost.
- ☞ Most of the migrants from the Siddhipur VDC are involved in the lower level jobs. 26.2% of the sampled migrants are engaged as cook/helper in restaurants.
- ☞ Migration (foreign employment) has been one of the positive outcomes in the physical development of the Siddhipur VDC. Behavioural changes are not yet substantially visible at present.
- ☞ 86.53% household receives less than Rs. 50,000 per month as remittance from foreign employment. The major portion of the remittance is used for meeting household use and to payback loans. Only the small proportion (7.69%) of the migrants uses the remittance directly for productive investment like agriculture, manufacturing and trade in Siddhipur VDC.
- ☞ It was observed that, absence of husband, not only cause hardship to the women; it also brings opportunities for example development of talents and various expertises. But, Loneliness; Adverse effect on children's education; Added responsibilities; Financial gains not up to expectation; Insecurity feeling and anxiety are the major challenges for the migrant's wives.

8.1.4 Changes in the Gender Role

- ☞ Before migration, husband was responsible for purchasing daily necessary goods. The responsibility of purchasing daily necessary goods was shifted to 74% of the migrant's wives after migration.
- ☞ Assisting in children's study was father's responsibility, which have been shifted to 84.6% of the migrant's wives after migration in nuclear family. In joint family, it was observed that, this responsibility was shared by sisters-in-laws.

- ☞ Women folks are involved in major activities in plantation works. Where as male members are involved in the works which need physical strength like plough of land, carrying fertilizer and harvested crops etc. After migration, responsibility of harvesting and storing of agriculture product had shifted to the migrant's wife.
- ☞ Weaving straw mats is leisure time jobs of women folks of Siddhipur VDC. Selling straw mates is the responsibility of male folks. In the household where husband migrated abroad for foreign employment, it was observed that, this has been shifted to 43% of the migrant's wives.
- ☞ Traditional norm of the Siddhipur VDC was that, male folks were responsible decision making in financial matters. It was observed that migration has changed this role and increased migrant's wives capabilities of cash managing. In more than 60% migrant's household this role has been shifted to the women folks.
- ☞ Representing in guthi's functions is crucial in newar community for sustaining social identity. Male member of the household usually represents these organizations. After migration, migrant's wives have to carryout this mandatory role in nuclear family.
- ☞ In Siddhipur VDC migration has increased the numbers of women-headed households, which affected directly in the changes in gender role of the family. After migration in an average more than 60% of the migrant's wives claimed the husband's responsibility has been shifted to their shoulders compare to only 14% before foreign employment.

8.1.5 Socio-economic Empowerment

Success in empowerment process is the enhancement of ability to achieve the target that is to control their lives; to participate in decision making; to influence the

environment; and tackle the changed circumstances created by the husband's migration. The following are the findings of the study.

- ☞ In Siddhipur, husband's migration has induced migrant's wives to developed certain skills to adjust one's self with the changed circumstance. But, the changes in behavior are not reflected during the study.
- ☞ Regarding Decision making, delivery of remittance, 52.8% of the respondents claimed that their husbands send remittance money in their name. This is usually true in nuclear family household. But in majority joint family household, it was observed that, the remittance money was send in the name of the head of the family usually father-in law of the migrant's wife.
- ☞ Though migrant's wives have been involve in training and awareness programmes, the utilization of the inputs are not substantially visible.
- ☞ Decisions regarding spending of remittance money mixed responses were observed in joint family and nuclear family. More than 64.4% of the migrant's wives are found taking decision in financial matter, in majority of nuclear family.

8.2 Conclusion

Migration of people from one place to another is a usual phenomenon since the beginning of human civilization. The migration in the beginning was for the sake of food and exploring new places for security purpose. But gradually the migration took the shape in diverse form and now has become a very essential and common in each and every corner of the world.

Three key factors driving migration are:

- The "pull" of changing demographics and labour market needs in many industrialized countries.
- The "push" of population, unemployment and crisis pressures in less developed countries.

- Established inter-country networks based on family, culture and history.

In Nepal ten year long armed conflict has displaced people from their usual place of residence and the alternative means of employment. This situation has created more scarcity to get employment within the national border and ultimate step of the people is to go abroad for foreign employment. Though the concrete research has not been conducted yet, the young people from conflict prone areas are compelled to go for foreign employment to save their life.

In addition to financial benefits to the sending countries, migration provides opportunities to build their human, capital and social assets. Returning migrants usually bring new skills during employment abroad through what is today recognized as beneficial transfer of know-how and competencies called 'brain gain'.

The number of workers going abroad for employment has been steadily increasing as per the data provided by the Department of Labour and Employment Promotion. In 2006/07, the number of workers going overseas for employment was 214,094 compared to 2,159 in 1994/95.

Government of Nepal has promulgated Foreign Employment Act, 2064 and Foreign Employment Regulation, 2064 for the promotion of foreign employment with the following characteristics.

- Progressive system for protection of labour's right;
- Provided various facilities and made foreign employment a profession of an honored;
- Increased provision punishment on crime against labour, and prescribed mechanism for implementation;
- In case of emergency, the act has provisioned foreign Employment fund as a relief mechanism; and
- Act has increased the role of government in promotion of foreign employment.

But, effective implementation is lacking.

Remittances had generated a positive effect on the economy thorough various channels such as savings, investment, growth, consumption, and poverty and income

distribution. At the national level, remittances had contributed significantly to GDP. Remittances also contributed to stability by lowering the probability of current account reversals. Since they are a cheap and stable source of foreign currencies, remittances has stem investor panic when international reserves are taking a downward trend or external debt is rising.

But, in many countries, a large portion of remittances are invested in real estate, demonstrating both a desire of migrants to provide housing to families left behind and a paucity of other investment instruments in the recipient. Whether remittances are utilized for consumption or purchasing houses, or other investments, they produce positive impact on the economy by stimulating demand for other goods and services.

Overall, macroeconomic performance of the Nepalese economy remained mixed in 2006/07. Economic growth remained low with a moderate level of inflation. Despite the weak performance of exports, Balance of Payment (BOP) remained in surplus on account of the elevated level of remittances.

It is believed that the remittance economy represent just the tip of the iceberg; particularly as most remittances are transferred informally. Considering the increasing number of workers going outside the country, it was estimated that, at least Rs.50 billons was received in the fiscal year 2001/02. It is also estimated that, more than 500 people per day are going abroad for foreign employment. From such migrants, about Rs.100 billion per year is expected to enter into the country through remittance income only.

In regards to contribution of remittance to the GDP (at current prices), the share was 2.22%.during the year 2000/01. This share reached 20.0% percent in 2008/09. On an average, the share of remittance to GDP was 11.21 percent during the review period from 2000 to 2009.

Though, the remittances have positive impact at household and community level only, it has not created socio-economic impact and long term development of the country due to lack of strategic planning for the utilization of remittance. For the purpose, policies and plans based on updated information on migration are required.

Migration has both direct and indirect impact on the demography of the population at origin and destinations. The direct effects become visible immediately and are mostly structural in nature. Indirect consequences are changes in behavioural and personal in nature of the family members of the foreign employee.

The direct impact of the foreign employment especially those taking place in the households of migrants are brought through remittances and their utilization. The sample study of Siddhipur VDC collected information on remittance received in cash, and its utilization to identify the effects.

Social impact of migration is considered indirect impact of migration. Such impact can be seen in the women groups of the family. The wife of a migrant though they are not migrant themselves, they are deeply affected by migration.

In Siddhipur VDC, Migration has positive impact of the economic life of the population in terms of physical development. Social impacts demands for changes in behaviour, which needs long time duration to be visualize. The changes in behavior are not reflected yet in Siddhipur VDC. As a changes in social norms and belief, migrant's wives to developed certain skills to adjust one's self with the changed circumstance after husband's migration.

8.3 Recommendations

The following are the sector-wise recommendations based on the study.

Table 8.1 Recommendations

S.N.	Issues	Recommendations	Responsibilities
1.	Effective implementation of Foreign Employment related Act and Regulation is lacking.	<ul style="list-style-type: none"> - Coordinated effort by all agencies involved in labour migration. - The active and positive participation of stakeholders (the police, immigration, banks, airlines and foreign missions abroad) in promotion of migration business would be equally important. 	<ul style="list-style-type: none"> - Department of Labour and Employment Promotion, Nepal - Stakeholders
2.	Government has not developed foreign employment specific policy document.	<ul style="list-style-type: none"> - Formulation of more proactive migration policy to protect the migrant workers and promote their interests abroad. 	<ul style="list-style-type: none"> - Government of Nepal
3.	There is a high incidence of fake employment contracts, visas, and forged documents for migration clearance and travelling. The result is that many Nepalese become stranded or get deported from the destination countries.	<ul style="list-style-type: none"> - Recruitment agencies should be made accountable, development of system of reward and punishment. - Renewal of license of the recruitment industry should be tied to their performance. 	<ul style="list-style-type: none"> - Department of Labour and Employment Promotion, Nepal; and Recruiting Companies
4	In Nepal, remittance are spent on land and housing. But in macroeconomic terms, they are non-productive assets, with no lasting impact on the country's real income.	<p>Increase investment environment through:</p> <ul style="list-style-type: none"> - Making the positive interest rate on deposits; - Mobilizing the remittances on the productive sectors; and - Gradually increasing saving ratios of the cooperatives and public sector. 	<ul style="list-style-type: none"> Government of Nepal and Nepal Rastra Bank

S.N.	Issues	Recommendations	Responsibilities
5	Remittance has positive impact in the society in terms of increased personal income and social prestige. But hampered agricultural productivity.	Conduct Promotional activities for enhancing Agriculture productivities with the following initiatives: <ul style="list-style-type: none"> - Initiation of integrated farming system; - Transfer of available agricultural technologies to the farmers' field; - Development of appropriate agro-markets and right prices for the products. - Support agriculture Cooperatives in rural areas for integrated farming practices through the promotion of agriculture inputs. 	Government of Nepal, Ministry of Agriculture and other agencies involved in agricultural development
6	There is lack of strategic planning for the utilization of remittance.	Develop plans and strategies for utilizing remittance in productive sectors by: <ul style="list-style-type: none"> - Analyzing strategic situation; - Analyzing strategic direction; and - Package programmes (like Government Bond and debentures, Govt. matching fund schemes for development works, etc) for productive use of remittance 	Government of Nepal, Private Sector and other Stakeholders
7	Though migrant's wives have been involved in training and awareness programmes, the utilization of the inputs are not substantially visible.	<ul style="list-style-type: none"> - Follow-up and Monitoring programme along with the capacity building and awareness should be designed. 	Service Providers (NGO and Private sectors and Donors) involved in Capacity Building initiatives

S.N.	Issues	Recommendations	Responsibilities
8	Most of the migrants are involved in the lower level jobs. This shows that, majority of migrants are unskilled.	<ul style="list-style-type: none"> - Technical and vocational training for unemployed youth willing to go abroad for employment should be provided so that they can gain access to better jobs and higher remuneration. - New training centres should be established and the existing ones improved in order to better serve the needs of Nepalese migrant workers. 	<ul style="list-style-type: none"> - vocational training Institutes; - Department of Labour and Employment Promotion, Nepal

8.4 Area for Further Research

This study basically covered the contribution of foreign employment in the national economy and the socio-economic impact both at the national level and community level. At the community level it attempts to analyze the economic prosperity of the community, changes in the gender role and overall empowerment level of the migrant's wives as a case study of the Siddhipur VDC.

However, the study has certain limitations. Therefore, areas for further research can be done regarding the status, problems and potentialities of the returning migrants and utilization of remittance money, which have not been covered in this study. In addition, it could be interesting to study the ways and means of contribution of remittance income in managing public debt.

Within the broad mandate of the Constitution of Nepal, public debt management in the country is governed by Loan and Guarantees Act and authorization to Raise internal Loans to Deficit Management at which specify the annual ceiling for borrowings. Public Debt authorizes to raise internal borrowing in different forms such as Treasury Bills, Development Bonds and Saving Certificates. It could be interesting to focus the contribution of remittance for managing the deficit financing.

APPENDICES

Appendix 1.

1. Number of Nepalese Workers Abroad

Year	Number of Job Seekers
1994/95	2,159
1995/96	2,134
1996/97	3,259
1997/98	7,745
1998/99	27,796
1999/00	35,543
2000/01	55,025
2001/02	104,739
2002/03	105,055
2003/04	121,769
2004/05	139,696
2005/06	182,043
2006/07	214,094

Source: Department of Labour and Employment Promotion

Appendix 2.

2. Foreign Employment till mid-August 2009

Country	Till FY 2007/08	FY 2008/09	Total	In percent
Malaysia	420615	35070	455685	31.82%
Qatar	349633	76175	425808	29.73%
Saudi Arabia	229176	48749	277925	19.41%
U.A.E	149639	31688	181327	12.66%
Bahrain	11970	6360	18330	1.28%
Kuwait	13911	2291	16202	1.13%
Oman	3946	4247	8193	0.57%
Israel	2666	2517	5183	0.36%
Hong Kong	4212	65	4277	0.30%
South Korea	911	2909	3820	0.27%
Afghanistan	2013	1538	3551	0.25%
Maldives	1465	377	1842	0.13%
Macaw	1269	559	1828	0.13%
USA	837	354	1191	0.08%
Russia	205	39	244	0.02%
Others	19791	7027	26818	1.87%
Total	1212259	219965	1432224	100.00%

Source: Department of Labour (DOL), Ministry of Labour and Transport Management (MOLTM).

3. Questionnaire for Data Collection

बैदेशिक रोजगारको स्थिति अध्ययनको
सर्वेक्षण फाराम
२०६५

- क. नगरपालिका/गा.वि.स.
ख. वडा नं. टोल/गाउँ
- ग. अन्तरवार्ता दिनेको विवरण :
नाम : उमेर पेशा
मिति :

१. व्यक्तिगत विवरण :

क्र.सं.	नामथर (घरमुलीको नाम पनि यहाँ लेख्ने)	घरमुली सँगको नाता	उमेर	शिक्षा	प्रमुख पेशा / व्यवसाय	शिप	आम्दानी
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२. बैदेशिक रोजगारको विवरण

- २.१ बिदेशमा रोजगार गर्न जानेको नाम
- २.२ रोजगार गर्न गएको देशको नाम
- २.३ बिदेश जाने व्यक्तिसँगको नाता १ श्रीमान २ अन्य.(भए खुलाउने)
- २.४ बिदेश गएको कति वर्ष भयो ? १ एक वर्ष २ १-३ वर्ष ३ ३ वर्ष भन्दा वढी
- २.५ बिचमा फर्केको छ ? १ छ २ छैन्

फर्केको भए पुनः कहिले बिदेश जानु भएको हो ?

२.६ विदेश जान कति खर्च लागेको थियो ?

रु ५०,००० सम्म रु ५० हजार देखि १ लाख रु १ लाख भन्दा बढी

२.७ उक्त खर्च कहाँबाट जुटाउनु भयो ? १ आफ्नै २ वित्तीय संस्थाबाट ऋण

३ साथिभाईसँग ऋण ४ सामुदायिक संस्था ५ अन्य

ऋण लिइको भए व्याजदर कति तिनु पर्दछ ? प्रतिशत

ऋण तिरेको छ, छैन? छ १ छैन २

२.८ विदेशमा के काम गर्नु हुन्छ ?

क. चौकीदार १ ख. कुक/हेल्पर २ ग. हाउस किपिङ्ग ३ घ. बेटर् ४

ड. निर्माण कामदार ५ च. रुम व्वाई ६ छ. कृषी/पशुपालन ७ ज. अन्य ८

२.९ उक्त कामको लागि तालिम लिएको छ ? १ छ २ छैन

तालिम लिएको भए कुन विषयमा ?

तालिम दिने संस्थाको नाम

कति अवधिको तालिम

२.१० विदेशमा रोजगार कुन संस्था मार्फत गएको हो ?

संस्थाको नाम

३. सामाजिक स्थितिको विवरण

३.१ वासस्थान तथा सुविधा सम्बन्धि :

३.१.१ घर (उत्तरदाताको मुख्य घरको प्रकारमा रेजा (√) चिन्ह दिनु होला)

क. आरसीसी (पक्का) १ ख. जस्ता २ ग. भुपडी ३

३.१.२ घर रहेको जमिन (मिल्लेमा रेजा (√) चिन्ह दिनु होला)

क. आफ्नै नामको १ ख. भाडा २ ग. अन्य ३

३.१.३ घरसम्म बाटोको पहुँच (मिल्लेमा रेजा (√) चिन्ह दिनु होला)

क. कालोपत्रे १ ख. ग्राभेल, कच्ची सडक २ ग. गोरेटो ३

३.१.४ विद्युत सेवा (मिल्लेमा रेजा (√) चिन्ह दिनु होला)

क. छ १ ख. छैन २

३.१.५ खानेपानी सुविधा (मिल्ने खानेपानीको स्रोतमा रेजा (√) चिन्ह दिनुहोला)

क. निजी धारा ख. सार्वजनिक धारा ग. निजी कल

घ. सार्वजनिक कल/ईनार ड. अन्य

३.१.६ सञ्चार साधन (घरका सदस्यहरूले प्रयोग गर्ने सञ्चारका साधनमा रेजा (√) चिन्ह दिनुहोला)

क. ल्याण्ड लाईन फोन ख. मोबाईल फोन ग. टेलिभिजन

घ. रेडिया ड. अन्य

३.२. स्वास्थ्य सरसफाई र वातावरण सम्बन्धि :

३.२.१ खाना पकाउने इन्धनको प्रयोग (मिल्दोमा रेजा (√) चिन्ह दिनुहोला)

क. गँयास ख. मट्टितेल ग. दाउरा घ. अन्य

३.२.२ घरमा प्रयोग गरिने वत्ती (मिल्दोमा रेजा (√) चिन्ह दिनुहोला)

क. विजुली ख. टुकी ग. सौर्य घ. अन्य.४...

३.२.३ शौचालयको सुविधा (मिल्दोमा रेजा (√) चिन्ह दिनु होला)

क. छ ख. छैन

छ भने कस्तो प्रकारको शौचालय उपलब्ध रहेको छ ?

क. पक्का ख. जस्ता ग. कच्ची

छैन भने शौचालयका लागि कहाँ जाने गर्नु भएको छ ?

क. सार्वजनिक शौचालय ख. खुल्ला मैदान ग. जंगल/नदि किनार

३.२.४ ढलको सुविधा (मिल्दोमा रेजा (√) चिन्ह दिनु होला)

क. छ ख. छैन

३.२.५ फोहरमैला व्यवस्थापन सुविधा (मिल्दोमा रेजा (√) चिन्ह दिनु होला)

क. छ ख. छैन

छ भने कसले सुविधा प्रदान गरिराखेको छ ?

क. नगरपालिका ख. गैसस/सामुदायिक संस्था ग. निजी क्षेत्र

छैन भने कहाँ व्यवस्थापन गरिरहनु भएको छ ?

क. खुल्ला स्थान ख. नदि नाला ग. बाटोका छेउ

३.२.६ स्वास्थ्य सुविधा लिने स्थान (मिल्दोमा रेजा (√) चिन्ह दिनु होला)

क. सरकारी अस्पताल ख. स्वास्थ्य चौकी ग. निजी क्लिनिक

घ. नक्कली डक्टर ड. धामी भाँक्री च. वैद्य

३.२.७ के तपाईंलाई व्यक्तिगत सरसफाईबारे जानकारी छ ?

क. छ ख. छैन

छ भने व्यक्तिगत सरसफाईका लागि के के गर्नु हुन्छ ?

४. आर्थिक स्थिति

४.१ तपाईंको परिवारको जिविकोपार्जनको लागि आयको मुख्य स्रोतहरु के के हुन ? कृपया मुख्य स्रोतमा (√) चिन्ह दिनु होला ।

कृषि दैनिक रोजगारी सरकारी सेवा वैदेशिक रोजगार

नीजीक्षेत्रमा रोजगारी उद्योग व्यापार अन्य

४.२ परिवारमा मासिक रुपमा हुने खर्चहरु के के हुन ?

खाना

इन्धन

विजुली

पिउने पानी

स्कूल खर्च

अन्य

४.३ माथि उल्लेखित खर्च धान्ने श्रोत केहो ?

क. पेशा व्यवसाय ख. विदेश रोजगारीबाट पठाएको रकम

घ. ऋण सापटी ड. अन्य भए
खुलाउने.....

विदेश रोजगारीबाट पठाएको रकम भए मासिक/वार्षिक कति रकम पाउनु हुन्छ ?

१ रु ५०,००० सम्म २ रु ५० हजार देखि १ लाख ३ रु १ लाख भन्दा बढी

५. परिवार सशक्तिकरण सम्बन्धी

५.१ आर्थिक निर्णय सम्बन्धी

५.१.१ विदेशबाट कसको नाममा रकम पठाउने गरिन्छ ?

५.१.२ विदेशबाट पठाएको रकम भुक्तानी लिन को जाने गर्दछ ?

५.१.३ विदेशबाट कसरी रकम पठाउने गरेको छ ?

क. बैंकबाट १ ख. व्यक्तिको हातबाट २ ग. अन्य (भए खुलाउने) ३

उक्त रकम आफ्नो साथमा राख्नु हुन्छ वा घरको अरु कुनै सदस्यलाई बुझाउनु पर्छ?

क. आफै राख्ने १ ख. घरको अन्य सदस्यलाई दिने २

आफै राख्नु हुन्छ भने कहाँ राख्नु हुन्छ?

क. बैंकमा १ ख. घर मै २ ग. अन्य (भए खुलाउने) ३

५.१.४ परिवारमा खर्च गर्ने निर्णय कसले लिने गर्दछ ?

क. आफै १ ख. घरको अन्य सदस्यले २

५.१.५ आफूलाई चाहिने सामग्रीहरु आफै किन्न सक्छ वा सक्दैन ?

क. सक्छ १ ख. सक्दैन २

यदि आफै किन्न सक्छ भने, कस्तो बस्तु ?

क)

ख)

ग)

५.१.६ विदेशबाट पठाएको रकम कुन प्रयोजनमा खर्च गर्ने गर्नु भएको छ ?

क. ऋण तिर्न ख. घर मर्मत गर्न ग. जग्गा किन्न

घ. व्यवसाय चलाउन / लगानी गर्न ङ. अन्य

५.१.७ बच्चाहरुलाई स्कूलमा भर्ना गर्ने निर्णय कस्ले गर्दछ ?

क. आफै ख. घरको अन्य सदस्यले

५.१.८ परिवार सदस्य विरामी पर्दा औषधि उपचार सम्बन्धी निर्णय कस्ले गर्दछ ?

क. आफै ख. घरको अन्य सदस्यले

५.२ सूचना सम्बन्धी :

५.२.१ परिवार / छरछिमेक तथा टोलमा हुने/भएको महत्वपूर्ण घटना क्रियाकलाप बारे जानकारी पाउने गर्न हुन्छ ?

क. पाउने गरेको छ ख. पाउदैन

जानकारी प्राप्त हुन्छ भने जानकारी प्राप्त हुने माध्यम के हो ?

५.२.२ आफ्नो व्यवसायको वातावरणमा परिवर्तन भैरहेको / हुने कुराको जानकारी छ कि छैन
छ भने कस्तो कुराको जानकारी पाउनु हुन्छ

	जानकारीको विवरण	जानकारीको माध्यम
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५.२.३ समाजमा हुने/भएको महत्वपूर्ण घटना क्रियाकलाप बारे जानकारी कसरी पाउनु हुन्छ ?

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५.२.४ यस्तो जानकारी पहिले पनि प्राप्त हुने गर्दथ्यो वा हाल आएर मात्र संकलन गर्न सक्षम भएको हो ?

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५.३ अधिकारबारे जागरुक:

५.३.१ देशको कानूनले प्रदान गरेको सामाजिक अधिकारहरु बारे तपाईंलाई जानकारी छ ?

क. छ ख. छैन

यदि जानकारी छ भने के कस्तो अधिकार र जिम्मेवारी बारे जान्नु भएको छ ?

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यस्तो अधिकार र जिम्मेवारी बारे कसरी जानकारी पाउनु भयो ?

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५.३.२ यस्तो जानकारी पहिले पनि प्राप्त हुने गर्दथ्यो वा हाल आएरमात्र संकलन गर्न सक्षम भएको हो ?

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५.४ मानव संसाधन विकास तथा सामुदायिक कार्यमा सहभागिता

५.४.१ टोल तथा समुदायमा मानव संसाधन विकास सम्बन्धी जागरण कार्यक्रम तथा तालिमहरु हुने गरेको थाहा छ ?

जागरण कार्यक्रम तथा तालिमहरु हुने गरेको छ भने कस्तो किसिमको ?

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५.४.२ यस्तो जागरण कार्यक्रम तथा तालिमहरुमा तपाईं सहभागी हुनु भएको छ ?

क. छ ख. छैन

यदि छ भने के कस्तो कार्यक्रममा सहभागी हुनु भएको छ ?

	सहभागी भएको कार्यक्रम	कति समय	कार्यक्रम कसले चलाएको थियो ?
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५.४.३ यस्तो जागरण कार्यक्रम तथा तालिम कार्यक्रमबाट तपाईंले के के कुरा सिक्नु भयो ?

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.....

५.४.४ टोल तथा समुदायमा बाहिर भएको / हुने यस्तो जागरण कार्यक्रम तथा तालिमहरुमा तपाईं सहभागी हुनु भएको छ ?

क. छ १ ख. छैन २

यदि छ भने के कस्तो कार्यक्रममा सहभागी हुनु भएको छ ?

	सहभागी भएको कार्यक्रम	कति समय	कार्यक्रम कसले चलाएको थियो ?
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५.४.५ यस्तो कार्यक्रममा पहिले पनि सहभागी हुने गर्नु हुन्थ्यो वा हाल आएरमात्र सहभागी हुन थालेको हो ?

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५.४.६ यस्तो जागरण कार्यक्रम / तालिममा सहभागी भएपछि त्यसबाट फाईदा भएको छ ?

क. छ १ ख. छैन २

यदि छ भने कस्तो फाईदा

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६. पारिवारिक भूमिका सम्बन्धी

कार्यहरु	पहिला कस्ले गर्दथ्यो	अहिले कस्ले गर्दछ
दैनिक आवश्यक वस्तुको खरीद		
घर तथा आँगनको सरसफाई		
- भाँडा माभ्ने		
- गोठको सफाई		
- कपडा धुने		
खाना पकाउने		
- इन्धन (दाउरा) को व्यवस्था		
- गुईठा बनाउने		
विहान र बेलुकी पकाउने कार्य		
- बच्चाहरुको हेर विचार		
- सरसफाई		
- स्कूल पठाउने		
- गृह कार्यमा सघाउने		
- बिरामी पर्दा स्याहार सुसार		
खेतीपाती/पेशा व्यवसाय		
- खेत खनजोत गर्ने		
- वाली राप्ने		
- गोडमेल गर्ने		
- वाली काट्ने		
- भण्डारण गर्ने		
- बिक्री वितरण गर्ने		
आम्दानी तथा खर्च		
- बिक्री वितरण तथा अन्य श्रोतबाट भएको आम्दानी कसले राख्ने गर्दछ		
- दैनिक आवश्यक वस्तु तथा खेतिपातीको लागि हुने खर्च कसले गर्छ		
सामाजिक कार्यमा प्रतिनिधित्व कसले गर्छ		
- गुठी तथा अन्य सामाजिक चाड पर्वमा को जाने गर्दछ		
- चाड पर्वमा कस्को पहलमा पाउना बोलाउने कार्य हुन्छ		

	स्वास्थ्य तथा सुरक्षा		
	- परिवारजन विरामी पर्दा औषधोपचार		
	- घरमा आईपर्ने सुरक्षा व्यवस्था		
	घरायसी मर्मत कार्य		
	- घरमा हुने सानो तिनो मर्मत विजुली, धारा, ढल जाम भएको आदि		
	- घरको सानो तिनो भौतिक मर्मत कार्य		

७. समस्याहरु

परिवारको सदस्य विदेशमा रोजगारमा जाँदा के समस्या रहेको छ ?	छ	१	छैन	२
छ भने कस्ता किसिमको समस्याहरु ?				
एक्लोपना	छ	१	छैन	२
बच्चाहरुको शिक्षा दिक्षामा नकारात्मक प्रभाव	छ	१	छैन	२
घरको / सामाजिक कामकाजको सम्बन्धमा उत्तरदायित्व बहनमा समस्या	छ	१	छैन	२
ऋण तिर्ने सम्बन्धमा	छ	१	छैन	२
आशातित आम्दानी प्राप्त नहुनु	छ	१	छैन	२
सुरक्षा (घरमा पुरुष नहुदा असुरक्षित महशुस)	छ	१	छैन	२
खेतमा काम गर्नुको लागि समस्या परेको	छ	१	छैन	२
कुलतमा पर्ने भन्ने डर	छ	१	छैन	२
विदेशमा काम गर्न गएको व्यक्तिसँग सम्पर्क नहुने समस्या	छ	१	छैन	२

Appendix 4.

4. Country-wise Migration (Migrants of Siddhipur VDC)

S.N.	Migrated Country	Number of Migrants
1	Dubai:	84
2	Japan:	8
3	Quatar:	88
4	Kuwait:	13
5	Malaysia:	47
6	Saudi Arabia:	151
7	America:	12
8	Bahrain:	6
9	Amman:	2
10	Sri Lanka:	3
11	UAE:	4
12	Others:	39
	TOTAL	457

Source: Siddhipur VDC record, 2009 March

Appendix 5.

5. List of Countries Opened for the Foreign Employment

Government of Nepal has formally opened the following 107 countries on institutional basis for sending labourers in foreign employment. But now-a days, the government has also restricted to go Nepali workers in some foreign countries including Iraq* due to massacre of 12 Nepali labourers in Iraq.

S.N	Countries	S.N	Countries	S.N	Countries	S.N	Countries
1	France	28	Belgium	55	Iceland	82	Ireland
2	China	29	South-West Africa	56	United Arab Emirates	83	Bosnia Herzegovina
3	Russia	30	Canada	57	Malta	84	Holy see1
4	Japan	31	Denmark	58	Panama	85	Qatar
5	Sri Lanka	32	Bulgaria	59	Tunisia	86	Saudi Arabia
6	Egypt	33	Romania	60	Fiji	87	Kuwait
7	Germany	34	Algeria	61	Zambia	88	Iraq
8	Austria	35	Spain	62	Mozambique	89	Bahrain
9	Italy	36	Bangladesh	63	Nicaragua	90	Oman
10	Switzerland	37	Albania	64	Venezuela	91	Hong Kong
11	Poland	38	Norway	65	Colombia	92	Malaysia
12	Greece	39	Finland	66	Bolivia	93	Singapore
13	Philippines	40	Tanzania	67	Estonia	94	Brunei
14	Australia	41	Morocco	68	Ukraine	95	South Korea
15	Myanmar	42	Cuba	69	Armenia	96	Saipan
16	Pakistan	43	Cambodia	70	Kazakhstan	97	Kosovo
17	Netherlands	44	Vietnam	71	Byelorussia	98	Latvia
18	Laos	45	Kenya	72	Moldavia	99	South Africa
19	Sweden	45	Mexico	73	Luxembourg	100	Israel
20	United Kingdom	47	Czech Republic	74	Republic Slovakia	101	United States of America
21	Indonesia	48	Nigeria	75	Guyana	102	Macao
22	Mongolia	49	Libya	76	Iran	103	Thailand
23	Hungary	50	Peru	77	Azerbaijan	104	Afghanistan
24	Chile	51	Brazil	78	Seychelles3	105	Cyprus
25	Argentina	52	Portugal	79	Slovenia	106	Jordan
26	Turkey	53	Costa Rica	80	Macedonia	107	Sechelles6
27	Lebanon	54	Mauritius	81	Croatia		

Source: Labour Market Information Bulletin, Year 4(11), Annual Publication, 2062,P.28

Website: www.moltm.gov.np

Appendix 6.

6. Official Estimates of the Total Value of Remittances Reaching Nepal (Based on previous year)

Year	Remittance received through formal Channel (Rs. in Millions)	Percentage Growth
1974/75	90.70	
1975/76	97.70	7.72%
1976/77	125.40	28.35%
1977/78	120.00	-4.31%
1978/79	146.30	21.92%
1979/80	150.30	2.73%
1980/81	216.80	44.24%
1981/82	205.50	-5.21%
1982/83	292.50	42.34%
1983/84	280.00	-4.27%
1984/85	275.40	-1.64%
1985/86	346.70	25.89%
1986/87	478.70	38.07%
1987/88	589.80	23.21%
1988/89	602.10	2.09%
1989/90	676.80	12.41%
1990/91	549.70	-18.78%
1991/92	423.60	-22.94%
1992/93	549.70	29.77%
1993/94	223.00	-59.43%
1994/95	2,906.70	1203.45%
1995/96	2,660.20	-8.48%
1996/97	2,938.00	10.44%
1997/98	4,084.20	39.01%
1998/99	6,520.60	59.65%
1999/00	6,031.40	-7.50%
2000/01	9,797.60	62.44%
2001/02	14,859.80	51.67%
2002/03	41,630.00	180.15%
2003/04	56,629.80	36.03%
2004/05	61,784.80	9.10%
2005/06	92,748.60	50.12%
2006/07	107,417.40	15.82%
2007/08	139,421.50	29.79%
2008/09	194,215.6	39.00%

Source : Quarterly Economic Bulletin--2009 (Mid-July), NRB

Appendix 7.

7. Share of Remittance to the GDP at the Constant Producers' Price by Source (Base year at 1994/95)

Year	GDP (at Producer's Price) (Rs. in millions)	Economically Active Population (in number)	Gross Fixed Capital Formation (Rs. in millions)	Remittance Received (Rs. in millions)
1987/88	155,610	6,631,650	15,237	590
1988/89	162,439	6,808,052	19,415	602
1989/90	169,707	6,989,147	19,076	677
1990/91	180,978	7,175,058	25,074	550
1991/92	188,831	7,305,176	31,619	424
1992/93	195,431	7,457,124	39,653	550
1993/94	212,166	7,612,232	44,644	223
1994/95	219,176	7,770,566	55,231	2,907
1995/96	230,875	7,932,194	68,017	2,660
1996/97	243,021	8,097,184	71,084	2,938
1997/98	250,172	8,265,605	74,728	4,084
1998/99	261,419	8,437,530	70,061	6,521
1999/00	277,374	8,613,030	92,272	6,031
2000/01	292,628	8,792,181	98,313	9,798
2001/02	290,921	9,669,275	84,808	14,860
2002/03	299,900	9,886,833	90,298	41,630
2003/04	311,112	10,109,287	106,047	56,630
2004/05	320,729	10,336,746	114,371	61,785
2005/06	326,743	10,569,323	113,489	92,749
2006/07	335,892	10,807,133	106,521	107,417

Sources: Economic Survey 2005/06 and 2006/07, Ministry of Finance, Government of Nepal. and Quarterly Economic Bulletin--2009 (Mid-January), NRB

Appendix 8.

8. Output of Regression Analysis

A. Regression output with Remittance only

Descriptive Statistics

	Mean	Std. Deviation	N
GDP	12.3800	.24938	20
Remittance	8.3670	1.99443	20

Correlations

		GDP	Remittance
Pearson Correlation	GDP	1.000	.921
	Remittance	.921	1.000
Sig. (1-tailed)	GDP	.	.000
	Remittance	.000	.
N	GDP	20	20
	Remittance	20	20

Variables Entered/Removed(b)

Model	Variables Entered	Variables Removed	Method
1	Remittance(a)	.	Enter

a All requested variables entered.

b Dependent Variable: GDP

Model Summary(b)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.921(a)	.849	.840	.09972	.849	100.815	1	18	.000	.793

a Predictors: (Constant), Remittance

b Dependent Variable: GDP

ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.003	1	1.003	100.815	.000(a)
	Residual	.179	18	.010		
	Total	1.182	19			

a Predictors: (Constant), Remittance

b Dependent Variable: GDP

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B		Correlations			Collinearity Statistics	
		B	Std. Error				Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	11.41	.099		115.8	0	11.20	11.62	.921	.921	.921	1.000	1.00
	Remittance	.115	.011	.921	10.04		.091	.139					

a Dependent Variable: GDP

Coefficient Correlations(a)

Model		Remittance	
1	Correlations	Remittance	1.000
	Covariances	Remittance	.000

a Dependent Variable: GDP

Collinearity Diagnostics(a)

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions	
				(Constant)	Remittance
1	1	1.974	1.000	.01	.01
	2	.026	8.723	.99	.99

a Dependent Variable: GDP

Residuals Statistics(a)

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	12.0383	12.7501	12.3800	.22971	20
Residual	-.20114	.22173	.00000	.09706	20
Std. Predicted Value	-1.488	1.611	.000	1.000	20
Std. Residual	-2.017	2.223	.000	.973	20

a Dependent Variable: GDP

B. Regression output with Remittance, EAP and GFCF

Descriptive Statistics

	Mean	Std. Deviation	N
GDP	12.3800	.24938	20
EAP	15.9335	.15520	20
GFCF	10.9385	.65498	20
Remittance	8.3670	1.99443	20

Correlations

		GDP	EAP	GFCF	Remittance
Pearson Correlation	GDP	1.000	.968	.973	.921
	EAP	.968	1.000	.903	.957
	GFCF	.973	.903	1.000	.844
	Remittance	.921	.957	.844	1.000
Sig. (1-tailed)	GDP	.	.000	.000	.000
	EAP	.000	.	.000	.000
	GFCF	.000	.000	.	.000
	Remittance	.000	.000	.000	.
N	GDP	20	20	20	20
	EAP	20	20	20	20
	GFCF	20	20	20	20
	Remittance	20	20	20	20

Variables Entered/Removed(b)

Model	Variables Entered	Variables Removed	Method
1	Remittance, GFCF, EAP(a)	.	Enter

a All requested variables entered.

b Dependent Variable: GDP

Model Summary(b)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.995(a)	.991	.989	.02616	.991	570.298	3	16	.000	1.395

a Predictors: (Constant), Remittance, GFCF and EAP

b Dependent Variable: GDP

ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.171	3	.390	570.298	.000(a)
	Residual	.011	16	.001		
	Total	1.182	19			

a Predictors: (Constant), Remittance, GFCF, EAP

b Dependent Variable: GDP

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B		Correlations			Collinearity Statistics		
		B	Std. Error				Beta	Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	-.520	2.45		-.212	.835	-5.723	4.684						
	EAP	.663	.167	.413	3.96	.001	.308	1.018	.968	.703	.095	.053	18.754	
	GFCF	.207	.022	.544	9.59	.000	.161	.253	.973	.923	.231	.180	5.558	
	Remittance	.008	.010	.067	.802	.434	-.014	.031	.991	.197	.019	.083	12.051	

a Dependent Variable: GDP

Coefficient Correlations(a)

Model			Remittance	GFCF	EAP
1	Correlations	Remittance	1.000	.155	-.843
		GFCF	.155	1.000	-.611
		EAP	-.843	-.611	1.000
Covariances	Remittance		.000	3.50E-005	-.001
	GFCF		3.50E-005	.000	-.002
	EAP		-.001	-.002	.028

a Dependent Variable: GDP

Collinearity Diagnostics(a)

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				Remittance	GFCF	Remittance	(Constant)
1	1	3.965	1.000	.00	.00	.00	.00
	2	.034	10.817	.00	.00	.00	.09
	3	.001	76.027	.00	.00	.65	.18
	4	2.60E-006	1234.938	1.00	1.00	.35	.73

a Dependent Variable: GDP

Residuals Statistics(a)

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	11.9375	12.7078	12.3800	.24822	20
Residual	-.03805	.04811	.00000	.02400	20
Std. Predicted Value	-1.783	1.321	.000	1.000	20
Std. Residual	-1.454	1.839	.000	.918	20

a Dependent Variable: GDP

C. Regression output without Remittance

Descriptive Statistics

	Mean	Std. Deviation	N
GDP	12.3800	.24938	20
EAP	15.9335	.15520	20
GFCF	10.9385	.65498	20

Correlations

		GDP	EAP	GFCF
Pearson Correlation	GDP	1.000	.968	.973
	EAP	.968	1.000	.903
	GFCF	.973	.903	1.000
Sig. (1-tailed)	GDP	.	.000	.000
	EAP	.000	.	.000
	GFCF	.000	.000	.
N	GDP	20	20	20
	EAP	20	20	20
	GFCF	20	20	20

Variables Entered/Removed(b)

Model	Variables Entered	Variables Removed	Method
1	GFCF, EAP(a)	.	Enter

a All requested variables entered.

b Dependent Variable: GDP

Model Summary(b)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.995(a)	.990	.989	.02588	.990	873.422	2	17	.000	1.235

a Predictors: (Constant), GFCF and EAP

b Dependent Variable: GDP

ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.170	2	.585	873.422	.000(a)
	Residual	.011	17	.001		
	Total	1.182	19			

a Predictors: (Constant), GFCF, EAP

b Dependent Variable: GDP

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B		Correlations			Collinearity Statistics	
		B	Std. Error				Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	-2.225	1.215		-1.83	.085	-4.789	.339	.968	.904	.207	.184	5.424
	EAP	.776	.089	.483	8.71	.000	.588	.964	.968	.904	.207	.184	5.424
	GFCF	.204	.021	.537	9.68	.000	.160	.249	.973	.920	.231	.184	5.424

a Dependent Variable: GDP

Coefficient Correlations(a)

Model			GFCF	EAP
1	Correlations	GFCF	1.000	-.903
		EAP	-.903	1.000
	Covariances	GFCF	.000	-.002
		EAP	-.002	.008

a Dependent Variable: GDP

Collinearity Diagnostics(a)

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions		
		(Constant)	EAP	GFCF	(Constant)	EAP
1	1	2.998	1.000	.00	.00	.00
	2	.002	38.889	.00	.00	.21
	3	9.49E-006	562.030	1.00	1.00	.79

a Dependent Variable: GDP

Residuals Statistics(a)

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	11.9312	12.7082	12.3800	.24817	20
Residual	-.03860	.05114	.00000	.02448	20
Std. Predicted Value	-1.808	1.323	.000	1.000	20
Std. Residual	-1.491	1.976	.000	.946	20

a Dependent Variable: GDP

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