

CHAPTER I

INTRODUCTION

1.1 General Background

Nepal, a landlocked Himalayan country, surrounded by India in the east, west, south and by China in the north. Located between latitudes 26°22' and 30° 27' and longitudes 80° 4' and 88° 12' east, with 147181 sq. km. About 83 % of the land mass is occupied by hills and mountains, including the highest peak in the world Mt. Everest. The remaining 17% is occupied by flat land terai in south. The population growth rate of Nepal was 1.4 percent per annum and total population is 2,64,94,504 (CBS, 2011) and per capita income less than \$640. The economy of the country is still largely agriculture-based. The development challenge of Nepal is formidable. The annual population growth rate is 1.35% and around 26% of population live below the poverty line and GDP growth rate is not more than 4.6% (MoF, 2012). Nepal being one among the poorest countries of the world, its opportunities for the faster economic growth is limited. We have abundant resources for which the country enjoys competitive advantages. The exotic culture, unique social setting arts and architecture, religion and above all people themselves are the resources, if harnessed appropriately could bring about noteworthy achievements.

Though being beautiful and full of natural resources many people of Nepal are facing different kinds of problems like food, shelter, clothes, education, health, employment, peace and security. The government of Nepal has been unable to provide the basic needs and service to the people of the country because of the poor economic condition, political instability and lack of appropriate implementation of rules and regulations to deal with the problems (MoF, 2012). The problem of unemployment has been increasing day by day due to the lack of development of industries and infrastructures. Day by day the country has produced unemployed and unskilled human resources because of

the lack of practical and technical education, economic development and infrastructures, proper plan to manage the increasing unemployed human resources tools and techniques and so on. In such a critical situation no other option is available for the people to stay within the country to fulfill their basic needs rather than foreign employment.

Migration of people from one place to another place 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. International labor migration is one of the integral components while talking about international migration. Millions of people from around the world are leaving their usual place of residence for seeking better employment opportunities and supply food for their dependence. Globalization and integration of regional economies have added impetus to the growing mobility of worker across borders (ILO 2003).

Nepal is a rural and agrarian economy. Nearly 83% of its people live in rural areas of them, their earn, their livelihood preliminary from agriculture and relative activities (Economic Survey 2071/072). The share of agriculture in GDP has fallen down significantly from 34.5% (in last five year), now it is only 32.12% in FY 2069/070 (CBS 2014) of total GDP. The result is that there is higher proportion of labour force are unemployed. Employment gross rate is only 2.9%. Total population of Nepal is 2,64,94,504 in which 23.8% people are under the line of poverty.

Poverty is the major burning problem of both developing as well as under developed countries in this present time, only the difference is its magnitude and type of poverty. It is a worldwide phenomenon and however it differs in its magnitude from one country to another.

Poverty is the well known measure problem all over the world, especially for the countries like Nepal it is the burning issue from the basic need approach poverty is defined as the unavailability of basic requirements like food shelter and clothes. As for example: a person needs average daily intake of 2220 calories. (NLSS B.S 2067/2068) and value of the lowest actually required daily of other basic necessities .If a person cannot get that required amount of calories he/she can be rated as poor. Due to the very high level of poverty, the social index of Nepal is also very low in comparison to the world level. Although foreign investment is the main source of development of any economy, because of the lack of sufficient policies and infrastructure the foreign investment in Nepal is not satisfactory.

In Nepal, Defining poverty with the per capita income approach, Nepal's GNI per capita is US \$395 FY 2063/64 and US \$ 742 in FY 2068/69 (MOF, 2068/69). The population receiving less than 1\$ per day was estimated to be 30.8% (World Bank 2010). According to world development report 2010, 24.1% Nepalese earn less than \$1 per day. The report published by Asian Bank in 2010, tells that more than 50% people earn less than 1.25\$ per day. However government officials of Nepal deny this data. Another Approach Basic need approach, poverty is defined as the unavailability of basic requirements like clothes, shelter and food. As for example: a person needs average daily intake of 2256 calories and value of the lowest actual daily consumption of other necessities.

Remittance income in developing countries has become a lifeline for economic development. By remittance we mean sending income in terms of money or goods in home by the migrants or workers who have their earning outside their home country. Nowadays this source of foreign income has been growing rapidly in each year in developing countries. Since long time in Nepal, many migrants have been transferring their income through the unofficial channel.

For the people from the least developed countries like Nepal, foreign employment is often a case of running away from a very difficult situation rather than a matter of preference. Because of low absorptive capacity of domestic economy, rapid growth of population and labor force, Nepali youths are attracted to foreign employment. Political instability and lack of employment opportunities within the country are other causes of growing foreign employment every year. Overseas employment has become one of the attractive options for many people living in the country due to the changing attitudes in their livelihood. The employment opportunities are virtually non-existent in rural areas which led many youngsters to leave their home country seeking employment opportunities in foreign countries with an expectation to make their life better. Hence foreign labor migration and remittance have emerged over the last two decades as a prominent feature of the Nepalese Economy. The flow of the Nepalese labor seeking employment opportunity has been increasing over the last decades so has the flow of remittance back into the country. Recently, Nepalese economy is known as 'Remittance Economy' (Shrestha, 2009).

According to one estimate, every year 300,000 to 400,000 new Nepalese enter the labor market. Out of these new entrants, 30 to 40 thousand find jobs within the country; 100,000 to 150,000 go abroad and the rest remain in the country with no job. In this pitiful and miserable condition foreign employment is one of the best opportunities for Nepalese unemployment people. Worker's remittance is a strong source of foreign exchange earnings for Nepal so it is now considered as a backbone of our economy (<http://anju.page.tl/Remittance-in-Nepal.htm>). Ratio of Remittance and GDP is increased by 11.1 to 28.

It is not a new issue to Nepal because for around two hundred years Nepali men have been living their homes to seek employment and living abroad. After the end of war between Nepal and British, Lahure tradition that began immediately after the treaty of Sugauli in 1816 since them, Laure tradition has begun in Nepalese society and this marks the formal historical record of foreign

employment in Nepal. Besides working as British Gorkha, Nepalese migration have been found working on the tea state of Darjeeling and the forest of Assam during the 19th century foreign employment as a tradition Lahure pattern in Nepal has been observed for around two hundred years from 19th to till (Acharya, 2013).

At present outflow of skilled, semi-skilled and unskilled labor for foreign employment has been growing significantly and it is found diversifying encouraging. The various records show that Saudi Arabia, Malaysia, Dubai, Kuwait, Korea etc. main countries for the Nepalese workers. Besides Nepalese workers are also working in some advanced countries like USA, U.K, Japan and few others. A large number of Nepalese job seekers are abstracted to foreign employment due to the lack of employment opportunity in the country. The trend of outflow of Nepalese labor is increasing significantly every year various study reports show that large numbers of Nepalese workers have gone abroad for employment without security government permission as well legally and illegally 3.5 million people have gone for foreign employment (MoF, 2013).

It a being witnessed that the foreign employment has supported in uplifting the socio-economic prosperity in rural Nepal and contributing the reducing the absolute poverty line. The foreign employment has supported in bring economic Nepalese economy should be considered significant volume of remittance per announce has a large size that as per the NLSS 2010/11. 56 percent families in Nepal have received remittance income in year. The average household remittance receipt is estimates as Rs.80423 at current prices. The share of remittance in total income of families is on increase the share of remittance to household income in F/Y 1995/96 was 27% which has gone up to 56 percent F/Y 2011/12 (MoF, 2013).

This study area of Khyaha VDC in Palpa district where most of the people are going to foreign employment due to poverty, unemployment, no other

opportunities without involving oneself in agriculture sector. Few percent active population of this study is directly involve in agricultural activities. Most of the household fulfill their needs by remittance which eventually helps them to make their life sustainable which certainly helps to reduce poverty level of rural area.

1.2 Statement of the Problem

In this twenty first century due to being the age of globalization the migrated working is common phenomena. The trend foreign migrated working is high in developing nations due to the lack of industrial development in native country. Thus, the people economical enrichment has depended upon remittance in developing countries like Nepal. Remittance, now, has become a cornerstone of development for redeveloping country. The magnitude may be different but the role of the remittance to the development cannot be denied. In this case of Nepal in this present situation of post war the one and only source of economic stabilization and growth rate maintain in remittance income. According to CBS Nepal's per capita income is increasing which only due to the increasing trend of remittance income.

If we concentrate on the poverty situation for our country, its magnitude is very large especially in the rural areas. Most of the people are migrated to the other countries for work and earn only for the existence of their family. In rural area, we can find that most of the lower and middle class families are drowned in debt. If any member of the family is migrated to other countries its debt is comparatively less than other families. In this sense, remittance income is playing very vital role in the rural economic situation.

The population of Nepal is increasing day by day as well as the unemployment rate is also growing. According to national census 2011, the total population of Nepal is 26494504. Being a developing country, Nepal has not been able to develop its infrastructures, industries and agricultural sectors properly. The country will not be able to provide employment opportunities for the labor

force entering into the labor market every year without the rapid economic development and economic growth. So, the unemployment rate of the nation is growing up every year. That's why many Nepalese youth are going abroad in search of better employment opportunity. It is a well known fact that a significant number of Nepalese youths are migrating abroad with the purpose of upgrading their economic and social status. To be emigrants is the compulsion of the people rather than a matter of preference because there is no any option to stay within the country. The number of Nepalese people living in foreign country was 7,62,181 in 2058 B.S and 19,21,494 in 2068 B.S (Economic Survey 2071/072). This data shows that the trend of emigration of Nepalese people towards foreign country is increasing day by day.

Since many years foreign employment rate is increasing, but most of the unskilled labor had gone to foreign land. Nepalese labor force seeking foreign employment having very low level of technical education and formal training. They are compelled to take risky, difficult and dirty work in foreign country. Slowly, training institute is being established in Nepal to developed skills on individuals who are seeking foreign employment so that earning capacity of the employed can be increased. But these institutions are fancy. Individual seeking foreign employment are spending large amount of money as a cost for employment. The cost includes passport fee, Medical charge and visa fee, air fare and commission to the employment agency. To finance the employment individual have to depend on several source of funds which included internal saving, borrowing from the relative, funds received from the sales of fixed assets like and animals, borrowing from money lenders etc. formal financial institutions like banks, co-operatives and finance companies do not provide loan easily. It is very difficult to arrange the funds needed to foreign employment by people coming from lower income class (Karki, 2006).

The outflow of Nepali workers to foreign land is attributed mainly due to lack of employment opportunities inside the county. Every year more than 400000s Nepalese people enter into the labor market and hardly 50000 can get job in

national market. More than 300000 go to the foreign land for employment and remaining remain unemployed in the country (Sharma and Gurung, 2009). The helplessness of many Nepali workers to go abroad is well manifested from the fact that the illegal flow of Nepali women to the Gulf countries to work there as domestic maid has not been mitigated even though the Government of Nepal (GoN) has prohibited them to fly. Though the Government of Nepal has permitted 108 countries for foreign employment to Nepali workers, Gulf countries do not fall under this category for women workers probably owing to cultural, social and legal taboos in those countries.

Nepal has been one of the greatest shareholders of global economy but the issue is how such flows have been used in the livelihood of remittance receiving households in rural areas. The social and economic benefit of remittance lies on the meaningful utilization both at the national as well as household level. The major problem related to the study area has been stated as :

-) Lack of knowledge about among the people formal channel for inflow of remittance.
-) Lack of knowledge about the productive use of remittance.
-) Lack of proper coordination between local communities and local institutions can result in conflict in the process of development.

Taking these issues on consideration, the present study aims to examine the status of remittance in rural areas of Nepal, especially focused on Khyaha VDC of Palpa district on the basis of following questions:

- 1) What are the causes of migration?
- 2) What is the current scenario of labor migration of study area?
- 3) What are the impacts of remittance in different sector like assets structure, income level access of education, health, entrepreneurship, saving, indebtence, etc?

- 4) How does the remittance receiving household invest their income in different sector?
- 5) What are the problems to use remittance in productive sector in study area?

1.3 Objective of the study

The main objective of the study is to analyze the role of remittance in rural poverty reduction .The specific objectives of the study are;

- i) To analyze the nature of remittance inflow at household level.
- ii) To analyze the role of remittance in changing assets structure, income. education, health, entrepreneurship, saving, indebtence.
- iii) To analyze the challenges of productive use of remittance.

1.4 Significance of the Study

Since the inception of the eight five year plan, alleviation of poverty has been accorded highest priority. Likewise several short as well as long term programs have been launched in this related field but results are not so satisfactory. In this required due to so many reasons like unemployment, insurgency weak government and faulty education system etc, large number of young manpower have migrated to foreign countries for work to the other countries. Due to this emigration of stream somehow the people have been able to fulfill their basic needs. Therefore in this present time the remittance income is playing very important role to reduce the poverty in the rural areas of our country Nepal. Especially, in these areas of Nepal where there is no any job and opportunities to earn money to fulfill their basic needs except the agriculture sectors is very low. The people of the rural areas work for all the year but hardly get food even for six months.

Remittance is helping Nepalese economy to reduce the poverty. In the past the kind of job of Nepalese workers used to get abroad was only the armed force. After the restoration of democracy international job market was open in the

forty countries. Thus in the new phenomenon of entering in to the WTO efficient and skilled labor force is required and diversification in the skill and destination. This study is also concentrate on the role of remittances in rural Nepal and guide to make it more helpful in eradicating rural poverty and increasing the capacity of the labor force.

If we try to analyze the present man power of Nepal about seventy percent of the educated man power is migrated for work. Some of them are coming back to Nepal and some of them are setting there forever but all of them are sending money from there for their family and relatives. So the remittance is coming for all over the world to Nepal where the Nepalese people are migrated. Certainly family and non migrated family the migrated people's family is in high condition of living standard or they are feeling very comfortable to fulfill their basic needs for their existence.

Migrations of Nepali youth for foreign employment increased rapidly especially after restoration of democracy and liberalization process in 1990. Remittance emerged as one of the premier source of foreign exchange .It could be instrumental to give a new lease of life to ailing Nepalese economy (Shrestha, 2004). However most of the remittance income is use in the unproductive fields like house building, land purchasing of luxuries goods and consumption etc(Regmi,2007). Therefore the remittance income is not playing actual role for the development of the country. In this context it is necessary to know whether what portion of total remittance income spend on different sector.

Finding of this study will put the economists and policy makers in place to know whether remittance is contributing to the national development or not. Foreign employment has reduced the state of poverty and unemployment to a certain extent. The life style of the households who succeeded in going for foreign employment has changed. But they have not been able to utilize and invest the whole remittance in the productive sector.

Getting all these scenarios potentialities of foreign employment and remittance need to be properly estimated utilized and drawbacks reduced as well. The analysis of it is getting higher importance in these days.

The study of the role of remittance in the reduction of rural poverty was not yet carried out by any of the researchers in the Khyaha VDC so I believe that this thesis will be equally useful to the interested readers, students and concerned person's who desire to get knowledge and information about the relationship between the remittance and the rural poverty.

1.5 Limitation of the Study

The study has following limitations:

- i. The present analysis is concentrated in our particular area of Khyaha V.D.C. Palpa district to determine the magnitude of poverty as well as the amount of remittance income in micro level.
- ii. Price of all commodities is calculated on Nrs.
- iii. Only economic variables such as income, income and wealth inequalities are analyzed.
- iv. This study is based on sample survey.

1.6 Organization of the Study

The study in total consists of five chapters. The first chapter includes introductory information about study and study objectives i.e. background, statement of the problem, objective of the study, rationale and limitation of the study.

In the second chapter reviews of literature is included. The third chapter describes the methodology adopted for the study i.e. research design, rationale of the study area, sampling procedure, data collection techniques and tools.

Data analysis and interpretation of the study has been organized in the chapter four while major findings, conclusions and recommendation are incorporated in the chapter five.

CHAPTER II

LITERATURE REVIEW

For review study, the researcher uses different books and journal, reviews and abstracts, indexes, reports, and dissertation or research studies published by various institutions, encyclopedia etc. It is divided into two headings:

-) Theoretical/Conceptual Framework
-) Review of Related Studies

2.1 Review of International Studies

The emigration, immigrate working or foreign employee has become the integral part of each society. Furthermore, the massive involvement as the foreign employment from less developing countries to the developed one is a common aspect of today's world. So, being the integral aspect there are several studies for causes for emigration, emigrant work and its economical consequences like income generation, remittance and social-cultural and economical transformation. These studies are in the form of either books or articles. This chapter tries to detail the conceptual theoretical concept regarding the definition of emigrant work, remittance and consequences brought by remittance in term of poverty elimination or economical growth.

Remittance is the money sent by foreign workers to their home place from abroad. It has been proved that it is one of the importance development tools for developing country. In this regards many research has investigate the important, usefulness, better utilization of foreign earning. They have concluded the various ideas about the better utilization of remittance. They have presented various principle, logics, concept and current issue relating to foreign employment and remittance in their own way. Here, the study tries to review the international literature. Similarly, to the objective and topic of this study

Todaro (1976) stated that migration is stimulated primarily by rational economic consideration of relative benefit which is mostly financial decision to migrate is influenced by the difference between expected income between two places, the odds probability of getting job in new area is inversely related to employment rate in the new area.

Revenstein (1985) was the first person to attempt forming migration theory. Ravenstein's "Law of migration" is also known as, pull push factors of migration, still predominates as framework of migration analysis. According to him push factors are land tenure system, Unfavorable form of trade, wide dispersion of poverty and income pressure of rural poverty in general and so on. Pull factors are employment education and other facilities are opportunities known as bright light of the town. On the other hand push factors pushes the migrants from their place of birth and on the other hand pull factors pull the migration to the place of destination.

At the beginning of the Twenty First century, the total number of persons living outside their countries of origin worldwide was 175 million including 120 million migrant workers and their families according to the international labor organization estimate. It is estimated that 20 million African men and women are migrant workers and that by 2015 one in ten Africans will live and work outside their countries of origin. While migration is bound to grow and offers development opportunities for both countries of origin and destination as well as for individual migrant workers, ill-conceived or inadequate policies have led to a series of problems that are of direct concern to the international labor organization and its constituents (UN, 2002).

Addisin (2004) in his research paper observed that remittances have for several generations been an important means of support for family members remaining at home. As migration continue to increased come to constitute a critical flow of foreign currency into many developing countries and Africa is particular policy maker in developing countries have started to streamline financial

system, removing controls and creative incentive with the aim of attractive remittances especially through official channels. Generally remittances create a positive impact on the economy through various channels. The general understanding among various economic thinkers is that remittances can impact on economy through saving, investment, growth, consumption, and poverty and income distribution. The importance of remittances flows becomes critical in economy with credit market imperfection as in the case in most developing countries.

Many developing country governments encourage international labor migration, more often implicitly than explicitly. By providing employment for both unskilled and skilled workers, emigration offers an outlet for domestic frustration that might otherwise present serious political problems and can produce large inflows of valuable hard currency remittances. The consequences of international migration for development in countries of origin and destination remain hotly debated (World Bank, 2006). Since 1980s, World Bank has recognized workers' remittances as a part of labor income and added to export of goods and services of the concerned country. Thus, international migrants remittances have become an important source of internal finance in developing countries that went up to US \$167 billion in 2003, a rise by 73 percent from 2008 (World Bank, 2007).

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

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

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

Faal (2013) in his article describes that remittances are particularly important for sustainable development because the process is based on a continuous made of self recipient economy and are made directly to the households of ordinary citizens, thus improving the multiplier effect and increasing financial and civil empowerment studies, have confirmed that remittances contributed to the relief of poverty amelioration of human welfare in poor countries because the inflows are spent on food, shelter, education, health services, community project and other activities in line with millennium development goals (MDGs).

Keeping these international issues of immigrant work and remittance into the consideration it is clear that these issues are universal. However, the nature and cause of immigrant work is distinct according various social, political and economical circumstances. The nature causes and impact of Nepalese

immigrant work is different than other countries. So, it is relevant to include the related reviews based on the Nepalese immigrant work and remittance.

2.2 Reviews of Nepalese Studies

It is well known that immigrant work and remittance have become integral part of Nepalese society. Nepal has long tradition of overseas employment which started particularly after the people started migrating to neighboring Indian cities. India has been a traditional destination for Nepalese migrants. The main reason for this is geographical proximity, historical and cultural links, and large and open porous borders. The 1950's Treaty of Peace and Friendship between India and Nepal formalized free border movement of people. The formal and temporary migration for employment started before early 19th century when the Nepalese travelled Lahore to join the army of Sikh ruler, Ranjit Singh. Labor migration in true sense started after Anglo Nepal Treaty of Peace and Friendship of 1816 that recruited 3000 Nepalese soldiers in British Gorkha regiment (Shrestha, 2009). Migration of Nepali people in India in search of employment and livelihood opportunities as well as permanent settlement is not a new phenomenon. The history of seasonal and temporary migration in India is very old. But, the labor migration from Nepal to other countries except India and Britain is a recent phenomenon (Silwal, 2009). Earlier, Nepalese people migrated only in India. But, nowadays, the trend has shifted and Nepalese going abroad are not only for armies but also spread all over the world for work and mostly they are concentrated in Gulf areas in civilian front (Kshetry, 2003). Nepal has observed tremendous growth of foreign employment especially after restoration of multiparty democratic system and induction of liberalized economic policy.

Kansakar (1982) in his study reviewed the preceding researcher of migration with references to remittance. He found the origin of Nepalese migration to be after the Anglo Nepali war in 1814, which was totally for recruitment purpose. The Indian authority was not only open to them but also manage for their

statement. However, the Nepalese government had discouraged if the Prime Minister Bir Shamsar, for the first time related his policy and encourage the people to join the British recruitment. So, 2,00,000 Nepalese male joined the British regiment event during first world war. His research based on particular ethnic group and their recruitment in the British among force. So, the research couldn't explain the overall picture of emigration and their consequences even though it tried to paint out some of the importance aspect. This study states that migrating has become a safety valve to maintained equilibrium between population growth and opportunity. He remarked that remittance constituted large sources of foreign currency and provides recipient families with higher social-economic status education and technical skill.

Panta (2006) in his article defines that remittance refers to that portion of migrant earnings sent from the migration destination to the place of origin. The term remittance is normally limited to denote monetary and other cash transfer transmitted by the migrant's worker to their families and communities. Remittance full under the Bop standard measures based on the items in report as incorporated in the form of workers remittance compensation of employees, and migrant transfer. .

Gaudel (2006) defines remittance as sending income in terms of money or goods in home by the migrants or workers who have their earning outside their home country. Nowadays, the source of foreign income has been growing rapidly in each year and has become a life line for economic development in developing countries like Nepal.

NRB (2007) has presented that most of the Nepalese migrant workers are concentrated in the gulf and getting unskilled job. This study also present the problem associated with the remittance and its measurement, use of the gained money as well as the skill, the measurement pattern of the remittance and also the employment condition of the people return from the foreign employment. It also explains about the foreign employment system of Nepal and its objective

related with the remittance. This study concludes that apart from India about 86 percent people are migrating in gulf countries like Malaysia, Saudi Arab, Qatar, Dubai etc. This study presents 26.9 percent earns around 50 thousand yearly, 28.8 percent earns 50 to 100 thousand percent.

Recently study of Nepal Rastra Bank (2012) shows that 49% of remittances comes from Gulf countries, 18% percent from India, 11 percent from Malaysia and 21% percent from other and American countries, many people have migrated in countries. Reflecting changing patterns and higher earnings in Gulf countries and other European these locations

Remittances can contribute significantly to local, regional and national economic development in migrants sending countries and also play an instrumental role in reducing poverty as they flow mainly to poor and marginalized families. They are typically helpful to meet the basic needs of the respondents' families who are deprived of poverty. Poverty is the well known major problem of all over the world. Especially for the developing countries like Nepal, it has been a burning issue due to low productions, low pace of development, lack of employment opportunities and political instability. People whose livelihood are miserable and were unable to meet the necessities for subsistence are under the poverty line. About 25.16 percent of the population is under the poverty line and most of the people living in rural areas are under the poverty line. In this sense, we can address rural poverty as the overall poverty of the country (NLSS, 2011).

Most of the remittance receivers in Nepal are economically poor people. So remittance enables the poor families to handle their economic activities and leads to better economic conditions for them. Mostly remittances are used for meeting basic subsistence needs and for daily needs such as food, clothing, housing, health and education.

Nepal Living Standard Survey (2011) shows that about 79 percent of the total remittances received by the households is used for daily consumption while 7

percent is used for loans repayment, to acquire household property 5 percent is used and for education 4 percent is used. Only a small percentage of the remittances, 2 percent is used for capital formation and the remaining 3 percent is used for other purposes (CBS, 2011). Bhattarai et al. (2010) focused on the role of remittance in household economy collecting primary data from Nirmal Pokhari VDC in Kaski district of western hill Nepal. For the purpose of household survey, four wards of the VDC were selected purposively. In the second stage of sampling the total households of selected wards were divided into two categories based on remittance receiving household (RRHH) and remittance non-receiving households (RNRHH). From these two strata, 34 remittance non-receiving and 64 remittance households were selected randomly for household survey. The necessary information was collected filling up the interview schedule asking head of household. The analysis was done with the help of simple statistical tools. Descriptive as well as inferential statistical tools have been used. Educational status, income, expenditure, saving and debt taken to analyze the role of remittance in rural household economy.

Dahal (2010) make with the objectives to highlight the importance of youth and remittances in Nepalese economy and suggest some measures to maintain youth and remittances. For this purpose he used the data from 1995/96 in his study. This study show about 2 million youth workers abroad and send foreign currency as remittances, which is being mostly used in buying land and investing agriculture and industries. Finally he found that 37% of Nepalese remittances receipts are used on consumption, 21% on loan repayment and 16% on education, 6% is saved, housing absorbed 8% and 8% spent on health.

Aggarwal et al. (2011) assess the impact of remittance on financial sector development, using data for 109 countries over the period 1975-2007. Financial sector development is measured as the share of bank deposited or the ratio of bank credit to the private sector, expressed as a percentage of GDP. This study addresses the problem of reverse causality. The finding shows that

remittances are positively related to the measure of financial development. The co-efficient is larger for the bank –deposit to GDP. The result hold true even for a smaller sample of countries (42) for which remittances also included those received using informal or non bank sources. After correcting for the endogeneity of remittance –using economic condition in remittances sending countries, and policies and view on immigration in these countries – the second stage results show a positive association between remittances and deposit and credit ratios. In line with this study, using data for more than 100 countries over (1975-2002) and controlling for the endogeneity of remittance and Ruiz-Arranz (2009) investigated the relationship between remittance and growth in less financially developed countries.

NLSS I, II and III (1995/96, 2003/04 and 2009/10) have studied for the purpose examine the effects of remittances on poverty reduction using three method to evaluate the effects of migration and remittances on households. Consumption and poverty a household level analysis of migration choices estimated jointly with household consumption in each of the states using simultaneous switching regression model, a panel analysis of 72 districts of Nepal and a cross country model relating growth poverty and remittances. Households receiving remittance increased to 55% from 31.9% reported in NLLS 2003/04 (24% households received remittance in FY 1995/96). Of this income, 79 percent is used for daily consumption while only 2.4% is used for capital formation.

The study based on Nepal Leaving Standard survey (NLSS) 2010 shows that absolute poverty declined to 13% , 18 percentage point decline in absolute poverty in six years between 2003/04 and 2009/10. That is like three percentage point decline each year. The NLSS in 1995/96 showed 42 percent of the population under absolute poverty. The latest survey is based on 7200 samples of household selected randomly nationwide.

The Gini-coefficient has fallen to 0.35 from 0.41 recorded in the second NLSS. The nominal average per capita income of the poorest 20 percent of the population has increased nearly fourfold to Rs. 15,888 from Rs. 4,003 registered in the second NLSS. However, such income of the richest 20 percent of the population merely doubled, to Rs. 94,419 from 40,486 over the period. Households headed by females have increased to 26.6 percent from 19.6 percent recorded in the second NLSS. The per capita consumption share of the poorest 10 percent, according to the survey, is Rs. 11,093 whereas the share for the richest 10 percent is Rs. 102,772. The nominal average household income has seen a 2.5 fold increment to Rs. 202,374 from Rs. 80,111 six years ago.

A cross-country model relating growth, poverty and remittances predicts that on average a 10% increases in total remittances should reduce poverty by 0.9%. The study summarized that there need to reform public sector, bilateral agreements, financial education etc. (CBS, 2011)

Tiwari (2012) has carried out a study on "*Role of Remittance in Development: A Case Study of Devdaha VDC, Rupandehi District.*" The main objective of the study is to analyze the role of the remittance in Development of the study area. Beside this, the specific objective of this study was to analyze the nature and role of remittance in the Nepalese economy, to examine general poverty scenario of the study area and to analyze the nature and extent of remittance income in the study area.

From the study, it was found that among the returnees from foreign employment only 35 percent of the workers are using the gain skill in abroad employment where as the rest 65 percent of the respondents have not benefited from that gain skill in foreign employment. It is because of lack of technology, lack of capital, lack of market and lack of positive social attitude etc. The respondents of this VDC were not utilized their remittance caused by conflict and other non-availability of sizable investment funds for investing in productive sector of the economy sector. The respondents of this VDC said that

remittances have increases their household economic and social indicators after returning from foreign employment. Around 81.73 percent respondents said that remittance have increased their economic status, 54.8 percent of respondents said that remittance income have increased their standard of living, around 59 percent of the respondents social attitude have increased due to remittance income and around 67.3 percent of the respondents increased their skills. But around 4 percent respondents said that economic status has been same, 39 percent have remain same standard of living,35 percent said that their social status have remain same and 33 percent said that remained same level of their skill after returning from the foreign employment.

Shah (2014) has carried out a study on "*Role of Remittance in Development: A Case Study of Rauteli Bichawa VDC, Kanchanpur District.*" The main objective of the study is to analyze the role of the remittance in Development of the study area. Beside this, the specific objective of this study were to analyze the nature and role of remittance in the Nepalese economy, to examine general poverty scenario of the study area, to analyze the nature and extent of remittance income in the study area and to measure the role of remittance on poverty reduction of the study area.

From the study, it was found that the larger amount of remittance income has been used for household expenses (37.5 percent), loan repayment (29.8 percent) and investment only 16.34 percent and social spending (5.76 percent). Minimum part of remittance has been used into productive sector like as land purchase (20 percent), bank deposit (14 percent) and other small business and investment (10 percent). In this case, the respondents from Chhetri are forward. Among the returnees from foreign employment only 35 percent of the workers are using the gain skill in abroad employment where as the rest 65 percent of the respondents have not benefited from that gain skill in foreign employment. It is because of lack of technology, lack of capital, lack of market and lack of positive social attitude etc.

KC (2012) in his article emphasized that today: remittance has become an important source of revenue for government through tax and fees. These fees include fee paid by manpower companies' passport fees, values added tax and other non tax revenues. Similarly, remittance has become an important source of revenue for private sector as well various recruitment agencies, agents, medical institute, orientation institute, training institute, advertisement, photograph shop, air ticketing local transport, hotels, restaurants etc. has been collecting significant amount of revenue Rs.107 million per day, since the foreign labor migration has become a common phenomenon. On the other hand, through 26 commercial bank, 2 finance companies and 45 money transferring agencies which are endowed with the responsibility of transferring foreign currency in the domestic financial market, vacancies for different senior and junior post are not a new phenomenon in different media. Expansion of airlines network and training institutes are increasing in proportion with increase Labor migration. It is roughly estimated that about 0.34 million jobs are created all over the country by the phenomenon of labor migration foreign employment, remittance and its contribution to the economy of Nepal. Those employment opportunities are to be understood in term of hotel accommodation transport, recruitment agencies and money transfer agencies etc.

Furthermore, IMF (2012) in its article presents remittances are the main source of Nepal's foreign exchange receipts, equivalent to about $\frac{1}{4}$ of GDP. The GCC countries, Malaysia and India are the main host countries, although anecdotal evidence suggests that Nepali workers in India receiver lower salaries than those in GCC countries and Malaysia. Although remittance are essential to something consumption and supporting Nepal's balance of payments, their impact on potential growth may be less significant. One explanation for the weak link is that the bulk of remittances finance consumption rather than investment and leak out through imports. Although remittance could boost consumption of non-tradable goods, inflationary pressures on these goods tend

to rise as a result and jeopardize competitiveness, which are commonly seen in the case of “Dutch disease.”

There are several case studies or research works regarding immigrant work and remittance in Nepalese context. Karki (2006) in his dissertation has attempted to identify the impact of foreign employment and the remittance in rural community based on his study area. Moreover, he also tried to identify the past trend of the foreign employment and the remittance of Nepal, socio-economic characteristic of foreign employment and the remittance in household economy and use of the remittance his study is based on both primary as well as the secondary data were collected from the publication of CBS, NPC, and WB etc. for the purpose of the comparison of the composition of the foreign employment and remittance in his study.

Similarly, Regmi (2007) in his dissertation talks about remittance. The main objective of this study is to analyze the impact of foreign employment and remittance in poverty reduction in the study area and extend of poverty in the study area, the nature and extent of remittance income in the study area. Socio-economic characters of foreign employees. Sources of financing and cost of foreign employment, change brought by foreign employment and remittance in household economy and uses of remittance. To fulfill the above stated objects of the present study, Deurali VDC of Shyanga district was selected area and a sample survey was conducted during 2007. The sample size was 150 household by proportional random sampling method and data were collected through questionnaire method. Some secondary data were used to show and compare. As summary, it can be concluded that the economic and social conditions of all the families who have involved in foreign employment have improved. It may be in both aspects i.e. economic as well as social but survey there is positive change in the status of the families of the respondents due to remittance income. Therefore, we can say that remittance income is playing vital role in reduction the poverty level of the study area.

From the review of above literature it can be concluded that remittance income is very necessary external source of foreign capital inflow in a country. It has positive as well as negative impact in the country, which is depend on utilization of remittance, most study concluded that international remittance have reduce poverty other directly or indirectly but in developing countries only a small percent of remittance are use for productive investment such as income and employment generating activities.

The main beneficiaries of remittance are lower and middle income countries, which receive nearly half of all remittance worldwide and it becomes an option for financing for local development project on the grass roots level remittance is effective tools reducing poverty and enable better health care nutrition, housing and education. The large number of emigration has been contribution the GDP and BOP, though remittance is remarkable. The study found that remittance income instead mainly on household purpose, purchase of land maintains house, paying off loans and deposit cash in bank. Social ceremony and finally, invested in business purpose. Moreover, from review of above literature, it is also identified that foreign employment market has emerged as an important alternative way for developing countries.

Foreign labor employment in Nepal started after the Nepalese headed by Kajeer Amar Singh Thapa was defeated by the British East India Army in 1814. The convention (May, 1815) between Kajeer Amar Singh Thapa and major General Ochterlony of East India Company came to a consensus that Nepalese deserved to win the British. East India Company (Sanwal, 1965). During this period Nepalese migration to India, started which has besides to join military recruitment, friendship treaty between India and Nepal in 1950 promoted free movements between the countries and the previous agreements were for the consolidated.

It was after the establishment of democratic system in Nepal in 1990 that Nepal integrated herself to the world and then diversities dimension of emigration

occurred. Enactment of foreign labor employment act 1985 realized the importance of emigration through unofficial channel and recognizes the future of foreign labor employment search of employment outside the country was entrusted to manpower agencies.

2.2.1 Foreign Labor Employment, Trend and Composition

Restoration of democracy in 1990's opened the door of international labor market. Near 30 million non residential Nepalese are spread over 107 countries. The supply of Nepalese youth in foreign countries in search of work is increasing day by day at a high rate which is unstoppable in this present trend of migration. The countries which have maximum number of Nepalese workers in a decade by fiscal years from Nepal have been presented in the following table.

Table 2.1: Number of Nepalese Workers in Different countries in the First Decade of the 21st Century

FY/ Country	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Malaysia	11306	52926	42812	45700	66291	75526	74029	50554	35070	113982	105906	98367	158212
Qatar	14086	19895	26850	24128	42394	53892	59705	85442	76175	55940	102966	105681	103486
Saudi Arab	17966	21094	17990	16175	13336	15813	39279	42394	48749	63400	71116	80455	96995
UAE	8950	8411	12650	12760	12726	15137	25172	45342	31748	33188	44464	54482	58447
Kuwait	885	378	907	3194	1789	640	2441	5099	2291	8253	15187	24575	17273
Bahrain	904	695	818	606	536	540	1200	1967	6360	4274	4647	5865	4218
Hong Kong	331	482	564	672	523	140	361	199	65	102	242	334	146
Israel	10	16	55	433	815	876	405	110	3378	316	273	574	140
Oman	68	96	44	73	330	28	509	2626	4247	3285	2442	3163	3973
Macaw	82	50	41	68	83	122	330	272	559	100	186	367	234
Afghanistan	0	0	72	327	0	32	182	1400	1538	735	655	823	356
Maldives	35	42	15	29	27	15	69	1 116	377 ~	335	543	316	396
America	23	34	39	46	101	12	35	545	354	274	302	411	454
Russia	0	2	0	0	0	150	51	83	39	32	67	56	86
Others	379	615	118e,	1689	737	149	765	11902	9075	9918	8098	7396	9127
Total	55025	104730	105043	106660	139718	165252	204533	249051	219965	294094	354716	384665	453543
Growth rate		90.34	0.293	1.54	30.99	18.27	23.77	21.76	-11.67	33.7	20.61	8.44	17.90

The data in the table have shown that the trend of international labor migration shifted from India centric to Gulf centric during the period of one decade. Further, the most favored century India is also changed into some more gulf countries. The table below has presented the some information.

2.2.2 Contribution of Remittance to the National Economy

It is known to all of us that the role of remittance to the economic growth of the country was not discovered in Nepal before. From the mid 1990's remittance was valid as a significant contributor to the national economy. The remittance is playing direct as well as the direct roles to promote the national economy but we can only study about the direct roles of the remittance income because of the availability of required data. The direct effects of remittance income to the national economy have been in employment, income in saying and investment, decrease in the unemployment rate etc. Investment depends on domestic saving and foreign assistance. Since there is increased in domestic saving due to remittance, it has helped in the investment and growth of economy. The data obtained from NRB bulletin and economic survey 2012/13.

Table 2.2: Consumption of GDP- Saving, Investment and Remittance in Nepal

FY	GDP in product price (Rs. million)	Domestic saving (Rs. million)	Investment (Rs. million)	Remittance (Rs. million)	Rem. as % of GDP	Rem. as % of investment	Rem. as % of saving
2000/01	441519	51501	98649	9797.6	2.30	9.93	19.02
2001/02	459443	43600	93020	14859.8	3.34	15.97	34.08
2002/03	492231	42141	105383	41630.0	8.79	39.50	98.19
2003/04	536749	63064	131671	56629.8	10.93	43.00	89.19
2004/05	589412	68110	155907	62784.8	10.90	39.62	90.71
2005/06	654184	58757	176533	92784.8	14.72	52.55	157.9
2006/07	727827	71453	207830	107417.4	15.41	51.68	149.30
2007/08	815663	80193	260170	142682.7	17.60	53.58	152.01
2008/09	991316	96298	338957	209698.5	21.15	61.86	217.75
2009/10	1171905	17749	213001	213725.3	19.77	91.92	267.54
20010/11	1369430	11800	225376	253551.6	17.19	112.50	214.48
2011/12	1558174	17646	354370	359554.4	23.07	101.46	22.79

Source: NRB Bulletin, Economic Survey 2012/13.

The above table shows that GDP grow from Rs.441519 million in 2000/01 to 1558174 million in 2012/13, which is 10 items more. The saving is also increased from Rs.51501 million to 176460 million in the same period of time. Initially the contribution of remittance to the GDP was only the 2.30 percent which grew to the 23.07 percent in fiscal year 2011/12. Remittance as the percentage of saving hs increased from about 19.02 percent in FY 2000/01 to more than 22.79 percent in FY 2011/12. If we compare the contribution of remittance in the investment portfolio. It has increased from 9.93 percent in FY 2000/01 to 101.46 percent in the year 2011/12. It indicates that if remittance is increased it support to increase domestic saving. It domestic saving is increased, investment also increased. Thus the positive relationship of these

sectors is found each other. From the above data, whether it is economic growth or economic stability or economic vulnerability of the country in a conflict ridden situation remittance has played a significant role.

As a summary it is clearly shown that national GDP growth rate is directly related to the various factors like total saving of the economy and total investment of the economy. On the other hand, saving is determined of the investment, without investment which the economy can't get higher GDP growth rate. The investment of the country like Nepal is directly dependent on the remittance invested into the economy. Therefore, we can say that the remittance is the major factor of development of country like Nepal.

CHAPTER III

RESEARCH METHODOLOGY

3.1 Brief Introduction of Study Area

Palpa district lies in Lumbini zone of western Nepal. It is surrounded by six districts; the east site of Palpa district is bordered by Nawalparasi, west by Arghakhanchi, and north by Gulmi, Syangja and Tanahun and south by Rupandehi districts. The total area of Palpa district is 1373sqkm. According to national census 2011, the total population of Palpa district is 2,61,186 and population density is 190 per sq km. Agriculture and foreign employment are the main occupation of the people living in Palpa district. Nowadays foreign employment has been one of the major sources of family income to many households of Palpa district. There are sixty four VDCs and two municipalities namely Tansen and Rampur in Palpa.

Khyaha VDC, the study area, is located in western site of the district headquarter, Tansen. It is twenty kilometer far from headquarter of Palpa. It is surrounded by Deurali and Argali VDCs in the eastern part, Gulmi district in the west, Kusani in the north and Somadi VDC in the south. The total area of Khyaha VDC is 10.86 km/sq. The national census 2011 enumerated 546 households and 2334 total population in Khyaha. Out of 2334, the number of male is 1000 and female 1334. Agriculture is the main occupation of this VDC and nowadays lots of people are involved in foreign employment.

The main purpose of selecting this area of study is that it represents a typical rural area of Nepal, accessible to the researcher himself and District Administration Office Palpa reported that maximum number of job seeker made passport for foreign employment.

3.2 Research Design

This study has been carried out on the basis of exploratory research design. The study has investigated the status of remittance use in rural area of Nepal. Beside, the study has made an attempt to study on better management of foreign employment and remittance. This study is a case study of Khyaha VDC of Palpa. It is a micro level study. This is analytical as well as descriptive type. The simple statistical tools have been used to describe and analyze the results. Both quantitative and qualitative data have been applied in this study.

3.3 Rationale of the Site Selection

The proposed site of the study is the Khyaha VDC of Palpa district of Nepal. The remit receiver households on Khyaha VDC are selected for the study. A larger number of household member are abroad for earning money. Remittance emerged as an important source of income in Khyaha VDC. Now their status is gradually changing because of inflow of remit from abroad. Besides this, this area is accessible to the researcher and it is convenient for the researcher to conduct the study at this site to overcome and resource as well as no one has researched in this topic before in this area. So the study carried out in this area.

3.4 Population and Sampling Procedure

There are nine wards and 546 households in Khyaha VDC. There are altogether 198 households and the numbers of remittance receiving households are 150 in ward number 1, 6 and 7. Out of 150 households, 60 houses are selected using judgment sampling methods. While selecting samples the economic as well as social cultural diversities have been balanced. Around 40% sample has been selected from each ward based on simple random sampling.

Table 3.1: Sample Size of Represents' Household of Khyaha VDC

Ward No.	No. of Houses	Remittance Receiving Houses	Selected Households Sample
1	53	32	13
6	83	68	27
7	62	50	20
Total	198	150	60

(Source: Field Survey, 2016)

3.5 Nature and Source of Data

Different types of quantitative data and information have been collected and analyzed in this study. Both primary and secondary data have been used in this study. Primary data has been collected during field study with the help of scheduled questionnaire. Similarly, secondary data has been obtained from different sources such as published books, journals, publications and reports of different national and international organizations. Thus, this study is based on both primary and secondary data. But primary data is used as the major sources of information.

3.5.1 Primary Data

The primary data were collected through the direct field visit by using structured questionnaire, key informant interview.

3.5.2 Secondary Data

The secondary data and other related information for this study were collected from published or unpublished written documents from individual, expert and organization, VDC profile, Internet publication of central Bureau Statistical.

3.6 Techniques and Tools of Data Collection

The data from the study were collected through different techniques such as household survey and key informant, as such the main tools of data collection was questionnaire and personal interview.

3.6.1 Household Survey

Household survey was conducted in the study area .Structured questionnaire was prepared to generate the realistic and accurate data from study area .All the selected 60 household from 3 wards ,who are the remittance holders were interviewed and relevant information was collected through questionnaire. The questionnaire forms have filled up by the researcher interviewing with remittance holder.

3.6.2 Key Informant Interview

Key informant interview is more reliable source of information. Key informant interview (KII) is loosely structured conversation with the people who have specialized knowledge about the topic. To dig out its major key informant's interview was conducted within the study area through the KII guideline.

3.7 Data Analysis

Data collected from the field were edited and classified then coded and converted into standard units wherever necessary before entering into computer. After entering all data into computer, frequency table and line chart were printed and checked out. Simple statistical graph like table, bar diagram, pie chart are used for data analysis.

CHAPTER IV

PRESENTATION AND ANALYSIS OF FIELD DATA

This chapter is all about the description of the social characteristics of the respondents, status of economic condition, occupation causes to seek foreign employment, mediums used to obtain foreign employment, destination, duration of stay in abroad, income earned in abroad, system of transfer remittance income, uses of remittance income and the effect of the remittance in the poverty situation and change in the life status of the family of the migrated worker etc. In other words, this chapter deals with all the data related to the topic which are collected in the field survey.

4.1 Poverty Scenario

Poverty is the condition described as the unavailability of the basic requirements such as food, clothes, shelter etc. The person who is not capable of attaining the daily basic needs and minimum requirements can be rated poor. In the context of Nepal many people are living under the poverty line i.e. are not getting their basic requirements. It is clearly seen that the magnitude of poverty is large in Nepal.

Khyaha VDC, many people are living below poverty line. These people are not able to fulfill their basic needs. Their health status is not that satisfactory. Their children are not getting the proper opportunity for education. They are having a low level of living standard.

In the study area, remittance income has an effective approach in reducing the poverty. Poverty rate in 2004 was recorded 38.4% and now it is recorded 14.3% in 2011[MC-N 2013]. The living standard of the people is gradually changing. People are now getting the proper health facilities and their educational status is also gradually increasing. The income of the family has

been raised up, ultimately uplifting the living standard of the people living under the poverty line.

4.2 Demographic Status

According to the CBS population census 2011, the total population of this VDC is 2334. Out of which 1000 males and 1334 are female. The total households are 546. The following table number 4.1 gives the ward wise and sex wise distribution of population of the study area.

Table No. 4.1: Ward Wise Distribution of Population of Khyaha VDC

Ward No.	Household	Total	Male	Female	Sex Ratio
1	53	213	79	134	0.58
2	51	242	120	122	0.98
3	52	220	110	110	1
4	57	230	89	141	0.63
5	51	249	107	142	0.75
6	83	308	123	185	0.66
7	62	277	114	163	0.69
8	74	351	162	89	0.85
9	63	244	96	148	0.64
Total	546	2334	1000	1334	0.74

(Source: Field Survey, 2016)

The above table no. 4.1 shows that among the total population of 2334, in all the ward of the VDC, the sex ratio is higher i.e. the no. of female population is more than the no. of male population according to the CBS census 2011. Among the wards the sex ratio is highest in ward no. 3, which is 1 and lowest in ward no. 1 which is 0.58. Taking average of sex ratio is 0.74.

4.2.1 Distribution of Population by Caste in Khyaha VDC

The total population of Khyaha VDC is divided into different caste such as Bhramin, Magar, Kami, Damai, Gharti/Bhujel, Chhetri, Sarki, Kumal, Sunuwar and other.

Table 4.2: Distribution of Population by Caste

Caste	No. Of Person	Percentage
Brahman	809	34.66
Chhetri	17	0.73
Magar	385	16.5
Kami	527	22.58
Damai/Dholi	15	0.64
Sarki	105	4.5
Gharti/Bhujel	26	1.11
Kumal	417	17.87
Sunuwar	21	0.9
Other	12	0.51
Total	2334	100

(Source: CBS, 2011)

From the above table the majority of population are found Brahman which is 34.41 percent of the total population and Kami 22.58 percent, Kumal 17.87 percent, Magar 16.5 percent, Sarki, 4.5 Percent, Gharti/Bhujel 1.11 percent, Sunuwar 0.9 percent, Chhetri 0.73 percent, Damai/Dholi 0.64 percent and other 0.51 percent.

4.2.2 Distribution of Sample Households by Caste

The sample households are distributed on the basis of caste such as Brahman, Chhetri, Magar, Sherpa and Bishowkarma. Distribution of sample household is shown in the table below.

Table 4.3: Distribution of Sample Households by Caste

Caste	No. of Households	Percentage
Brahman	30	50
Chhetri	3	5
Magar	10	16.67
Sherpa	1	1.67
Bishowkarma	16	26.67
Total	60	100

(Source: Field Survey, 2016)

Table 4.3 shows that among 60 sample household taken 50 percent are Brahmin, 26.67 percent are Bishowkarma, 16.67 percent are Magar, 5 percent are Chhetri and 1.67 percent are Sherpa.

4.2.3 Family Size

Nowadays the young and educated parents have not more than two children because of the family planning. But more households have more than two children because of their ignorance, the desire or emphasis on male child rather than the female child and child marriage etc. which is another major factor of poverty in the study area. Following table presents the family size of respondents:

Table 4.4: Distribution of Sample Households by Family Size

Family size	No. of Households	Cumulative
1-2	2	2
3-4	14	16
5-6	36	52
7-8	3	55
8 and Above	5	60
Total	60	

(Source: Field Survey, 2016)

The above table 4.4 shows that the highest no. of households are 36 which contain 5-6 Family size and lowest no. of households are 2 which contain 1 to 2 family member.

4.3 Destination Country of Sample Household

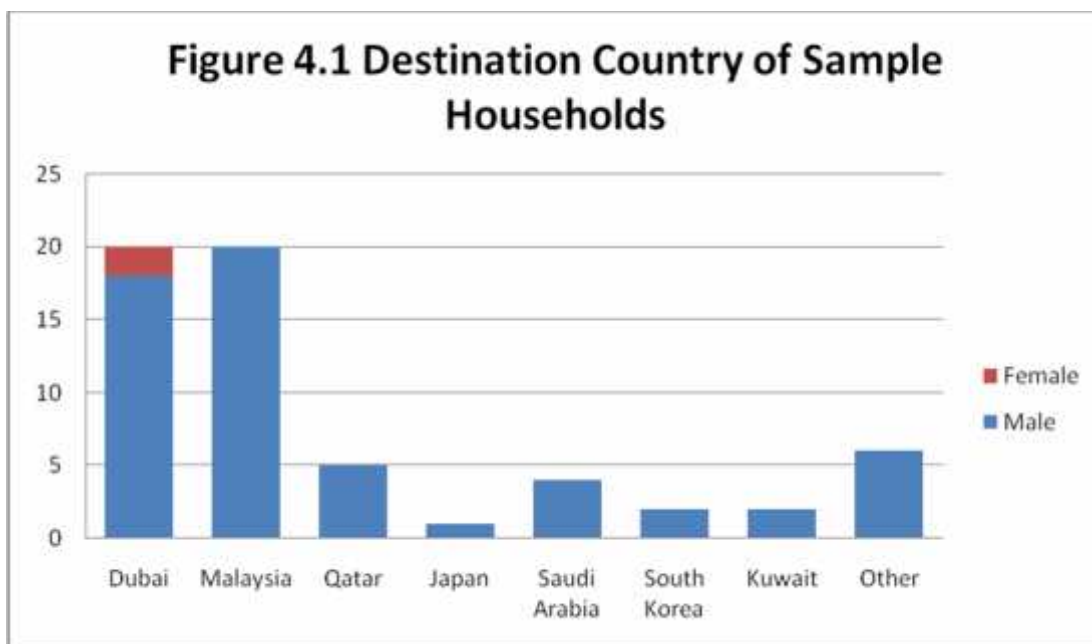
In the study area, the people are migrated to different country for employment. The main

Destination of the people is gulf countries like Dubai, Qatar, Saudi Arabia, Kuwait and Malaysia. Besides these countries employees also go to Japan, South Korea and other countries.

Table 4.5: Destination Country of Foreign Employee

Country	Male	Female	Total
Dubai	18	2	20
Malaysia	20	-	20
Qatar	5	-	5
Japan	1	-	1
Saudi Arabia	4	-	4
South Korea	2	-	2
Kuwait	2	-	2
USA	-	-	-
Other	6	-	6
Total	58	2	60

(Source: Field Survey, 2016)



Above table 4.5 shows that most of people have gone golf country from study area. Number of female is very little who have gone for incoming remittance.

4.4 Distribution of Household and Main Family Occupation

In the study area the people are engaged in different occupation like Agriculture, Business, Jobs (Government as well as private) and Foreign employment etc. which are the main sources of income of the respondent family of the study area. The situation of the income depending on their sources in the sampled households is shown in the following table.

Table 4.6: Main Family Occupation

Main Occupation	No. of Households	Percentage
Agriculture	56	93.33
Business	2	3.33
Trade	2	3.33
Job	-	-
Other	-	-
Total	60	100

(Source: Field Survey, 2016)

The table shows that majority of households are involved in agricultural activities. Among the total 60 households 56 households are involved in agricultural activities as the main occupation. Only 4 households are involved in non agricultural activities.

4.5 Cause Seeking to Foreign Employment

Even though the poverty being the main factor of foreign employment; there must be several reasons of seeking foreign employment. The reason may be related to the acquired skills and various other reasons. To find out the causes of seeking employment the respondents were asked to identify the prime cause to go for foreign employment, they gave more than one reasons as follows:

Table 4.7: Cause of Seeking Foreign Employment

Cause	No. of respondent	Percentage
Unemployment	30	50
Family debt	13	21.66
To built better future	5	8.3
Landlessness	-	-
Family pressure	12	20
Other	-	-

(Source: Field Survey, 2016)

Above table 4.7 shows that unemployment is the main cause of foreign employment. About 50% respondent had stated unemployment as the main cause of foreign employment. The second main cause is family debt burden which is also playing as the major push factor of the foreign employment. 21.66% are emigrated due to the family debt burden, 8.3% are migrated to built better future, 20% of people are migrated by family pressure.

It was concluded from our study that employment, family dept, earn money for better future, Family pressure are the main causes to seek foreign employment.

4.6 Cost Paid for Foreign Employment

A sizable amount of money needs to be invested as a cost of foreign employment. The cost starts from obtaining a passport, medical checkup, manpower agency commission, visa expenditure, air fare, cost of internal travel time to time from home area to Kathmandu and also hotel charge at the time of processing for the foreign employment. To find out the cost paid by the respondents, they were asked to quote expenses in different categories.

Table 4.8: Average Cost Paid and Ranges of Costs for Foreign Employment

Caste/ethnic group	No. of Respondent	Below Rs 100000	Rs (100000-200000)	Rs (200000-300000)	Rs (300000-400000)	Above Rs 400000
Brahman	30	20	2	2	1	5
Chhetri	3	1	2	-	-	-
Magar	10	9	1	-	-	-
Bishowkarma	16	16	-	-	-	-
Sherpa	1	1	-	-	-	-
Total	60	47	5	2	1	5

(Source: Field Survey, 2016)

Brahman had paid highest average cost for the foreign employment which is above 4 lakhs, secondly Chhetri . 47 employees had paid below 1 lakh. 5 had paid between 1 lakh and 2 lakhs, 2 paid 2-3 lakhs, only 1 paid 3-4 lakhs and 5 had paid above 4 lakhs.

4.7 Source of Financing the Cost Incurred for Foreign Employment

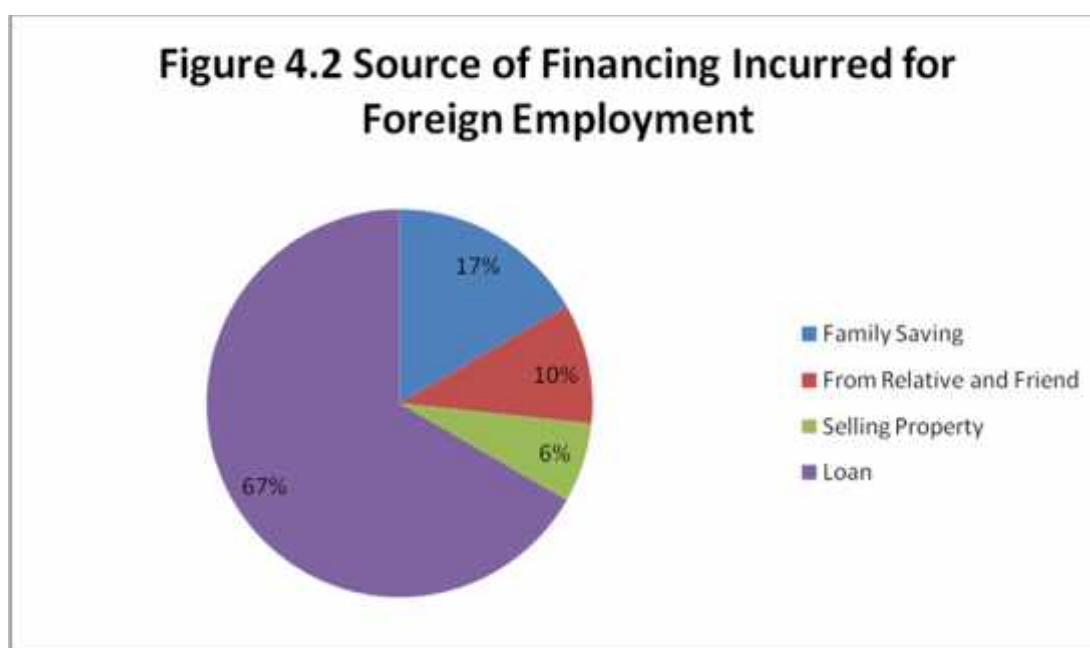
Most of the people in the study area were living below the poverty line so they have no other option except to take loan with high interest rate from money

lenders for foreign employment. Some of them were able to collect money from their own source of income. The main sources of going to abroad were family own income, having loan with high interest borrowing money from friends and relatives and selling own property. The table 4.10 shows the clear data about the sources of financing the cost incurred for foreign employment.

Table4.9: Source of Financing Incurred for Foreign Employment

Particulars	No. of Person	Percentage
Family Saving	10	16.67
From Relative and Friend	6	10
Selling Property	4	6.67
Loan	40	66.66
Total	60	100

(Source: Field Survey, 2016)



It was found during the field survey that large portion of people going abroad for foreign employment had taken loan from financial institutions as well. Interest rate of loan from financial institution is between 15 to 20%. The local

vendor takes high interest rate than financial institution. Table 4.4 shows 16.67% used their own fund while going abroad for foreign employment.

4.8 Nature of Remittance

4.8.1 Thing Received By Household from Foreign Country

The households received remittance in different form. They can receive either money or good and some households receive both money and good from foreign employment. The thing received by household is summarized in the table below.

Table 4.10: Thing Received from Foreign Country

Particular	NO. of Household	Percentage
Money	20	33.33
Goods	-	-
Both	40	66.67
Total	60	100

(Source: Field Survey, 2016)

Above table shows that 33.33% households receive money and 66.67% household received both money and goods.

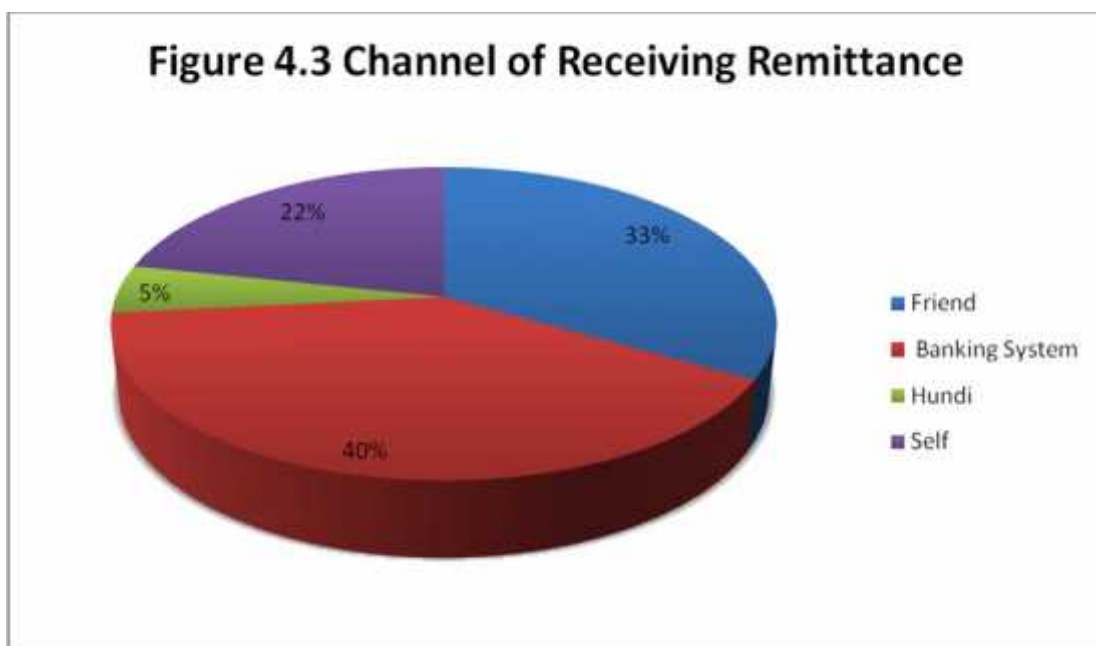
4.8.2 Channel of Receiving Remittance

Income transfer depends upon availability of means of transfer and facilities, their reliability and awareness of users about the system. The channels are categorized into five different heading such as banking, money transfer agencies, Hundy friend and relatives of self remittance. To find out the channels used by sample population in the study area, collected data has shown by table.

Table 4.11: Channel of Receiving Remittance

Particular	No. of Person	Percentage
Friend	20	33.33
Banking System	24	40
Hundi	3	5
Self	13	21.6
Total	60	100

(Source: Field Survey, 2016)



During the field survey, it was found that the large number of households receive remittance through banking system. 24 houses (40%) receive the fund through banking. Similarly 20 (33.33%) households receive from friends, 3 households (5%) received from hundi and 13 (21.67%) person themselves.

4.9 Schedule of Receiving Remittance

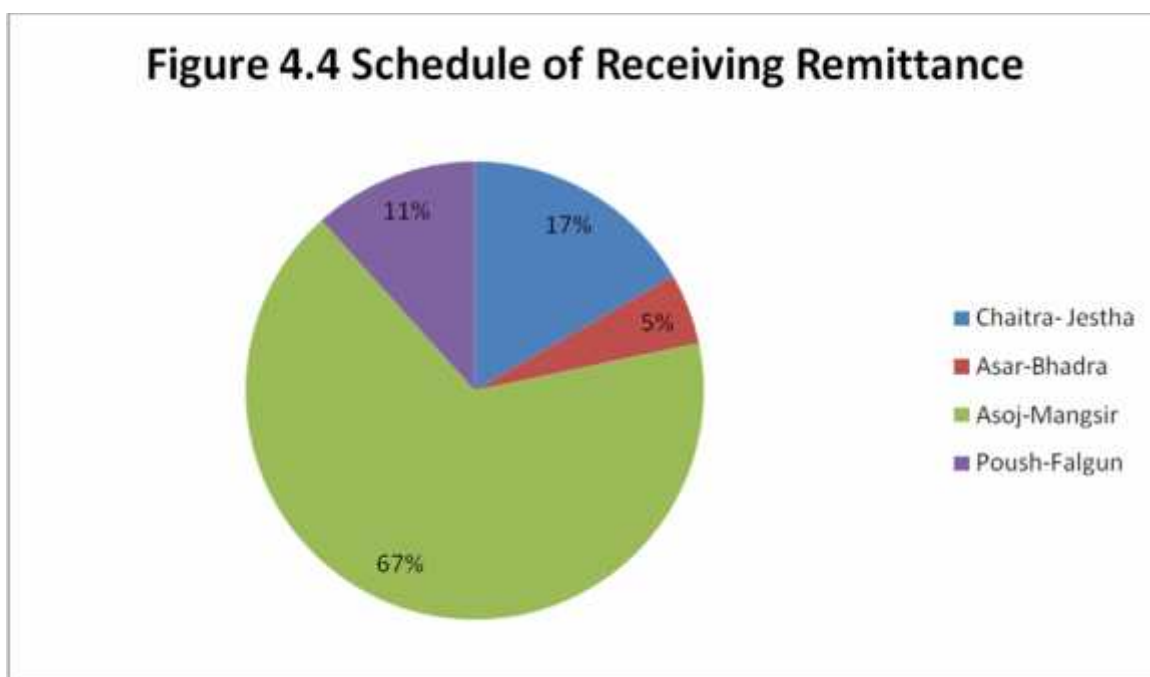
Time span of receiving remittance back to the home country depends on the time used by the remitter to remit the funds and reliable and authentic source. The time span was divided into four categories: quarterly, biannually, yearly and not regular. Besides these according to the respondents it was found that

the frequency of receiving funds during the festival seasons like Dashain, Tihar, Teej etc go to very high. The flow of international remittance during the festival is in growing trend.

Table 4.12: Schedule of Receiving Remittance

Month	Person	Percentage
Chaitra – Jestha	10	16.67
Asar – Bhadra	3	5
Asoj – Mangsir	40	66.67
Poush – Falgun	7	11.67
Total	60	100

(Source: Field Survey, 2016)



During the field survey, it was found that the large no. of households receive remittance in Asoj to Mangsir, for festival like Dashain and Tihar. Second large no. of households receive remittance in Chaitra to Jestha for many purpose like loan payment in last month of year, new admission of children, expenditure in book, copies, dresses etc. are the main causes.

4.10 Income Status of the Household from Khyaha VDC Before and After Going Abroad

The income status of people of study area varies with their caste before and after going abroad. Brahmin has high income status than other ethnic group. The income status of different ethnic group is shown in table below.

Table 4.13: Income Status of Household Before and After Going Abroad

Cast/Ethnic Group	Earning Money per Month in Rs Thousand							
	Below 20		20-40		40-60		Above 60	
	Before	After	Before	After	Before	After	Before	After
Brahmin	15	-	10	5	5	5	-	20
Chhetri	2	-	1	2	-	-	-	1
Bishowkarma	16	-	-	12	-	3	-	1
Magar	5	-	5	-	-	10	-	-
Sherpa	1	-	-	-	-	1	-	-
Total	39	-	16	19	5	19	-	22

(Source: Field Survey, 2016)

The above table presents the overall scenario of people in Khyaha VDC, based on the cast of the household. It is clearly seen that 39 out of total households were earning less than Rs 20,000 per month, 16 households were earning between Rs 20000-40000, 5 households were earning between Rs 40000-60000 before receiving remittance. There was no one having income more than Rs 60000 before receiving remittance but after receiving remittance 22 households were earning more than Rs 60000 monthly.

4.11 Types of Jobs Performed by Foreign Employee and Duration of Stay in Foreign Country from Khyaha VDC

Since the skill of Nepalese workers is quite low; most of them get employment in manual job. To find out the types jobs performed the respondents were asked

to give the type of work they did while being employed in foreign country which is categorized into five types, they are Construction, Mechanical, Agricultural Farming, Industrial works and Hotel/Catering.

Duration of foreign stay of emigrants' workers depends upon availability to work, facilities provided by company, salary rate, health of workers, visa permit date, home urgency and other several reasons. Sometime the respondents return their home before the agreement date due to inferior type of job, low salary and family affairs such as death of any family members, sickness and their own bad health and also the employer firm expelled them due to the unusual characters of the workers. To find out the duration of foreign stay the respondents were asked to provide their length of stay. The results of both the types of job performed and the duration of stay in the foreign-Employment are summarized in the following table:

Table 4.14: Types of Job and Duration of Stay

Average Duration Of Stay	Types of Job				
	Farming	Construction	Hotel	Manufacturing	Service
Below 2 years	2	3	2	7	2
2-5 years	1	5	6	5	3
5-8 years	1	7	1	2	5
More than 8 years	1	3	1	1	4
Total	5	18	10	15	12

(Source: Field Survey, 2016)

Table 4.14 shows that most of the migrant work in the construction area in which 30 percent work in that occupation. Most of the people work in the construction area from lower cast due to the lack of other technical knowledge to work in other areas. The second most employees are in manufacturing in which 20% people are working. Third in service area, fourth in hotel and lower number of employees are in farming.

4.12 Saving Status of Remittance Receiving Households

Remittances are typically helpful to meet specific needs of the respondents' family members. Remittance income has been an important source of households' income which is used to meet daily requirements of food, clothing, shelter and other expenditures. The saving status depends on the funds left after fulfilling the basic needs of the family. Depending up on the annual income of emigrant's and economic status of recipient's family, the annual saving status of any remittance receiving households can be determined. The annual saving amount of the households is presented in table 4.15.

Table 4.15: Saving Status of Remittance Receiving Households

Amount (in Rs 1000)	No of person	Percentage
No Saving	18	30
Below 20	12	20
21-40	15	25
41-60	10	16.67
Above 60	5	8.33
Total	60	100

(Source: Field Survey, 2016)

When the respondents were asked about their savings out of remittance received, 30 percent said that they have not been able to save any amount per month whereas remaining 70 percent households were able to save some amount of money monthly after meeting their basic requirements. When inquired about the volume saved, 20 percent households were able to save below NRs 20000, followed by 25 percent were able to save Rs 21000 to 40000 per month. Likewise 16.67 percent were able to save 41000 to 60000 and another 8.33 percent were able to save Rs 101000 to 200000 per year. Remaining 8 percent were able to save more than Rs 60000 per month.

4.13 Use of Remittance by Sample Households

The use of remittance depends on the priority placed by the industries of different use, the size of remittance, the time of availability, opportunity for investment and several types of factors. Majority of migrant workers go abroad because of unemployment at home and poverty in household. Generally, the earning made by them is not big. The cost of foreign employment is borne by borrowing therefore the income earned has to be spent on the payment of the principle and the interest amount. There may be family in waiting. Keeping all this condition in mind the respondents were asked to identify the use they made for the money earned abroad. Each individual spent the earning in more than one uses. To find out the use of remittance by the respondents they were asked to list the use of money in different heads.

Most of the migrants Nepalese workers are unskilled, so the Nepalese migrants' workers have learnt different kinds of skill abroad. When they return back, they are expected to utilize those skills back home but they are utilized their skill in home country. It might depend on different conditions. Those conditions may be place availability of work, availability conditions. Those conditions may be place availability of work, availability of industry, quality of skills learnt, lack of technology, financial availability etc. to find out the perceived reasons, the respondents were asked to provide reasons. The answer given by the respondents are presented in the following table.

Table 4.16: Use of Remittance

Particular		No. of Respondent	Total	Percentage
Agriculture	Animal Husbandry	10	16	26.67
	Poultry Farming	2		
	Fishery	-		
	Vegetable Farming	4		
Business	Industry	2	26	43.33
	Trade	12		
	Hotel	12		
Bye New Property	Agricultural Land	4	21	35
	Housing	3		
	Vehicle	4		
	Jewellery	10		
Social Welfare	Contribution to School	17	23	38.33
	Donation in Religious Purpose	6		

(Source: Field Survey, 2016)

(Note: - Due to the multiple answers the total number of household are more than the total number of sample size.)

The above table present that 26.67% household use their income in agriculture purpose, 43.33% households in business, 35% households in buying new property and 38.33% households use their remittance income in social welfare also.

4.14 Physical Assets Before and After Receiving Remittance

Remittances have substantially increased the households' assets. With the increase of family income, the family members of remittance receiving households have become idle and luxurious. Instead of doing creative works

they spend more time on television watching, talking to phone and so on. Ownership of television, digital camera, mobile phones etc have increased after receiving remittance.

Table 4.17: Physical Assets Before and After Receiving Remittance

Item	No. of Households	
	Before Remittance Received	After Remittance Received
Agricultural tools	45	15
Vehicles	-	4
Television	5	46
Radio	50	10
Refrigerator	-	2
Landholding	60	35
Digital Camera	-	10
Mobile Phone	6	60

(Source: Field Survey, 2016)

Above mentioned table 4.17 shows that the access of communication has increased after receiving remittance while the ownership of radio has decreased. 50 households had radio before foreign employment but it has limited to 10 households after foreign employment. Only 5 households had television earlier but 46 households have television after receiving remittance. No one had digital camera before foreign employment but 10 households have digital camera after foreign employment. The media item only radio is shown to be decreased while other media items such as, television, telephone and mobile phone are found to be higher after receiving remittance.

4.15 Pattern of Children Education before and After Receiving Remittance

Remittances are associated with increased households' investment in education, entrepreneurship, and health all of which have a high social return in most

circumstances. The money that is available to families improves human development of the country since resources can be used to provide education for children and look after the overall health of the family members. The households of migrant workers were also found to be allocating a significant amount of their income in education expenses for the better education of their children in private school or college after receiving remittance.

Table 4.18: Children Education System of Foreign Employee

Particular	Before		After	
	No. of Person	Percentage	No. of Person	Percentage
Access in School	20	33.33	30	50
Dropout	10	16.66	-	-
Public	20	33.33	5	8.33
Private	10	16.66	20	33.33
Start Again	-	-	5	8.33
Total	60	100	60	100

(Source: Field Survey, 2016)

Above mention table 4.18 has revealed that the access of children in education was increased after the receiving remittance. The remittance receiving households were observed to be spending a significant proportion of their remittance income for children education in private school or college. 33.33% households were found to be access in school before foreign employment. 16.66% of households' children were dropout, 33.33% were teaching their children in public school/college and 16.66% were enrolled in private school. No one was able to restart before remittance. After receiving remittance 50% households were found to be access in school, no one is dropout. 8.33% were found to be sending their children in public school and 33.33% households were found to be teaching their children in private school and 8.33% households' children were able to restart their education after receiving remittance.

4.16 Health Checkup Status of Emigrant's Family Member

The flow of remittance in study area increases the people's approach towards health facility. The government and private hospitals, health post provides health facility to the people in study area. Some people also believe on Dhami for treatment. Some particulars and their data before and after receiving remittance are shown in the table below.

Table 4.19: Health Checkup Status

Particular	Before		After	
	No. of person	Percentage	No. of person	Percentage
Access in Hospital	30	50	30	50
Treatment with Dhami	10	16.67	2	3.33
Government Hospital	37	61.67	30	50
Private Hospital	13	21.67	28	46.67

(Source: Field Survey, 2016)

Above table 4.19 mentioned that in 60 household 50% were able to visit hospital before remittance, remain 50% are also able to visit hospital after receiving remittance. 16.67% were found to be visiting Dhami for treatment before receiving remittance while 3.33% were found to be visiting Dhami after receiving remittance. 11.67% were found to be visiting government hospital; it was increase after receiving remittance which means people access is increased in hospital. 21.67% households were found to be access in private hospital before receiving remittance but after receiving remittance, 46.67% households found to visit private hospital for treatment. This data represents that the access of people is increase in health.

Note: - Due to multiple choice, total households are more than the sample size.

4.17 Condition of Indebtedness after Foreign Employment

The foreign employment helps to reduce indebtedness. Most of the people have no indebtedness and some people have decreasing indebtedness after going foreign country. Condition of indebtedness is summarized as below:

Table 4.20: Condition of Indebtedness After Foreign Employment

	Before	Percentage	After	Percentage	Total
No	20	33.33	-	-	20
Decreasing	-	-	25	41.67	25
Increasing	-	-	-	-	-
Finished	-	-	15	25	15

(Source: Field Survey, 2016)

Above table 4.20 shows that when sample households were asked about the condition of Indebtedness, 33.33% households had not Possess indebtedness. Indebtedness is decreased in 41.66% households and is finished in 25% households.

4.18 Access in Healthy/Nutrient food

Healthy/ nutrient food is essential for people. The remittance income increases living standard and access in healthy/nutrient food in the study area which is shown in table below:

Table 4.21: Access in Healthy/Nutrient Food

Before					After				
Yes	Percentage	No	Percentage	Total	Yes	Percentage	No	Percentage	Total
25	41.67	35	58.33	60	60	100	-	-	60

(Source: Field Survey, 2016)

Above table 4.21 shows that 41.67% households were found to be access in healthy and nutrient food. 58.33% households were not able to gain healthy and

nutrient food. After receiving remittance, all of the sample households were able to gain healthy and nutrient food daily.

4.19 Investment of Remittance

In study area, the respondents were asked that remittance income is invested in productive sector or not. The answer given by them is presented in following table.

Table 4.22: Investment of Remittance

Particular	No. of Households	Percentage
Invest in Productive Sector	18	30
Not Invest in Productive Sector	42	70
Total	60	100

(Source: Field Survey, 2016)

Above table shows that only 30% households invest in productive sector, remaining 70% households do not invest in productive sector.

4.19.1 Cause for no Investment in Productive Sector

The respondent in study area does not invested in productive sector due to lack of business environment, conflict in houses, lack of market, lack of sufficient capital, no idea about business etc. the cause and no. of households were shown in table below:

Table 4.23: Cause for no Investment in Productive Sector

	No. of Households	Percentage
Lack of Business Environment	20	33.33
Conflict in Houses	6	10
Lack of Market	15	25
Lack of Sufficient Capital	9	15
No Idea About Business/ investment	10	16.67
Total	60	100

(Source: Field Survey, 2016)

Above table shows that challenge of investment of remittance in productive sector. Most of the respondents about 33.33% answered lack of business environment is the main challenge, 25% respondents answered lack of market in rural area, 16.67% respondents answered no idea about business and investment, 15% answered lack of sufficient capital for investment and 10% respondent answered conflict in house is cause for not investing in productive sector.

CHAPTER V

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

The remittance economy is of major significance both as a source of foreign exchange and as a source of family income to many households and local communities throughout the country, particularly in rural area of Nepal. Labour migration for overseas employment and the value of remittances have increased substantially in the last ten years. While the overall volume and value of total remittances coming into Nepal from the large number of Nepalese working abroad is enormous, however, the impacts of remittances remain diverse according to the utilization and allocation of remittances in different sectors.

Nepal has been one of the greatest share holders of global remittance but the issue is how such flows have been used in the livelihood of remittance receiving households. The main objective of this study is to analyse the nature of remittance inflow, use and its socio-economic impacts on remittance receiving households. The socio-economic aspects include children's education, health status of family members, and information access and income and expenditure pattern of remittance receivers. Moreover, the study tried to identify background information of foreign employee and foreign employment in the study area. Furthermore, the study was also concentrated to analyse the use of remittance in local economy. To fulfil these objectives of the present study, Khyaha VDC of Palpa district was selected area and sixty remittance receiving households were selected for interview balancing economic as well as socio-cultural diversities. The primary data were collected through questionnaire method and some essential secondary data were also collected from different sources to analyse foreign employment and remittance. The data are presented by using simple statistical tools like table, bar-diagram and pie-chart, line chart and analysed by using statistical tools like percentage and ratio.

Lack of employment and income opportunities at homeland and family debt are found to be major cause of seeking to foreign employment in rural areas of Nepal. It was found in the selected area that 60 percent emigrants have gone due to unemployment at homeland, 30 percent have gone to pay family loan, 12 percent have gone due to the family pressure and 5 percent have gone for better future and upgrade their living standard.

According to CBS total remittance received through registered source by Nepal in first six month of FY 2013/14 more than 3.21 billion, which was very large than previous year. The contribution of remittance to GDP, saving and investment in 2012/13 was 23.07 percent, 22.79 percent and 10.46 percent respectively.

To cop up with their economic difficulties most of the rural households of communities have send at least one member of their family for foreign employment. It was found that 50 percent of household have sent one family member, 20 percent have sent 2 and 3 member and 10 percent have sent more than 3 family members for foreign employment.

Main destination countries of study area were Dubai and Malaysia. The average duration of abroad of the foreign employee was 3.5 years.

Major sector of employment for workers were construction 30 percent, manufacture 25 percent, Hotel 16.67 percent, service 20 percent and farming 8.33 percent.

The large amount of remittance income has been used for household expenses 30 percent of sample households were not able to save any amount. Minimum part of remittance was used in productive sector, 43.33 percent said that insufficient money is main cause for not investing in productive sector. 16.67 percent have given their response in lack of business environment, 10 percent respondent said that lack of market is main challenge and 10 percent

respondent said that conflict in house is main problem for investment in productive sector.

5.2 Conclusion

Due to the lack of employment and income opportunities at homeland and poor economic condition of the family, the number of foreign employment seekers is surging up every ever and millions of youth are flying overseas for foreign employment. With the growing trend of foreign employment, the income from remittance is also growing. On the one hand remittance income is emerging as one of the most significant and reliable sources of external finances for many developing countries like Nepal and on the other hand it has become one of the most important and major sources of family income to many households of the rural area. Nepal has been one of the major labour exporting countries in recent years therefore migrant workers' remittance has become a strong source of foreign exchange earnings and important source of family income.

Remittance has generally not been dedicated to increasing productivity by investing it into agricultural and industrial sectors and overwhelmingly invested mainly in land for ghaderi and housing. Therefore in the long term it would not be sustainable to promote foreign employment rather the government should create employment and income opportunities within the country. For the short term, the country requires a coherent remittance policy for maximizing the benefits of remittances in nation building and welfare of the society.

As a summary, it can be concluded that the economic and social condition of all families who have involved in foreign employment have increased. It may be in both aspects i.e. economy as well as social but surely there is positive change in the status of the families of the respondents due to remittance income. Therefore we can say that remittance is playing vital role in reducing the level of poverty in the study area.

5.3 Recommendations

From the present study about the role of reduces rural poverty in Nepal, some recommendations are made as follows:-

1. Nepalese economy has received large amount of remittance but remittances are still being transferred through informal channels. Formal channels should be promoted. At list on formal institution must be established to facilitated transfer remittance in each destination
2. Most of the respondents of this VDC have gone to foreign employment in unskilled condition. So, they cannot earn more income then skilled workers. So, the technical training institutions should be established in rural areas and a person who wants to go to foreign employment, should be given training related to the work has to be done in abroad and also the language of the migrating country before going to foreign employment.
3. Most of the respondents have not utilized their remittance and newly learnt skills at abroad when they come back home because of lack of technology, conflict problem, non-availability sizeable investment funds and lack of market etc. So, the policy should made to solve the conflict situation create good environment and provided sufficient technology as well as market and the GoN should play as the role of facilitator for all the investors and the workers.
4. Surely remittance income is playing very positive role to reduce rural poverty of the study area and also it is improving the social as well as economic indicators of the VDC but this is not satisfactory. Maximum part of remittance income have been use in unproductive sectors like regular household expenditures, loan payment, house improvement and social spending etc. this don't give any return in the future. Thus, the policy should be made to give more information to the respondents own

using their remittance income in to productive sectors like investment in shares, business etc. and should be given more opportunities to them in using their newly learnt skill after returning form the foreign employment.

5. The concept of economic diplomacy should be implemented from the government of Nepal to increase the demand of Nepalese labor in the foreign labor market.
6. The Bilateral agreement should be done from the ministry level with all the labor importing countries. Agreement done with UAE, Korea and Japan can be the best example of positive impact of agreement.
7. The labor desk should be established in the airports of the major labor migrating countries to help the Nepalese labor in various problems.
8. The concept of labor attaché should be implemented in every embassy. So that, all the problem of migrated labors can be solved from the different desk.
9. Different incentives should be provided by the government level as well as from the private sectors of encouraging the people to remit earned money through the formal channels.
10. Since Most of the migrant Nepalese workers have gone to Gulf countries and Malaysia so these destinations are congested area of the Nepalese workers. Thus manpower agencies, agent and employed company all have been cheated to maximum workers. On the other hand, the workers of these destinations cannot earn much more money than other destinations like Japan, Korea, Hong Kong, USA etc. So the Ministry of Labor and Transport Management GON should make new policy to identify new potentialities destinations and create opportunities to go these destinations. Where the workers will earn more money than the existing countries. Apart from these the labor contract should be

done between two countries to give safe environment for the workers.

11. The Bilateral agreement should be done from the ministry level with all the labor importing countries. Agreement done with United Arab Emirates, Qatar and Korea can be the best examples of positive impact of agreement.
12. Most of the respondents of rural areas came from lower income groups and based on agriculture occupation. So, they cannot easily afford foreign employment. If they go foreign countries for employment, they should borrow or loan at the high interest rate. So the policy should be made to give more opportunities to poor people of rural areas as well as facilitated to them from funds for foreign employment. In the case of this VDC almost all the workers from the lower income group are migrated to India to work because of lack of money with them where they are earning very little amount of money comparing with the migrant workers to other gulf countries and Malaysia. Thus GON should provide loans to the poor people in the cheap interest rate who want to go to foreign employment.
13. Large partitions of economically active population are engaged in foreign employment for earning. Remittance income has positive impact in society to increase the personal income and social prestige. But it hampered to agriculture productivity. So government policy maker should conduct such activities, which promote the agriculture production, small domestic industry, appropriate market, and right price for the product. There is lack of strategic planning for utilization of remittance income. So, government and policy maker should mind it and create place for utilization in their place of origin.
14. The government should create such structure in which remittance receiver may easily enter for investment. Those investments utilize the other local resources, which make economy self sustained. There found more energetic people but they don't have way for productive activities.

Finally, this above case study of role of remittance to reduce rural poverty and the status of foreign job seekers of Khyaha VDC which is very important current issue of the Nepalese economy, therefore, this study can be considered and significant, while the study is conducted in small size and may not be sufficient to make general conclusion for the whole nation about the role of remittance income and labor migration. But by this study, I'm confident that it will be certainly beneficial to the people of Khyaha VDC and side by side for the people of other neighboring VDC of the entire country.

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Physical Assets	Before	After
a) Agriculture tool		
b) Vehicle		
c) Camera		
d) TV/Radio		
e) Telephone		
f) Refrigerator		
g) Landholding		

22. Access in Education

	Before				After			
Schooling	Yes	No	Public	Private	Yes	No	Public	Private
Dropout								
Again start								

23. Access in Health:

Where do you go for check up/Treatment?

	Before	After
Access in Hospital		
Dhami		
Government Hospital		
Private hospital		

24. Condition of indebtedness after foreign employment

- a) No
- b) Decreasing
- c) Increasing
- d) Finished

25. Access in healthy/nutrient food

- | Before | After |
|--------|--------|
| a) Yes | a) Yes |
| b) No | b) No |

Annex II

Key Informant Interview (Guideline)

To decrease the poverty in rural area, according to the research on remittance income, some questions we made to collect key information. Where the questions are asked to the people of research areas like distinctive peoples, teachers, ward respective

1. Where remittance income is most invested in your area?
2. In which area remittance income most needed?
3. Do you think that remittance income decrease poverty in your area?
4. Do you have any idea to increase foreign income?
5. What to do with remittance work for its better use?
6. Do you have any idea to improve foreign employment?