

**ROLE OF REMITTANCE IN RURAL POVERTY REDUCTION:
A Case Study of Khyaha VDC, Palpa District, Nepal**

**A Thesis Submitted to
The Central Department of Rural Development
Tribhuvan University,
In Partial Fulfilment of the Requirement for the
Degree of the Master's of Arts (M.A.)
In
Rural Development**

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DECLARATION

I hereby declare that the thesis entitled “**Role of Remittance in Rural Poverty Reduction**”, **A Case Study of Khyaha VDC, Palpa District, Nepal** submitted to the Central Department of Rural Development, Tribhuvan University, is entirely my original work prepared under the guidance and supervision of my supervisor. I have made due acknowledgements to all ideas and information borrowed from different sources in the course of preparing this thesis. The results of this thesis have not been presented or submitted anywhere else for the award of any degree or for any other purposes. I assure that no part of the content of this thesis has been published in any form before.

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RECOMMENDATION LETTER

The thesis entitled **Role of Remittance in Rural Poverty Reduction: A Case Study of Khyaha VDC, Palpa District, Nepal** has been prepared by **Miss Meena Neupane** under my supervision for the partial fulfilment of the requirements for the degree of Master's of Arts in Rural Development. I, hereby, forward this thesis work for the final evaluation.

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APPROVAL LETTER

We certify that this thesis entitled "**Role of Remittance in Rural Poverty Reduction, A Case Study of Khyaha VDC, Palpa District, Nepal**" submitted by Miss Meena Neupane to the Central Department of Rural Development, Faculty of Humanities and Social Sciences, Tribhuvan University, in partial fulfilment of the requirements for the Degree of Master of Arts in Rural Development has been found satisfactory in scope and quality. Therefore, we accept this thesis as a part of the said degree.

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April, 2016

Meena Neupane

ABSTRACT

This Study entitled **“Role of Remittance in Rural Poverty Reduction, A Case Study of Khyaha VDC, Palpa District, Nepal”** was conducted with the objectives of describing the present socio-economic status, finding socio-cultural, economic and other impact of remittance to the households and assess the evolving practices on remittance in Khyaha VDC (specially in ward no: 1, 6 and 7) of Palpa District. This study is mainly based in the primary information and the data were collected using the techniques of household survey, focus group discussion and the personal interview with the help of questionnaire and KII interview.

There were 546 households (HHs) in the VDC. Of the total households, 60 households that are/were receiving remittance money for a period of 2 years or more were selected as the sample for the study. During the study it was found that Brahmans (50%) were the main ethnic group selected as sample households. Agriculture (93.33%) was the main occupation, Average family size is 5-6 and Dubai and Malaysia are the main destination country in the study area. Most of the male (96.67%) and very few female (3.33%) are gone for foreign employment. Most of the people were gone for foreign employment due to unemployment (50%), Brahman are highly paid ethnic group above 400000 for their work in foreign country from study area. About 66.67% people take loan to go to foreign country; around 40% people receive money through banking system mostly in the month of Asoj to Mangsir (66.67%) during festivals like Dashain and Tihar. Income status is high for Brahman, some of they can earn more than 60000 in a month. About 30% of the people of study area work in construction side and average duration of stay of foreign employee is 4 years. 30% of people are unable to save money. About 43.33% people use their remittance in business. The number of children in private school, college is increased after receiving remittance. Treatment of diseases with Dhamsi is decreased after receiving remittance and indebtedness is decreased. 100% people have access in healthy/nutrient food after receiving remittance from the study area and about 30% people are investing in productive sector.

From the study we can conclude that all the households who are/were receiving remittance are getting benefit. Their access to health, education and economy has increased. By the use of remittance income, there has been investment in the income generating activities resulting in the regular flow of money in the households and motivation for entrepreneurship development at local level has helped positively in reduction of poverty and in holistic development of rural areas. All households were very positive towards remittance income. They suggested that focus should be in easy availability of loan facilities at low price and providing skills and trainings before going as migrant labor.

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LIST OF ABBREVIATIONS/ACRONYMS

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