

CHAPTER I

INTRODUCTION

1.1 Background of The Study

Annual remittance growth rate in Nepal is 24.23 percent and the remittance income consists about 23.1 percent of total GDP in the country (MOF, 2013). Therefore, remittance income is one of the most relevant income source and foreign exchange/currency in Nepal. Nepalese economy depends on the remittance income whereas Nepal is one of the most labor exporting countries in recent years. Approximately 25000 labors are leaving Nepal every month and remittance income comprises more than 22 percent of gross domestic product (GDP) of Nepal in recent years. The proportion of remittance receiving households has increased from 22 percent to 56 percent within the period of last 20 years and the proportion of remittance income to total income is 35 percent. Per household remittance income comes to be Rs. 80,436 per year which is about six times higher than the first Living Standard Survey (CBS, 2011). Flow of remittance to Nepal is around 400 billion in 2012 it is a huge amount in the contest of present situation where many migrants workers are entering into the international labor market like Malaysia UAE, Qatar, Saudi Arabia and other European countries.

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

With growing number of people leaving for foreign jobs, the remittance has convincingly become one of the reliable source of foreign exchange for the Nepalese economy. Nepal in 2011/12 earned remittance income NRs. 217.76 billion which is about one third of its gross domestic product. This significant share of remittances indicates that any decline in remittance could potentially disturb the functioning of the economy at macro level particularly in external sector. A total of 2.4 million people went abroad as migrant workers, which is a significant number for its total 26.6 million people in the country (CBS, 2011). A majority of them have been to Qatar followed by Malaysia (Development of Foreign Employment, Ministry of Labor and Transportation in management GON). A number of villages in rural Nepal have been deserted of young working age individuals, turning the Nepalese economy from rural agro based economy into the remittance economy.

1.2 Statement of The Problem

The direct economic cost of the remittance is seen about the reduction of poverty alleviation in the present situation by its use in the productive activities even through positive impact seen in the society. By the increasing of remittance income we can see indirectly positive impact such as, impact on health, education, gender issues, social participation, politics, women empowerment and cultural and social changes. Remittance increases the households, social consumptions pattern and expands the overall economic activities, Besides the increased number of migration help to raise to local wage rate such a raise in wage rate, people are gaining those who are backwardness in the community.

Raising unemployment in the domestic economy due to the internal conflict, corruption, failure of domestic industries, and lack of other employment opportunities in the domestic economy. Most of the labor sources are entering in international labor market as a working of low class, hard and risk work. The official workers on one hand are getting trouble with risky work on the other hand having a low wages rate Nepalese labor are compelled to work still abroad. The socio-economic impact of labor migration can be positive as well as negative. It is said that the high proportion of remittance income goes to consumption at household level and to

unproductive sector at national level. However, at the villages many development works have been observed. The specific research questions can be listed as;

1. What are the socio-economic costs and benefits of remittance income study area?
2. Whether the migrant workers use their remittance earning on productive sector or on unproductive sector?
3. How do the recipients make regular expenditure of the remittance income?

1.3 Objectives of the Study

The major objective of this study is to identify different types of costs related to remittance income at household level in Jahada VDC. The specific objectives are:

1. To examine the economic cost of migrants in the study area.
2. To analyze the socio-economic impact of remittance receiving households of Jahada VDC on education, health information access, income expenditure pattern, women empowerment in the society.
3. To compare the socio-economic status of treatment households and control households.

1.4 Significance of the Study

The critics say that although remittance income has improved standard of living in the short term, such trend will sluggish the overall growth in the long run. Even though the attractive salary and employment opportunity than domestic labor market, unskilled highly unaware, uneducated, lack of information, large share of workers are compelled to risky work with low salary or wage rate.

Yet another less explored area so far regarding remittances is how the people going abroad finance their migration cost. Most of the people going for foreign job belong to the families who are economically very poor and they often live in areas where there is acute lack of financial services. On this ground, this research also will aim at identifying how migrant workers finance their cost of foreign trip.

Jahada VDC also including one of the most remittance recipient VDCs in Nawalparasi District. With an enormous number of people residing outside for foreign job, however, the question is that how money sent by those workers in the VDC has affected the livelihood of their families and neighborhoods back in this society. This study is expected to answer this question by conducting a comprehensive survey in migrant-sending communities of the VDC.

1.5. Limitations of the Study

This study compares the cost and benefit from migration in terms of income and impact of remittance income. It does not consider other types of indirect cost and indirect benefit from migration.

1. Due to the time and constraint of resources and limited time, only ward No. 2, 3, 6, and 9 wards of Jahada VDC are chosen out of total 9 wards. The wards are chosen randomly for the reason that this approach reduces bias in the estimation. However, this approach has a limitation that the wards may have the chances to concentrate in one area.
2. In addition, because of limited budget and time constraint, this study takes account of only few socio-economic variables for the analysis and observes the impact of remittances on these variables.
3. It is also assumed that there is no recall bias. As per this assumption, the households are believed to be capable of remembering their household status within the recall period, which may not be accurate for all household involved in the survey. The study will be conducted in Jahada VDC of Nawalparasi district.

CHAPTER II

REVIEW OF LITERATURE

The main reasons of labor migration are limited employment opportunity, low wage rate in the domestic economy, political instability and severe poverty in the country. Now a days, remittance is one of the most important income sources in the contest of Nepalese households. The volume of remittance income is growing at an exponential rate in recent years. The renewed debate started particularly after the 1990s when it was observed that the dependency theory and structural views on remittances, which dominated the debates of the 1970s and 1980s and maintained a pessimistic view on remittances, witnessed a downfall. The dependency theorists were of the view that remittance never contributes to the development of underdeveloped countries mainly or reason that international migration encourages brain drain from the developing countries depriving them of the human capital that they desperately need to meet their development goals. Prior to the dependency and structural views, however, the developmentalist and neoclassical thinkers during the 1960 and 1970s had maintained optimistic views on remittances believing that capital and knowledge transfer by migrants would help to achieve development needs of least developed countries in the world. The same views have taken incarnation at the start of this century bringing back the debate about remittance on the floor once again.

2.1 Theoretical Perspective

Owing to dramatic growth in remittance flows in recent years, there has been a vast growth in literature on remittances compared to the previous decades. Since the phenomenon of remittance flows is highly intertwined with that of migration where remittances is considered to be one of the major impacts of migration, theories on remittances is highly related to and originate from the theories of migration. The evolution of such theories and empirical evidence has been discussed in this section.

There were two contrasting approaches to the study of population movements dominating literature; especially post 1960's when urban unemployment and underemployment problems were gaining increased attention in the field of economic development. They were the neoclassical approach and the historical structural approach.

2.1.1 Neoclassical and the Historical-Structural Approaches

The neoclassical theories of migration had their roots in neoclassical economics where economic agents were rational, self-interested and autonomous individuals who maximized their wellbeing subject to income and time constraints. In this framework, migration was conceptualized as people responding to uneven distribution of factors of production which determined unequal returns to each other. Hence migration was considered as 'development fostering' (U N, 1993).

Lowell and Findlay (2002) analyzed the migrant people's role through political impact. This is particularly evident when assessing migrants' political influence. Migrants encompass all possible political colors. And, clearly, there is no objective, scientific yardstick for determining which direction of political change is ultimately desirable.

2.1.2 The New Economics of Labor Migration Theory: The Paradigm Shift

In a landmark shift to the theories of migration, the New Economics of Labor Migration (NELM) theorists Stark and Bloom in 1985 attempted to lift migration theories beyond the neoclassical and the structuralism approaches to accommodate for other factors influencing migration decisions and considered the 'family' or 'household' as the unit of analysis. The NELM approach had profound implications for investigations on remittances and hence its impact. Several theoretical and empirical approaches to studying remittances and their determinants and impact had adopted this approach. The approaches towards the study of remittances under the NELM can be categorized into studies on determinants of remittances, transfer mechanisms of remittances from host to origin countries and the impact of remittances at the receiving end.

Harris and Todaro (1970) provided a two-sector analysis of labor migration. This model is based on the pull factors for occurring migration. According to these theories, migration proceeds in

response to urban rural differences in expected income. If the expected income from the urban area is higher than the rural area, there will be migration from rural to urban areas even though there is widespread unemployment in urban areas.

Bhagwati and Hamada (1974) argued that the brain drain has long been viewed as a serious constraint on poor countries' development where a significant fraction of the talented workforce emigrates abroad. In line with our findings for OECD emigration countries, this is due to the fact that social returns to human capital are likely to exceed its private returns given the many externalities (fiscal, technological, sociological) involved. This externality argument is central in the early brain drain economic literature which emphasized that the brain drain entails significant losses for those left behind and contributes to increase inequality at the world level. Another negative aspect of the brain drain is that it can induce shortages of manpower in certain activities, for example when engineers, teachers or health professionals emigrate in disproportionately large numbers, thus undermining the ability of the origin country to adopt new technologies, educate its young generations or deal with health problems.

Adams (1992) showed that both internal and international remittances have an essentially neutral impact on rural income distribution in Pakistan. When internal remittances are included, the Gini coefficient of inequality rises less than 3.0 percent, while the Theil entropy measure increases less than 9.0 percent. Virtually the same results hold for international remittances. When overseas remittances are added, the Gini coefficient increases by less than 1.0 percent, while the Theil measure rises less than 8.0 percent. In this study remittances have a neutral effect on income distribution because they are distributed fairly equally through the income order. With the exception of the lowest income quintile, most quintile groups of households manage to produce their percentage share of both internal and international migrants. The average estimated cost of international migration in Pakistan was 21,000 rupees (US \$, 302). The results of the study suggest that international migrants from the lower income quintile groups actually were able to either find or borrow such large sums of money in order to migrate.

Van Hear (2002) although migrants have recently been celebrated for their ability to stimulate social, political and economic reform in origin countries, it is important to remember that

migrants, through remittances and other factors, may also contribute to sustained conflicts, for instance, by providing support for warring parties. Furthermore, migrants are often from middle-class or elite groups and, therefore, might not necessarily represent the view of the poor and the oppressed, but instead effectively sustain oppressive political systems. Again, this scenario exemplifies the difficulty of generalizing about the social, economic and cultural effects of migration and remittances. The direct effect of skilled emigration needs to be evaluated on a case-by-case basis.

Leon-Ledesma and Piracha (2004) found that the impact of remittances on unemployment depends on its effect on productivity growth and investment. Econometric estimation using data from 11 transition countries from 1990 to 1999 yields support for the view that remittances have a positive impact on productivity and employment both directly and indirectly through their effect on investment. Other studies are less upbeat and mention the potentially adverse effects of remittances in that they create a strong disincentive for domestic savings and support private consumption of (imported) goods instead of financing investment, which can potentially hamper competitiveness and increase trade deficits and questioned the whole assumption that remittances play the same role in economic development as foreign direct investment and other capital flows. Empirical tests of a model in which remittances were assumed not to be profit driven, but rather compensatory transfers, yielded a negative correlation between remittances and GDP growth. This finding suggests that remittances may not be a source of capital for economic development. It has also been commonly argued that large remittance inflows can contribute to currency appreciation (Dutch disease). However, there is little empirical evidence sustaining this hypothesis. A recent study claimed that Dutch disease is less likely to occur with remittances than with natural resource booms, primarily because remittances are distributed more widely and may avoid the sorts of exacerbating strains on institutional capacity that are often associated with natural resource booms.

Gammage (2006) migration, remittance and political reform also affect social and political life in countries of origin in a broader sense. Sending countries have often had ambiguous attitudes toward emigrants. Many states have considered migration as a safety valve to reduce unemployment, poverty and political unrest and saw migration as a direct way to get rid of

political dissidents. It has, therefore, been argued that emigration could diminish pressure for domestic reforms. On the other hand, there are strong long-term economic incentives for emigration states to strengthen ties with their absent citizens.

Hass (2007) stated that perhaps the most commonly used argument against migration as a potential source of development is that it deprives poor countries of their valuable human resources. Structuralist and dependency theorists have pointed to this brain drain to underpin their argument that migration undermines rather than stimulates development in origin countries, and reinforces rather than alleviates global inequalities. In recent years, this brain drain hypothesis has been increasingly questioned, allowing for a much more nuanced picture. First, not all migrants are highly skilled. Second, the brain drain seems to be only truly massive in a minority of countries. In a quantitative assessment of the brain drain.

Borjas (2009) states that immigration impacts economic performance and the welfare of natives in destination countries through multiple channels . It modifies the number and characteristics of workers in the labor market; it impacts physical capital accumulation through changes in savings and/or foreign investments; it affects fiscal policies through changes in taxes, impacts government consumption and transfers; it changes the demand for domestic products since migrants and natives have heterogeneous preferences for domestic and imported goods. The combination of these channels determines how migration impacts natives' average income in source and host countries. According to opinion surveys on attitudes towards immigration, the majority of host-country citizens believe that the impact of immigration on welfare is negative, the labor market and fiscal effects being perceived as the most important economic channels. Immigrants are seen as taking jobs away from locals, or inducing downward pressures on their wages; and immigration is mainly perceived as a massive flow of uneducated individuals from poor countries who are trying to gain access to the welfare systems. This view is not supported by academic studies. In this section, I review the literature on the labor market effect of immigration to OECD destinations and its fiscal impact the study then discusses related policy implications.

Androcec (2010) explained the computation of costs and benefits of migration and remittance income receiving households. The author defined several types of benefits to the senders:

operational benefits, economic benefits and staffing benefits. Operational benefits are benefits to the way an organization operate and some of the most important are: reduced cost, automation (provider updates application), flexibility, better mobility, better use of IT staff. Some economic benefits to consider are: fewer needed staff members, Staffing benefits in include benefits for the consumer and benefits for the provider.

Shrestha (2011) Nepal's macroeconomic data concludes that expenses on education in the underdeveloped countries does not finance brain drain but highlights the potential role of skilled emigration in improving human capital investment in developing countries like Nepal. Moreover, wage gap between the developed and underdeveloped countries enhance the private investment for children education in the underdeveloped countries so that the new generation can compete in the global market.

Kharel (2012) focused on the determination of the costs, risks and challenges of labor migration in Nepal. The costs and benefits can be assessed in terms of micro and macro level. Along with the growing importance of remittance in the economy, symptoms of the Dutch disease are being seen, although one cannot argue that the phenomenon is happening and hurting growth and competitiveness conclusively. Nepal maintains a fixed exchange rate with the Indian Currency (IC), not revised since 1992, and the exchange rate between NPR and other currencies are determined by the exchange rate of IC with these currencies. Even as NPR depreciated vis-à-vis other currencies and its peg with IC remained unchanged, NPR witnessed continuous real appreciation since 2002 due to rising inflation.

While international migration and the associated remittances have contributed to increase household income and consumption and reduce poverty, there are also associated human, social and financial costs at the household level. There are adverse effects on family life (due to separation). Migrant workers face the risk of exploitation in terms of working conditions and pay, among others, and abuse, often because of the malpractices of recruiting agencies. Women are especially vulnerable. The initial financial cost of going abroad for work is substantial, with layers of intermediaries and associated commissions. Dependence on informal credit sources that charge exorbitant interest rates to fund migration increases indebtedness. The average cost of getting a job in the Gulf or Malaysia, where earnings are on average substantially

higher than in India, is estimated at US\$1,430 (NMS 2009), and nearly thrice the per capita income. On average, half of the cost is met through loans from money lenders and another 22 percent from friends and relatives, with interest rates as high as 30 percent. This, together with the fact that the probability of migration to India decreases with wealth status, suggests that cost is a critical barrier for the poor to get overseas employment and that overcoming the barrier through loans leads to significant indebtedness.

Informal channel dominates the transfer of remittance. More than two thirds of households receiving remittance receive it (69 percent) through informal channels, with family and friends being the most common delivery mode (Ferrari et al. 2006). Poorer households also prefer informal channels, which are used by 86 percent in the bottom quintile compared with 29 percent in the top (ibid.). Surveys show very low use of Hindi channel but anecdotal evidence suggests it's still large. Remittance from India has the highest incidence of coming through the informal channel (hand-carry, personally or through friends or relatives, rather than Hindi)—estimates vary, from two thirds to 97 percent of workers. Surprisingly, 30 percent of workers in developed countries appear to do the same. Nepali workers returning home with cash from India risk being robbed in India. However, overall remittances have been increasingly flowing through official channels in the last decade, with the help of measures taken by the central bank. The cost of remitting money through formal channel varies, but due to stiff competition amongst money transfer companies, the cost of remitting money through formal channels has reduced substantially and is one of the lowest in the world. Since money transfer operators entered the market in 2001, remittance services have improved substantially, with remittances being delivered in a day or two at relatively low cost, even in remote areas. Among formal channels, money transfer operators/remittance companies are the most popular channel (almost thrice more popular than transferring money to one's own bank account. In Qatar-Nepal corridor, the cost is among the lowest, with major money transferring companies are charging 1.9 percent of the transfer amount, followed by banks (0.9 percent) and other companies (1.5 percent).

Sapkota (2014) stated that for a small land-locked economy battered by a decade-long Maoist insurgency (1996–2006), prolonged political instability, slow growth rate and large exodus of

youths for employment overseas, high inflow of remittances bears a huge significance both at micro and macro levels. Exploring various facets of high migration and remittances, this article shows remittance-induced Dutch disease effects and policy laxity to improve investment climate in Nepal. Since it is costly to sterilize the impact of remittances each year, it might be prudent to learn to live with it and gradually channel remittances to productive usages with a goal to boost productivity. More migrant workers are opting for overseas jobs, as indicated by the declining share of internal remittances received by households. For instance, while 44.7 percent of households received internal remittances in 1995/96, the figure was just 19.6 percent in 2010/11. Furthermore, the share of remittances received by households from India has decreased from 32.9 per cent in 1995/96 to 11.3 per cent in 2010/11. Furthermore, nominal per capita remittances increased by 1,379 per cent between 1995/96 and 2010/11. Per capita receipt of remittances generally increases with recipient household's wealth. For instance, while 47.6 per cent of households in the poorest consumption quintile received remittances in 2010/11, the number for fourth and richest quintiles was 59.7 per cent and 56.6 per cent respectively. Also, the households in the poorest consumption quintile received more remittance from India than other sources. But, the share of remittances in total income of poorest and second quintiles households was lower than that of households in the remaining three consumption quintiles. It indicates that members of poor households go to India, which reflects the low cost of migration, and remit relatively less than those going to the Gulf countries, where wages are relatively high.

Using data from national sources to the extent possible, this study looked at the wide-ranging impact of remittances both at macro-economic as well as household levels in Nepal. Remittances have been crucial in reducing poverty and inequality in the last decade. It has increased expenditure capacities of poor households and widened their consumption basket. Meanwhile, it boosted foreign exchange reserves and gross national savings, and also contributed to keeping the balance of payments in surplus. However, remittances have also contributed to the Dutch disease effect, which is the loss of competitiveness of non-resource tradable sector (exports sector) due to appreciation of exchange rate after substantial inflow of resources from one particular sector (remittances, in Nepal's case). The laxity in improving policy weaknesses and facilitating sound investment climate has resulted in shrinking of manufacturing and exports sector. Meantime, remittances have financed high imports unabated, leading to an unsustainable

merchandise trade deficit, which reached as high as 26 per cent of GDP. The remittance-financed high imports have also been crucial for revenue generation, as over 50 per cent of total tax revenue is generated from consumption tax. There has also been a surge in real estate and housing prices, which is moderating after the crash in 2010.

2.2 Empirical Reviews in International Context

Stark (1991) found that remittances have a large, significant effect on school retention. In urban areas, the effect of remittances was at least 10 times greater than the effect of other income. In rural areas, the effect of remittances was about 2.6 times that of other income. Two surveys conducted in Morocco equally suggest that remittances enable migrants' children, and particularly daughters, to go to school.

Auerbach and Oreopoulos (1999) made the impact analysis of remittance income. The magnitude of the wage effect of immigrants depends critically on the ratio of the highly educated to the less educated among the immigrants. Countries where laws explicitly favor more educated immigrants (such as Australia and Canada) experience larger positive effects for both the less educated natives and the total workforce. However, other countries without such explicit laws (such as Ireland, UK, and Switzerland) also enjoy significant positive effects since the composition of their immigrants is also tilted towards the highly educated. On the other hand, if the skill composition of immigration flows is not biased in favor of the educated, then the net wage effect on natives becomes quite small albeit positive.

Kapur (2003) Remittances and national economic growth, whereas views on the impact of international remittances on social and economic development in migrant-sending societies have recently inclined toward the positive side, the impact of remittances on national economic growth and employment are rather unclear. The consequences of remittances on long-term economic development are not well understood. There seems to be no conclusive evidence to sustain either neoclassical or dependency theory, because relevant studies have yielded contradictory findings. In a recent analysis of the effect of remittances on employment performance for Central and East European economies.

Adams (2003) international migration found in two-thirds of the 33 large labor-exporting countries he surveyed, less than 10 per cent of the best-educated (that is, tertiary) population had migrated. The emigration of highly educated migrants seems to be truly massive only in a limited number of smaller countries, such as various island states in the Caribbean and the Pacific. However, even in these cases mass migration of high-skilled workers should primarily be seen as a symptom of development failure rather than the cause of this failure as such. For instance, the migration of health workers is often claimed to be extremely harmful for sending countries, and is said to have created labor shortages in the health sectors in countries such as Ghana and South Africa. However, there is limited data available to underpin such claims. On the contrary, a recent study using a new database of health worker emigration from Africa suggested that Africa's generally low health staffing levels and poor public health conditions are the result of factors entirely unrelated to international movements of highly trained health professionals. Such factors include unattractive working conditions in the public health sector and the failure to provide basic health services, ²⁴ which do not require highly trained personnel to deliver. This corroborates another study that concluded that migration is a symptom, not a cause, for failing health systems, and that most elite health workers would not provide basic health care to those most in need if they had stayed. Third, labor tends to be much more productive in wealthy countries, which may, therefore, increase the capabilities of migrants and their families to improve their livelihood. Moreover, many developing countries now face mass unemployment among the highly skilled, which is often the partial result of misguided education policies (Development Research Centre on Migration, Globalization and Poverty 2006), which do not reflect the true skill and knowledge needs of developing economies. In other words, there is often overinvestment in higher education and underinvestment in primary and secondary education and vocational training. This all casts some doubt on the assumption that the emigration of the highly skilled would automatically represent a loss. In many cases, the long-term individual and collective gains may effectively outweigh the immediate costs of migration. In fact, many governments consider skilled laborers to be an export product and thus willingly create surpluses of certain categories of the highly skilled.

Ureta (2003) remittances have a large, significant effect on school retention. In urban areas, the effect of remittances was at least 10 times greater than the effect of other income. In rural areas,

the effect of remittances was about 2.6 times that of other income. Two surveys conducted in Morocco equally suggest that remittances enable migrants' children, and particularly daughters, to go to school.

Bencherifa (2003) concluded that international migration and remittances have a positive effect on the education of children. Besides remittance-enabled investment in physical capital, investment in human capital is likely to be important for the long-term growth prospects of developing countries. Thinking of it from a capabilities perspective on development spending on the education of children counts as a long-term productive investment and as an income assurance strategy for households and families. Such investments in their children's education are especially important for people without access to formal social security arrangements.

However, whether skills and knowledge acquired through education will be deployed locally or abroad, that is, through migration, ultimately depends on the political climate, economic growth and the structure of labor markets in sending countries. On the other hand, there is evidence that under certain circumstances migration might also create negative incentives for education. If the opportunity to migrate decreases the return to education, individuals may be discouraged to invest in education. This seems specifically to be the case in migration systems predominated by low-skilled and often undocumented migration, where few if any positive externalities of education can be expected. For instance, a Mexican or a Moroccan cleaner with a university education in Spain or the United States is unlikely to earn significantly more than a colleague with only a primary education. There is indeed some evidence from Mexican household surveys indicating that international migrations have a negative effect on the level of schooling of children. This finding corroborates others who suggested that schooling has no effect on incentives for international migration from rural Mexico, whereas schooling has positive effects on internal migration incentives.

Yang (2004) reported in the Philippines shows that educational expenditure in origin households increased with remittances. In El Salvador, remittances tend to reduce the likelihood of children leaving school. Another survey shows that Mexican children in migrant households completed their schooling significantly more often, with the largest impact for girls in households where the mother has a low level of schooling. Based on an analysis of nationally representative household

data in Guatemala, it was found that, at the margin, households receiving internal and international remittances spend 45.2 per cent and 58.1 per cent more, respectively, on education than do households that do not receive remittances.

UN (2005) had endeavored to determine the relationships between migration, remittances and the different income sources of Mexican rural households. First of all, decomposing the households' net income into its different sources has been done that international remittances have a negative impact in the income distribution. That the individuals who migrate do not come from the poorest households, because international migration has a higher risk and cost, may explain this impact. This assertion is backed up with the econometric results from the equation used to model migration. There it is possible to see that the wealth index variable has a positive and significant effect. Meanwhile, the same variable squared has a negative and significant effect, suggesting an inverted-U relationship between migrants and their level of wealth. In other words, households who allocate international migrants are within the middle and middle upper income of the income distribution spectrum. The national remittances impact is a decrease in the Mexican rural households' inequality level. The lesser risks and costs of internal migration explain this effect. Hence, a higher number of households can engage in this activity, without regard to which part of the income distribution they belong. Furthermore, as the results from the migration function suggest, these households are the less wealthy, causing a decrease in the distribution gap. The econometric results indicate that the principal migration motivators, as the literature predicts, are the household size and the existence of migratory networks. In this manner, the remittances effects on the different income sources are not null. Migratory phenomena represent cost for households that allocate members to migration in the form of loss of work force, and reflected in the decrease of wages income. It also promotes other income sources such as the livestock and the agricultural sector. Additionally it influences directly the rural households' income capture. Establishing the net impact is among the future objectives of the present investigation.

Mora and Taylor (2006) found that the wage gain is higher for less-educated Mexicans who migrate to the United States rather than internal. Migration and remittances can thus both encourage and discourage education of non-migrants. Depending on the specific incentive

structures, remittances and the opportunity to work in cities or abroad give individuals and their households the choice either to invest in or to disengage from education. Confirming this hypothesis, the empirical evidence is indeed mixed, although a majority of studies seem to support the NELM hypothesis that remittances have positive effects on school attendance and educational achievement. A point often ignored is that improved education is not only a potential result of migration and remittances, but also that the desire to obtain more education is often one of the very reasons for rural-to-urban and international migration, and successful skilled international migrants may indeed stimulate other people to follow their path.

Barry (2006) many sending states have become dependent on remittances to cover trade deficits and to maintain domestic stability, a situation that seems to have increased their willingness to engage with emigrant populations and increase their voice in internal political affairs. Over the past decade, many sending states have, therefore, embarked upon more inclusive diaspora engagement policies through extending special political and economic rights to emigrants and allowing dual citizenship. Migrants often play a significant role in the societal and political debate and civil society in countries of origin. Their involvement underscores the fact that the developmental effects of migration are not limited to remittances and investments, but also include important sociopolitical dimensions. Migrants and their organizations often take an active stance in shaping their new role in the national life of their home countries. Migrants' considerable weight can eventually create a push for political and economic reforms, democratization, increasing political and bureaucratic transparency and the emancipation of minority groups in sending states.

Ghosh (2006) concluded that international migration and remittances have a positive effect on the education of children. Besides remittance-enabled investment in physical capital, investment in human capital is likely to be important for the long-term growth prospects of developing countries. Thinking of it from a capabilities perspective on development spending on the education of children counts as a long-term productive investment and as an income assurance strategy for households and families. Such investments in their children's education are especially important for people without access to formal social security arrangements.

Voladet (2009) estimated the economic cost and benefit of cross border labor migration in Thailand with the estimation period of two years. The regular migrant workers have higher cost and lower net benefit in comparison with irregular migrant workers. The regular process of cross border labor migration takes about 90 days. 5,400 regular migrant workers, corresponding to 2.7 percent of estimated number of Lao migrant workers in Thailand have average total migration cost of USD 2,292 for regular migrant workers and USD 1,552 for irregular migrants. The cost items included are income tax (in accordance with Lao taxation law) contribution to social security fund (5 percent of total income), expenditure for food, clothing, footwear and personal care, leisure and recreation, communication, accommodation cost, transportation, medical care, electronic good, Mobile, Passport, health Examination, Thai Multiple-Entry Visa, Work Permit Card for Lao Workers in Abroad, Training, Travelling, Interest and service cost for recruitment company. Medical Check-up, Work Permit Card for 2 years in Thailand.

Barbone et al. (2009) in the analysis of the fiscal impact of immigration distinguish the short-run and long-run fiscal effects of immigration as a complex task. Cross-country comparative studies have focused on the short-run effect, i.e. change in public finance related to the presence of immigrants of the first generation. They used household survey data on average incomes and taxes paid and benefits received by migrant and native households to quantify the fiscal impact of immigration in a large set of European countries. The authors found no evidence supporting the view that European immigrants contribute less in taxes than the natives, or consume significantly higher benefits.

On the contrary, they found that migrant workers make a net contribution to the national tax and benefit systems of European Union countries. These results have been confirmed in other country-specific studies showing that the fiscal impact of immigrants is positive albeit small, in the United States) or even in non-selective immigration countries such as France, Spain or Germany. Population changes directly impact taxes and public transfers, but have uncertain effects on the amount of residual government consumption. When immigration is doubled, the overall fiscal impact is positive if the residual government consumption is kept constant; the impact is negative albeit small if the residual consumption is proportional to total population.

Sophal (2009) in the study of Economic Costs and Benefits of Cross border Labor Migration in the GMS in the Case Study of Cambodia determines the push factors and pull factors of labor migration. The push factors are lack of employment Creation, high economic growth, urban centric policies, and high poverty among the poorest in the region (30% poor in 2007). And, the pull factors are higher wages in destination countries (Korea, Malaysia, Thailand...), unskilled, tedious, risky, low paid or 3Ds (dirty, difficult and dangerous) jobs employment year round in neighboring countries. The methods used are the primary household survey consisting the variables: household assets, income and expenditure, socio-economic characteristics of migrants, economic costs and benefits of migrants, social impact of migration, remittances: scale, mechanism, impact, Focused Group Discussions, key informant interviews and in-depth interviews. The benefit items are wage rates, income, remittances and use of remittances.

Development Analysis Network (2009) in its working paper analyzes the fixed cost of emigrants in Thailand, Vietnam, Cambodia and Laos. The fixed cost of migrants entering Thailand to work, to compare with a much bigger cost for Thai emigrants to overseas. For a Cambodian to migrate and work in Thailand legally means cost of USD 747, four to five times more expensive than going irregularly. In Cambodia, the cost charged to migrants under the MoU is USD700. Migrants from Laos in the case study faced lower cost to go to Thailand because they did not travel as far. For Thai migrants to work in Taiwan, the cost was nearly USD 500, it has been expected the benefits from working in Taiwan will pay this high cost. The fixed cost for a migrant to Taiwan is only USD 3000 compared with USD 4827 incurred by Thai migrants. Cambodian migrants with documents obtained in Thailand paid less to the brokers.

Ukwatta (2009) in the thesis entitled assesses the economic effects of cross border labor migration on local economy. On a field survey of 400 Srilankan Families where the mother has gone to work in a foreign country as a domestic worker and the detailed discussion with the key stakeholders in the study area, the study examines the effects of the migration of the domestic workers on economic and social situation of their families and children. The total production value per labor amounted USD 8,003,748, contribution from remittance income USD 731,423 and opportunity cost 211,692.

Siddiqui (2012) in a working paper identifies various impacts of the remittance income at individual, household, community and national level. The cost of migration is a major hindrance for poor people who want to move. Migrating shorter distances incurs lower costs, an observation which has led some to argue that poor people tend to engage more in short distance (internal) migration, such as rural to rural or rural to urban migration. In most migration corridors, during the initial migration phase, international migration tends to be accessed more by those from relatively better-off backgrounds. However, policy interventions in countries of origin, the types of labor demanded in destination countries, development of social networks by migrants and access to migration finance loans, have made various types of international migration accessible for poorer people too. His survey indicates that the majority of migrants, be they internal, cross-border, regional or contract workers, can benefit economically from their moves in two ways. Firstly, migration increases livelihood and employment opportunities, and secondly, it often increases their financial income. However, poorer migrants enjoy very few rights at work and they face the health risks too. Female migrants, including domestic workers, are often vulnerable to mistreatment and abuse.

Docquier (2013) in the synthesis paper 'Cross-Border Migration, Employment and Economic Growth' reviews the researches on labor migration: impacts, costs and benefits. This paper focuses on the global economic implications of international migration for the world economy and for its developing areas. Migration is a selective process affecting the growth potential of countries and the welfare of non-migrants. In particular, high-skilled emigration rates currently exceed low-skilled and average emigration rates in virtually all countries, and a complete liberalization of cross-border migration would probably reduce the skill bias in emigration rates but would not eliminate it. The new brain drain literature has shown that a limited degree of high-skilled emigration could be beneficial for growth and development.

For the vast majority of poor and small developing countries, however, current skilled emigration rates are most certainly well beyond any sustainable threshold level of brain drain. In many instances, cross-border migration (especially recent migration flows) is making rich countries richer at the expense of poor countries. The study concludes that authoritarian restrictions on high-skilled emigration from these countries could have damaging effects on

growth (smaller incentives to educate and to invest) and the welfare of their residents (greater exposure to corruption, discrimination, political repression, etc.). However, promoting return migration and brain circulation is a promising route for letting destination and origin countries share the benefits from high-skilled labor mobility. Appropriate subsidization policies could be implemented to initiate such processes.

Jones and Basnett (2013) a comprehensive analysis of the ways reducing cost and increasing benefits from migration. They recommend there are considerable constraints to reducing the exploitation of Nepali migrant workers, but also genuine opportunities for action. Legalizing and monitoring intermediary recruitment agents: Dallas and informal agents play a major role in exploitation and extortion of migrants, but a direct crackdown would likely not succeed. Another way of reducing cost of labor migration is Simplifying and decentralizing the migratory process requirements. By Improving monitoring, Monitoring by independent bodies, establishment of promising entry points, Using information and communication technologies (ICTs) to bridge the gap between potential migrants and employment opportunities could have a large impact on exploitation, establishment of Voluntary self-regulation by recruitment agencies, internet based system are ways they found to contribute to reduce the cost of migration.

Making major improvements to the impact of remittances is not likely in the short and medium term. On the one hand, as argued many of the most popular uses that remittances are being put to should be considered productive investments already (in human capital). The ways of increasing benefits from international labor migration are: providing better microfinance and savings services, Investigating and reducing exchange rate losses, improving financial services related to migrants and the use of remittances is important, and a number of avenues could prove fruitful.

2.3 Empirical Reviews on National Context

Nepalese people started foreign employment by travelling to Lahore in early 19th century to work in the army of the Sikh ruler or be recruited for specific war related services for the Sikh ruler. However, 'remittance in Nepal was best introduced with Gurkha remittances. 'The Gurkhas' were renowned for their fighting / warrior qualities. That is why British India formally recruited Nepalese youth as soldiers in their armed forces, which was later (after Indian

Independence) separated into British army or British Gurkha Regiment and Indian army or Indian Gurkha Regiment. This has now changed. Now-a-days, Nepalese going abroad are not all youths and not only for armies, but young and old alike are spread all over the world for work – in the army and in other jobs. Those going for other jobs are concentrated in Gulf countries – Saudi Arabia, Qatar, Kuwait – and are mostly in job sectors in the civilian front. Most of the Nepalese migrant workers who go, or are going, are unskilled and some are semi-skilled, but very few, if any are skilled or high skilled workers. As a result of the type of worker who migrates for foreign employment, the remittance the country receives is also affected greatly.

Gaudel (2006) studied the impact of remittance income basically on the health of the receiving households. Young generation from the families for long time may affect their reproductive age and their vulnerability may be subject to communicable diseases. It is also possible that if they come back with good skills and earnings, they may not normally cope with the environment of the homeland and consequently they will have a tendency to leave the country again. Thus, the remittances from foreign employment on the one hand, has played an important role to increase their personal income and thereby improve standard of living and a risk of diseases like HIV/AIDS through migrants on the other may enter into the country.

Aryal (2006) conducted a household survey in order to find out the effect of the internal and the international remittance on the household welfare and land conservation investment, the impact of 10 per cent increase in these remittance incomes have been simulated. The increase in remittance has a positive effect on the household welfare and the soil conservation investment. Households production as well as consumption level have improved. Similar results are found in case of soil conservation investment of the household. It is quite interesting to note that both the use of family labor and hired labor have increased with the increase in remittance income of the households in the village. The positive impacts may be due to the increase in liquidity with the households having remittance earnings. That might help generate land rental and the labor hire market within the village, which in turn increases the income of the households that do not have remittance earnings. The inter-dependence across the household groups in the village and their behavior need to be studied carefully to understand clearly the factors explaining this relation.

2.4 Conclusion

The direct impact of remittance income is observed on the children and the wives of the migrant persons. Positive impacts were seen on the opportunities for education, health care and lifestyle but negative impact is worsening psychology of their children as their mothers apart for a long time. Due to the remittance income, support the family financially and have the freedom of financial decision-making, traveling to foreign countries with new experiences, seeing new places, and meeting with people from different parts of the world and interacting with each other collecting the knowledge and experience along with feeling of independence and confidence, it react positive impact in his/her life, family and their own society with financial freedom.

Contemporary studies on remittances at migrant sending as well as receiving areas at both macro as well as micro level have generally displayed more optimism about its developmental impacts. At the macro level, remittances have been found to have a positive impact on a country's long run economic performance by not only increasing foreign exchange reserves, but also financing trade deficit in certain countries is increasing the credit ratings of a country. In case of labor surplus economies especially, remittances have offset the loss of human capital and have increased the per capita income of countries.

At the micro level, issues revolve around elimination of credit constraints of households and scope for enhancement of investment opportunities and savings mobilization. But such impacts of remittances at the micro level vary amongst developing countries. An important factor to consider in this respect is financial infrastructure at the origin areas which are usually rural in nature, which vary from country to country. Another area which is of growing concern is the remittance transfer systems and processes. At the village or community level, the effects of remittances received by migrant households, spilling over to the community to which those households belong to; has also been a contemporary an intriguing part of research on remittances. However, substantial investigations to capture this aspect are relatively scarce.

In Nepalese context, the micro and household level studies on remittance income are lacking. Most of the studies are focused on macro impact of remittance income, further the cost of migration is undermined in the published articles and studies. This study explains the positive as well as negative impacts of remittance and focuses various types of costs and benefits due to migration and remittance at household level.

CHAPTER III

RESEARCH METHODOLOGY

This chapter describes the research methodology adopted to examine the economic and social impacts of migration on families and children left behind in Jahada VDC, Nawalparasi Nepal.

This is an exploratory study which aims to analyze the socio-economic status of the migrant people and their families and various types of impacts due to migration and remittance income. The study is based on primary data as well secondary data, and descriptive and analytical tools are used for the analysis. This chapter presents the details of the methodology applied dealing with, “Variables identification”, “Conceptual and Theoretical framework”, “Study area and sampling”, “Sample size estimation and sampling design” and “Tools and techniques of analysis”.

3.1 Study Area

Jahada VDC is a village development committee in Nawalparasi District in the Lumbini Zone of southern Nepal. The VDC has total households number 1689 and the total population 8459 with male population 3955 and female population 4504 according to the census survey. The total population comes to be the major occupation of the households is agriculture. Besides, households receive a significant portion of the remittance income sent by a large number of youth and young from abroad. Thus, the remittance income has been a major source of household expenditure in the village. Female migration and female foreign employment is also increasing day by day.

Table 3.1

Distribution of Sample Size

	Treatment Group	Control Group
Population	498	266
Sample size	53	37

Source: VDC profile and Field Survey, 2014

3.2 Sampling Design and Sample Selection Process

Using the techniques of simple random sampling, firstly sample size is determined for the purpose of household survey. The number of sample households (sample children) is computed for simple random sampling using the following formula,

$$\text{Sample size } (n) = \frac{N Z^2 p(1-p)}{N d^2 + Z^2 p(1-p)} \quad (\text{Parel et al, 1973})$$

Where, N= Total number of households in the village

d = the maximum error deemed acceptable, and it is desired to obtain an estimate of the proportion p that is not more than 0.05 away from the true proportion P.

Z is the normal variable acceptable for 95 percent reliability in percentage value i.e. Z = 1.96.

And p is the proportion of households for which at least one household member is working as foreign employer. The total number of household in the study area is 1,698 with total population 8,459: male 3,955 and female: 4,504 according to the national census 2011. The total number of migrant's households in the study area has been found to be 764, and the sample size computed using the random sampling formula is 90 for the treatment households, which is approximately 13 percent.

The study uses two stage sampling process to choose the required number of households for household survey. First, the sample households are distributed by proportion allocation method among nine wards, and the proportion used will be the share of population of ward in the village. After determining the household number in each ward, in the second stage, the required household will be chosen through random visits.

To study impact and changes of household behavior, a control group is also enumerated. As a control group, the neighboring 10 households have been selected in respect to the 10 treatment groups. The comparison is also made in this respect.

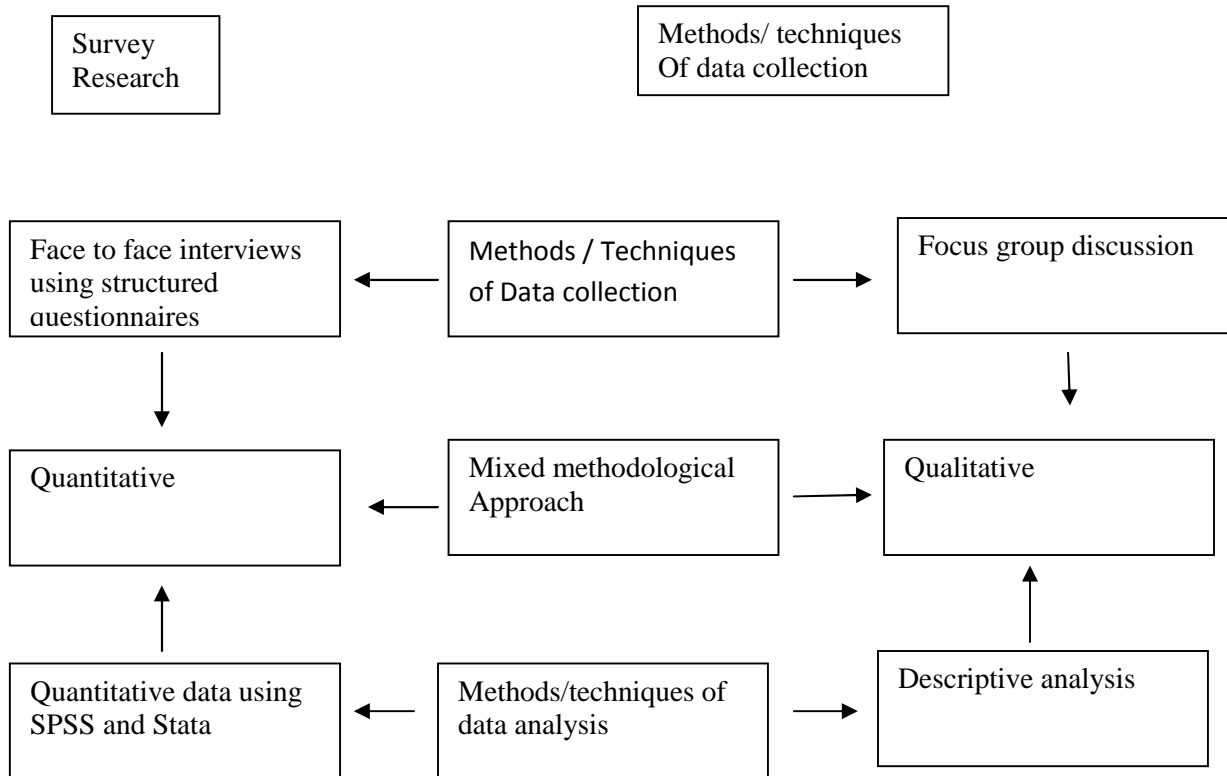
3.3 Mixed methodological approach: justification for the choice

The approach used in this study is a mixed methodology as shown in Figure 3.1. Face-to-face interviews were conducted using a structured questionnaire to collect quantitative data, which is analyzed using Statistical Product and Service Solutions (SPSS). FGDs were conducted to discuss the views of key community members on the issues related to the study topic, and analyzed collected information using thematic analysis.

Every method of data collection has its inherent biases. Information gathered in FGDs helps to cancel or neutralize the response biases of survey research method (Creswell 2003). Ghosh (200) explain that the use of more than one method in a research provides a better picture of human behavior and experience.

Figure 3.1

Description of Methodology



3.4 Data Collection Technique

Both primary and secondary data are used in this study. Most of the data used are the primarily collected data for the purpose of analysis. Secondary data such as the departures for foreign employment, occupational categories of migrants, destination countries, and foreign earnings in the study area including the migrant's remittances are collected from the published sources. A household survey will be conducted to collect data and the data collecting techniques are the pretested questionnaire schedule. Basically, the household head and the concerned remittance income earner are preferred for interview because it can be assumed that they have more information about the study variables.

The data have been collected in the season of festival (September and October, 2014) considering that migrants can be visited at that time as they come to celebrate the festivals from abroad. To analyze the impact of migration more elaborately, the data are collected from the laborers who have been working abroad since last three years away from their households.

3.4.1 Triangulation

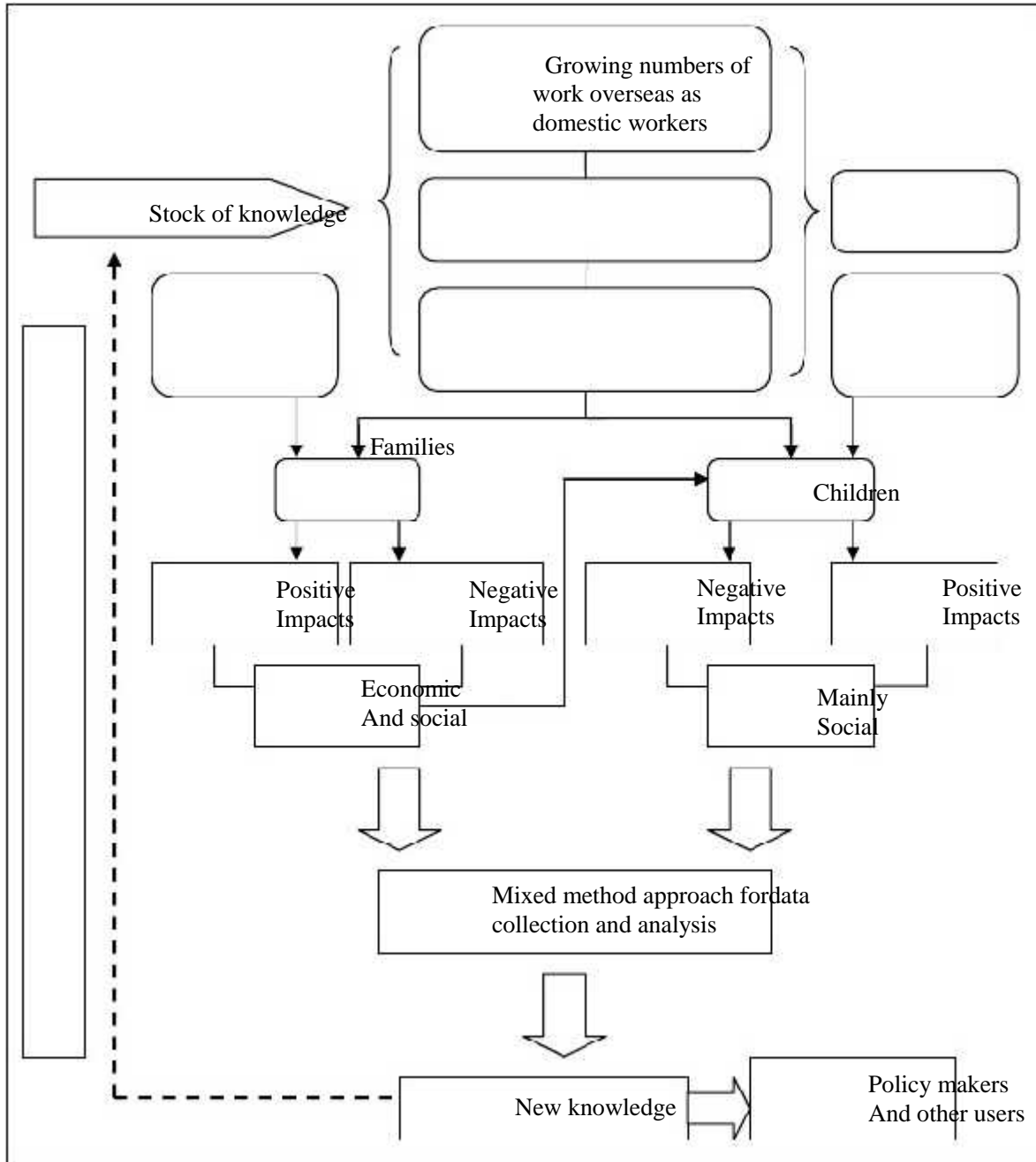
One of the elements of a mixed methodological approach is the use of triangulation. Each method employed in the study reveal different facets of symbolic reality (Borjas, 2009) and therefore, combinations of different methods reveal a more substantive picture of reality. According to (Stark, 1991), it is important to look at something from several angles than to look at it in only one way, and this is called triangulation in social research. As some authors explain (for example, (Stark, 1991), method triangulation and data triangulation are two of the triangulation techniques that can be used in research. The method triangulation has occurred since the study used both quantitative and qualitative methods to study the same phenomenon (Stark, 1991), and is called between method triangulation (UN (2005). In this study, data triangulation has occurred at the data collection and analysis stages since information was collected from returned migrants, their family members and key persons participated in FGDs and used them for quantitative and qualitative data analysis.

3.5 Theoretical framework of the study

A deductive research strategy is used in this study as mentioned earlier. Based on the known facts about the study topic, the researcher formulated research questions as Figure 3.2 illustrates.

Figure 3.2

Theoretical Framework of the Study



As (Borjas, 2009) argues, embedded within these questions are the concepts that need to be translated into researchable entities (Pant, B. (2008). Therefore, concepts in relation to the family impacts of migration were identified (Figure 3.2). As shown in Figure 3.2 and from the review of literature what is known about international migration of females from Nepal is their increasing involvement as domestic workers, the emergence of transnational families and the impacts of their migration on families and children. The impacts of migration of females on families can be economic and social with positive and negative effects (UN, 2005). All the concepts identified in relation to economic and social impacts of migration and the factors influencing the impacts are transformed into questions, which included in the questionnaire. In addition, themes are identified to be discussed in FGDs. The questionnaire has been developed and FGDs have been organized enabling to collect required information to answer the research questions. Data are collected and analyzed them using a mixed methodological approach. Finally, a new knowledge, which produced based on the findings of the study, has added to the existing stock of knowledge to be used by the policy makers and other users of migration data.

3.6 Variables

Various socio-economic indicators are available to study the impact of remittance income at household level and in the society. However, this study examines the basic variables about income, consumption expenditure, education level of children, schooling, child dropout rate, purchase of fixed assets, child and maternal health, ownership of durables, possession of insurance, household investment on business and other productive works, village labor and wages etc.

3.7 Data Analysis and Presentation

This study employs the concept of impact evaluation to examine the role of remittance income in socio-economic indicators in the study area. The study adopts this approach assuming that the receipt of remittance by households in the study area is regarded as a 'treatment' and those households who fall on this group are known as 'treatment households'. The counterparts who do not receive remittances are called 'control households' and these households are expected to

provide the information about the treatment households too. Descriptive statistics will be used to analyze and present the data using the statistical software such as SPSS, Ms-Excel or stata.

3.8 Estimation of Costs of Migration

The costs and benefits of migration

The economic effects of immigration depend not on population growth or density but on the characteristics of the immigrants themselves. On balance, immigration usually produces economic benefits for the receiving country. Immigrants are more economically active than the native population; are paid less than natives with similar skills; are more energetic than natives; and more willing to take undesirable jobs, such as those with unsocial hours.

The cost items of migrants, in this study includes expenditure item on passport, medical checkup, exit fee, training, travel, recruitment agency in foreign country in Nepal, visa fee, work permit, travel to site and other expenses incurred by the households and migrants.

The benefits of remittance income are explained in terms of wage rates, income, remittances and use of remittances by households. The improvement on the following items will be considered as benefits : general consumption/expenditure (mostly food...), debt repayment, health treatment, purchase of non-product assets (idle land, TV...), education and training, house improvement, house maintenance/repairs , house building, durable household items (longer use equipment), loan to others with or without interest etc. The explicit framework for the estimation of migration cost, the labor migration cost approach is used.

Table: 3.2

Computation of Migration Cost

Total Labor Migration Cost	
Direct Cost	Indirect Cost
<ul style="list-style-type: none">- Passport Fee- Visa Charge- Travel cost/Ticket- Labor Cost- Manpower Charge- Mediator Charge- Medical Cost- Accommodation- Extra Gadget/clothes- Communication cost- Airport charges	<ul style="list-style-type: none">- Information cost- Foregone income (opportunity cost)<ul style="list-style-type: none">- Due to loss of productivity- Health expenditure- wage/ salary foregone-Transaction cost-Injury, accidents etc. cost.<ul style="list-style-type: none">- Extra Gadget cost- Training Cost

The cost items for migration are direct and indirect. Direct cost are visible and totally associated with migration while indirect costs are associated costs which occur as the result of migration.

CHAPTER IV

SOCIO-ECONOMIC STATUS OF THE HOUSEHOLDS AND FOREIGN EMPLOYEES

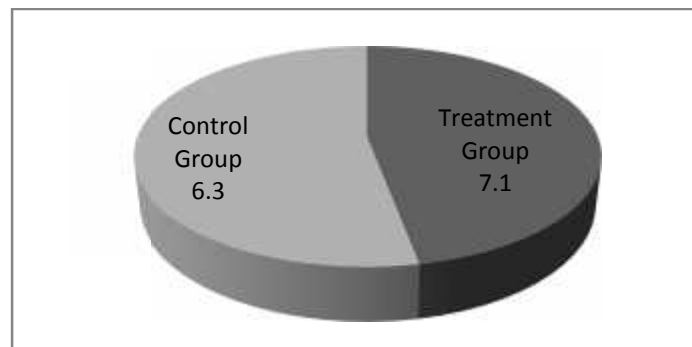
This section of the report presents comparative analysis of the various socio-economic aspects of households in the study area. The comparison is first made based on the simple graphical and tabular presentation of the survey data. Then the results from a simple statistical approach called the test of mean differences are discussed before examining the complete rigorous analysis based on propensity score matching approach.

4.1 Household Size in the Survey Area

The households with at least one household member living abroad as foreign employer for three years or more are 49 and the households without receiving remittance income and the households which have at least one family member as foreign employer less than three years are 41 in the survey area.

Figure: 4.1

Average Family Size

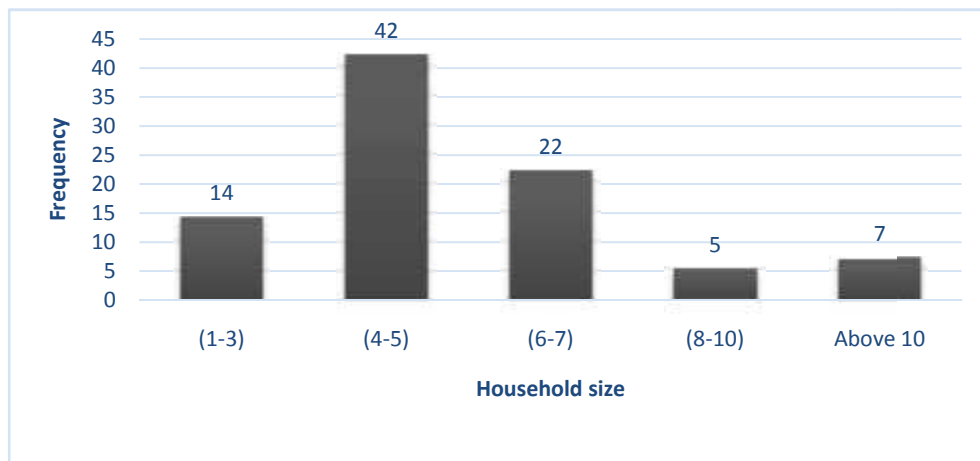


Source: Household Survey, 2014

The total population in the sample households is 600 with their foreign employers. The percentage of male population is 47.85 and the percentage of female population is 52.15. To start

out, the survey data showed that the average family size of treatment and control group remained almost similar: 7.1 persons in treatment group and 6.3 persons in control group. This makes comparison a little straightforward with having less chance of distortions in outcome variables emanating the family size. The average family size for the households who have at least one family member abroad has on an average one family member more than the number of family members in which no one is living abroad.

Figure. 4.2
Household Size of Foreign Employees



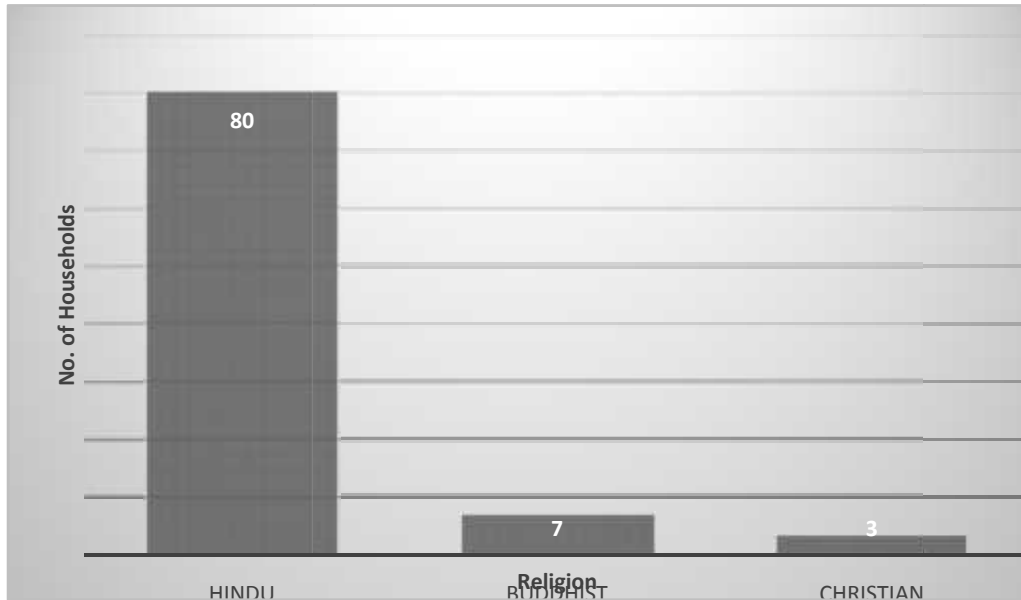
Source: Field Survey, 2014

The figure 4.2 shows that most of the foreign employees are from those family whose household size is 4 to 5 members and 24 percent have household members six or seven. Very few foreign employees are from the big family size with more than eight members and 16 percent have small size family with one to three members.

4.2 Religion

Many households in Jahada VDC of Nawalparasi district are Hindus (89 percent). Buddhism is another religion practiced after Hinduism (8 percent) and the remaining three households are found Christians.

Figure 4.3
Religion Practiced



Source: Household Survey, 2014

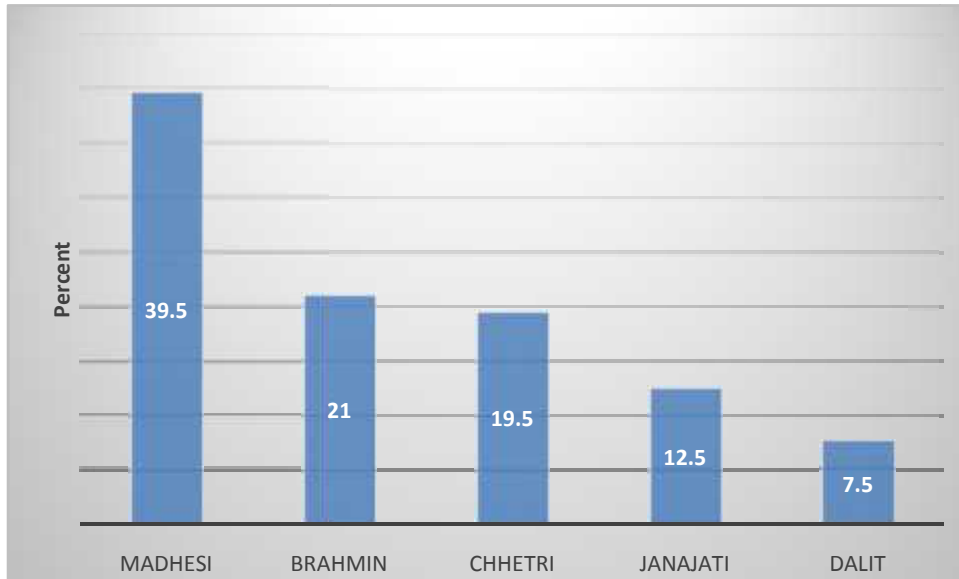
The village is basically the Hindu dominated village.

4.3 Caste and Ethnicity

The households in the survey area are mostly Madhesi (39.5), defined by government of Nepal. Brahmin make the second highest proportion of total population in Jahada VDC, it is 21 percent. About 19.5 percent of the total households are Chhetri in the sample population followed by Janajati 12.5 percent.

Among the total sample households, the Dalit community consists the lowest population which is 7.5 percent.

Figure 4.4
Caste and Ethnicity

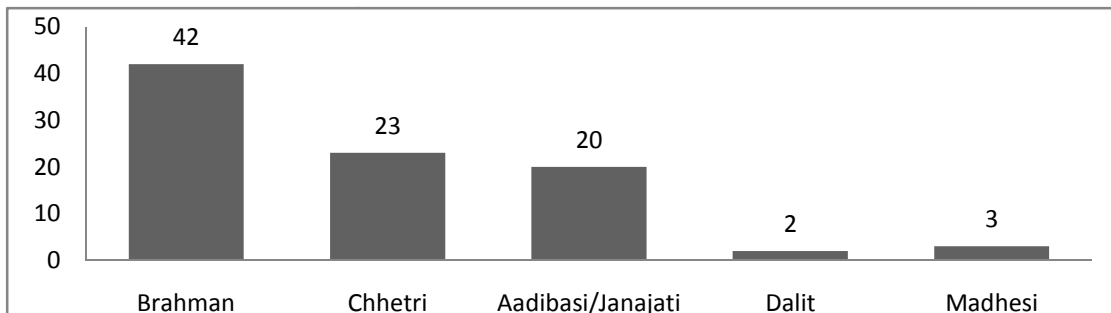


Source: Household Survey, 2014

On the basis of the data obtained, the result regarding the foreign employment by caste and ethnicity of persons is found as shown by the figure 4.3. Dalit and Madhesi consists 2 percent and 3 percent only.

Figure. No. 4.5

Ethnicity Foreign Employees



Source: Field Survey, 2014

From the figure 4.3, it is clearly seen that the highest percentage of the foreign employers is from Brahman (47 percent) community followed by Chhetri (26 percent). Such variations can be due to higher literacy rate and higher education level for Brahmin and Chhetri. Most of the Aadibasi/Janajati are from terai jajajati group. Although the population of the Madhesi community is highest, very few persons are working abroad from this group of people.

4.4 Housing Structure

Most of the houses in the study area of the valley are semi-temporary in nature. However, houses in alley and roadside consist many permanent houses with all facilities that a common household possesses in Nepal. This study categories all the houses in three types: permanent, semi-permanent and temporary and the distribution is shown in the table 4.1.

Table 4.1
Location and Structure of Houses

Location	Type of houses				Percent
	Permanent	Semi-perm	Temporary	Total	
Riverside	5	14	14	33	28.70
Road side	12	12	11	35	30.43
Alley	22	16	9	47	40.87
Total	39	42	34	115	
Percent	33.91	36.52	29.57		100

Source: Household survey, 2014

Households residing on alley and road side have made permanent houses made of permanent (cemented) roofs and permanent wall while most of the houses along roadside and households with agriculture as major occupation have semi-permanent houses, and the houses on river banks are observed mostly temporary in nature. Permanent houses in this study are those built with permanent walls and permanent roofs; house built with temporary wall (or roof) and permanent roof (or wall) is categorized as semi-permanent and a house made from temporary structures such as bamboo, plastic, *tripal*, *khar*, mud and *mandro* in roof and wall is temporary.

Most houses located at alley are observed permanent or semi permanent type (80.85 percent). Around the roadside, the structures are mixed while only five houses along the riverside are made permanent and 84.45 percent houses are temporary.

4.5 Fuel Used and Source of Lightening

Most of the sample households (96 percent) use electricity as source of lightening . Only 3 percent use kerosene lamp and very few (1 percent) use other sources: candles and solar panel. The most frequently used cooking fuel is LP-gas. Only six households do not have gas cylinder. Very few, 2 households used firewood for cooking purpose whole the month.

Table 4.2
Sources of Fuel Used

Monthly uses of fuels for various purposes			
Fuel Type			
	LP-gas	Firewood	Kerosene Stoves
Never used (0 times per month)	6(5.22%)	14 (12.17%)	30 (26.09)
(1-4) times used per month	7(6.09%)	41(35.65%)	47(40.87%)
(5-15) times used per month	28(24.35%)	47(40.87%)	35(30.43%)

(15-24) times used per month	56(48.70%)	11(9.57%)	3(2.70%)
Always used (30 times per month)	18(15.65%)	2 (1.74%)	0 (0%)
Total	115(100%)	115(100%)	115(100%)

Source: Household survey, 2014

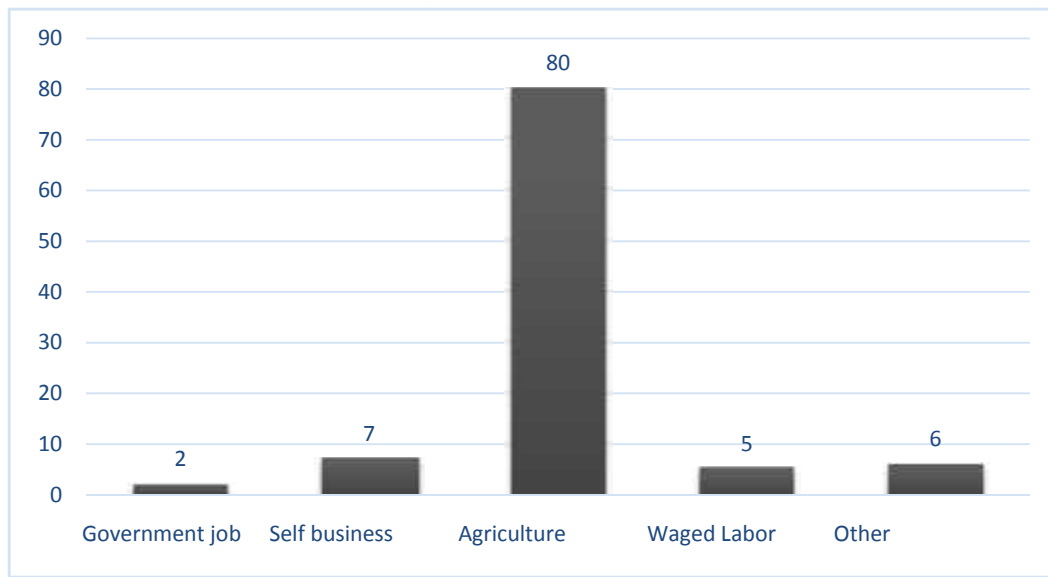
However, about 41 percent households use firewood for cooking and other purposes at home for half month on an average. Besides cooking foods, firewood is used for animal husbandry, especially for cooking foods for animal, boiling water, keeping warm in winter and making alcohol. When gas is not available, most households use kerosene stoves in cooking purpose for few days. 70 percent households out of total stove users use it for 1 to 5 days per month, and no one uses kerosene stoves and heater for everyday cooking purpose.

4.6 Main Occupation of the Households

Many households in the study area are engaged in agriculture. About 80 percent households are dependent on the subsistent type of agriculture in the village. The agriculture products are rice followed by maize and wheat. Together, animal husbandry follows buffalo and goats bulls. However, agriculture is characterized by self consumption and not for any business purposes.

Figure 4.6

Main Occupation of the Households



Source: Household survey, 2014

Very few percent households are engaged in the government jobs (about 2 percent). The proportion of the households with self owned business like saw milling, grocery, whole selling etc is 7 percent which is followed by wage laborer 6 percent.

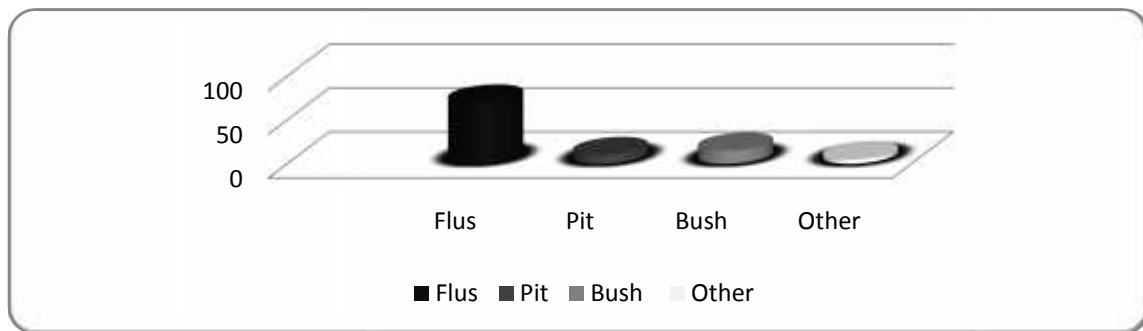
4.7 Possession of the Household Durables

Various durable goods increase the living standard of the people. The foreign employers send the durable goods like mobile phone, TV, and other gadgets to their home. The questions about the households possession of durable goods shows that almost all of the survey households own radio and very few, 8 percent of the total households have been using landline phone at their home. Most of the treatment households have TV at their home. 100 percent treatment households and about 23 percent controlled households have television facility at their home. The difference, however, is not observed among the internet users for treatment and controlled households. About 40 percent survey household's members (at least one) use internet daily for both treatment and controlled households.

4.8 Uses of Toilet and Sanitation.

In recent years most of the people are using flush toilet, it is a direct effect and reason of remittance income of family. More than 76% households made flush type of toilet, against pit, bush and other which are 8%, 12% and 4% of out of total 90 households. But it can be observed that there is so improving the management of latrine.

Figure 4.7
Uses of Toilet



Source: Household Survey, 2014

4.9 Parent's Academic Qualification

Parent's academic qualification is also a very important factor to determine the socio-economic profile of the foreign employees. The results found from the field survey can be shown by the table 4.7.

Table 4.3
Parent's Academic Qualification

SN		Father		Mother	
		Frequency	Percent	Frequency	Percent
1	Below SLC	13	14.44	29	32.22
2	SLC	18	20.00	19	21.11
3	Intermediate	17	18.89	10	11.11
4	Graduation	27	30.00	13	14.44
5	Above Graduation	13	14.44	1	1.11
6	Informal	2	2.22	10	11.11
7	Illiterate			8	8.89
	Total	90	100	90	100

Source: Field Survey, 2014

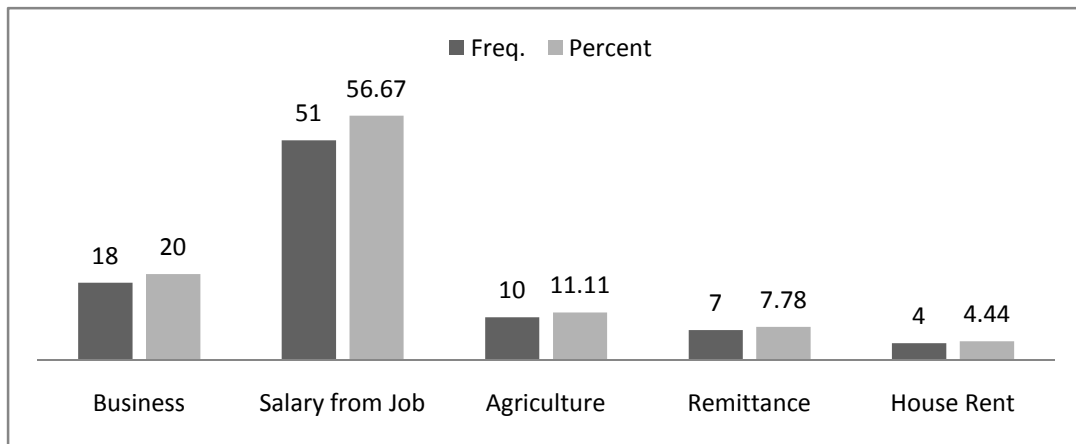
The table 4.7 depicts that the illiteracy rate of father of the foreign employee is zero; however 8.89 percent of mothers are illiterate. The percentage of taking informal education of mothers is higher than father of the respondents. Most of the mothers of foreign employees have completed education level below SLC (32.22 percent) followed by SLC 21.11 percent and Graduation 14.44 percent. Most of the fathers have completed Graduation (30 percent) and 14.44 percent have finished education above graduation.

4.10 Major Sources of Family Income

It is the fact that main sources of family income plays the important role for choosing the profession. The result about the main sources of family income is shown by the figure 4.7.

Figure. No. 4.8

Sources of Family Income



Source: Field Survey, 2014

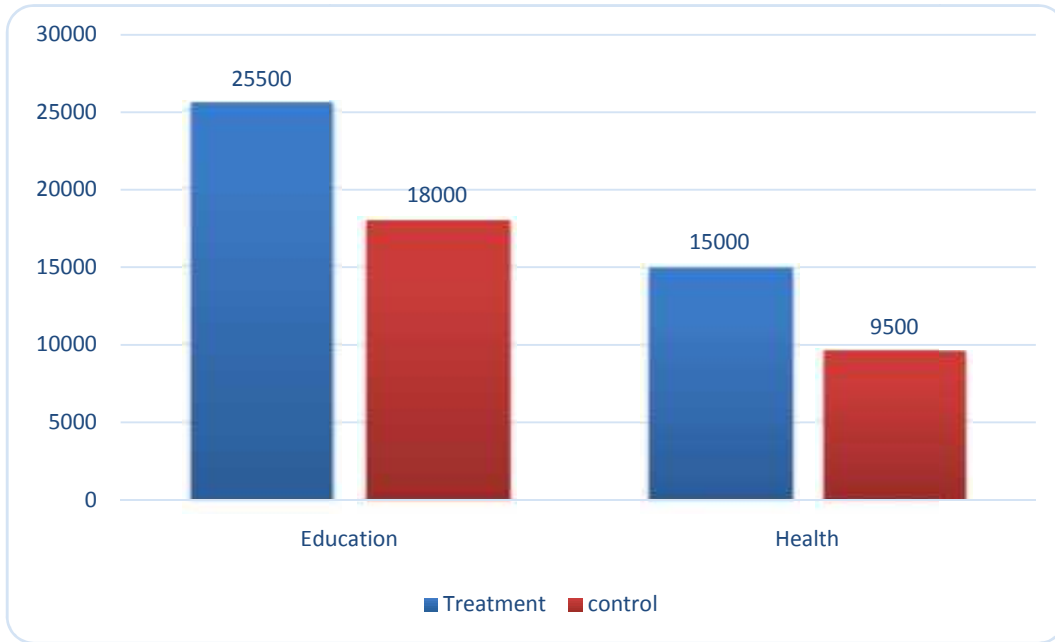
The figure shows that highest percentage of the foreign employee are from those family whose main source of income is job/service and after that 20 percent of the foreign employee are from those family whose main source of income is business while there are very few percentage of the foreign employee i.e. 11.11 percent, 7.78 percent and 4.44 percent are from the family whose main source of income is agriculture, remittance and house rent respectively.

4.11 Annual Household's Expenditure on: Education and Health

This evidence of research shows that an annual average expenditure in education for treatment household, was Rs. 25000 but from the control side only Rs.18500 and it is Rs.6500 less than treatment over there. Similarly for annual average health expenditure, there is Rs. 5050 more in treatment households than in control households (Figure 4.5).

Figure: 4.9

Annual Household's Expenditure on: Education and Health



Source: Household Survey, 2014

Due to the Migration and Remittance income, there is drastically change in the village on both expects that about the health treatment and Child birth in hospital.

Figure: 4.10

Child Birth

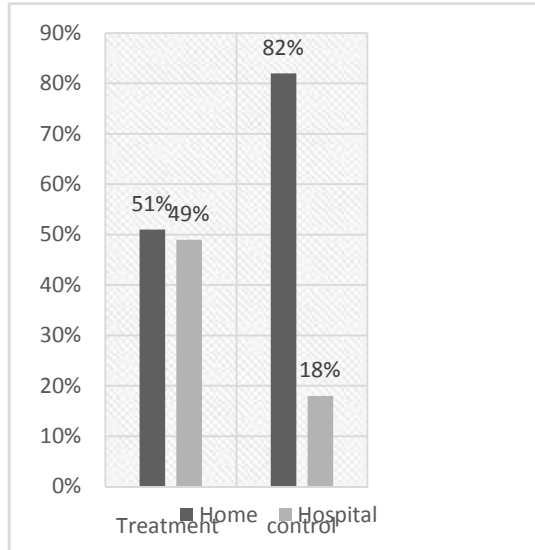
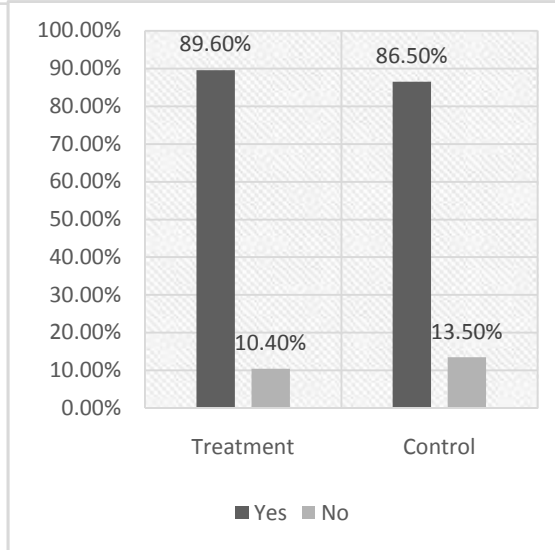


Figure: 4.11

Child Vaccination



Source: Household Survey, 2014

Less than 2% child births are being in hospital than Home but it has been increasing since past few years because of formal and informal education and increasing the family income. Taking regular child vaccination is also very high, even though there is 3.10% more result than control family. But in minimum level, treatment households are facilitated than controlhouseholds.

4.12 Education of Person Working Abroad

An access to the education is the basic factor of the social empowerment, basic wage and better jobs. So, this study tries to investigate the academic qualification of the workers working abroad and the obtained result about their education level is shown by table 4.4.

Table 4.4
Education of the Foreign Migrants

SN	Education level	Number	Percent
1	Below SLC	25	27.78
2	Intermediate or equivalent	41	45.56
3	Bachelor	18	20
4	Masters	6	6.667
	Total	90	100

Source: Field Survey 2014

From the table 4.4, it is clear that more than two third of the foreign employees have completed education below bachelor level. 20 percent of the total sampled foreign employees have completed bachelor level and 6.66 percent have master's degree education

4.13 Marital status of foreign employee

Marital status is the important factor of foreign employment. The married life put pressure to earn money in the village, further, we can observe frequent disturbance in the marriage and relation or late marriage of the people who engage for foreign employment long period.

Table. 4.5
Marital Status of Foreign employee

SN	Marital status	Number	Percent
1	Married	41	45.56
2	Unmarried	47	52.22
4	Divorced	2	2.22

	Total	90	100
--	-------	----	-----

Source: Field Survey, 2014

The table 4.5 shows that most of the foreign employees are unmarried and only about 45.56 percent of them are married. Among the married 46 percent have given birth to at least one child and 54 percent have no child, Only 2.22 percent sample employees are found to be divorced.

4.14 Age and Gender of Foreign Employees

This section deals with the age structure of the foreign employee in the study area. The age structure of the employees can be shown in the table 4.5 by dividing in six categories.

Table. 4.6

Age Structure of the Foreign Employees

SN	Age group	Number	Percentage
1	15-20	2	2.22
2	20-25	33	36.67
3	25-30	34	37.78
4	30-40	14	15.56
5	40-50	4	4.44
6	Above 50	3	3.33
	Total	90	100

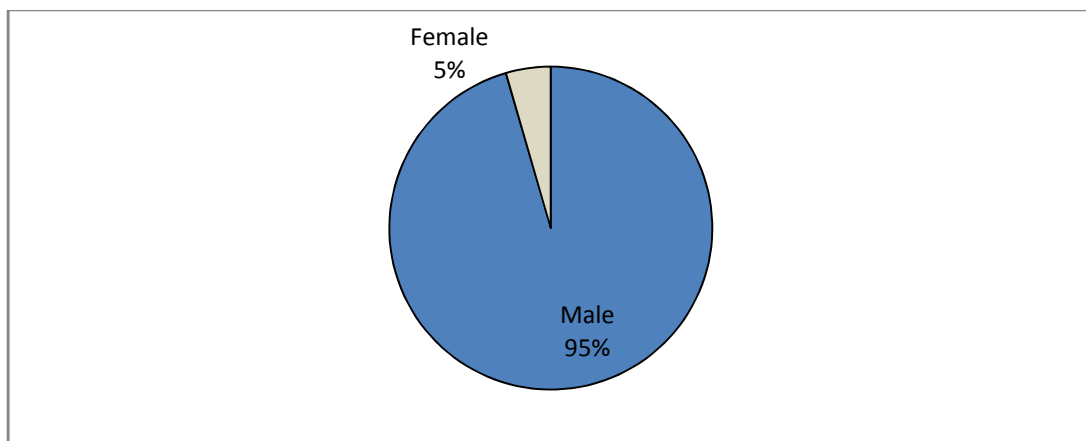
Source: Field Survey, 2014

The table 4.6 shows that higher percentage of the employees are from the age group 25-30 years which is 37.78 percent and after that 36.67 percent are from the age group 20-25. Similarly, 15.56 percent, 4.44 percent, 3.33 percent and 2.22 percent are from the age groups 30-40, 40-50, above 50 and 15-20 age groups respectively. The table depicts that most of the foreign employees leave for abroad between 20 to 30 years and as they get older, they return home gradually.

The migrants are predominantly the male. Only 5 female migrants have been found in the study. Female migrants make 4.5 percent of the total sample size and male migrants are 95.5 percent. Most of the female four out of five have been working at Golf while one is working at Australia.

Figure: 4.12

Male and Female Migrants



Source: Field Survey, 2014

4.15 Involvement of Foreign Employee before Going Abroad

The involvement of the foreign employee before going abroad also reflects their economic status. The result of the survey about their involvement before going abroad was found as shown by the table 4.7.

Table. 4.7

Involvement of the Foreign Employees before Going Abroad

SN	Involvement	Number	Percent
1	Job/Service	14	15.56
2	Teaching	11	12.22
3	Household works/ media	5	5.56
4	Student	60	66.67
	Total	90	100.00

Source: Field Survey, 2014

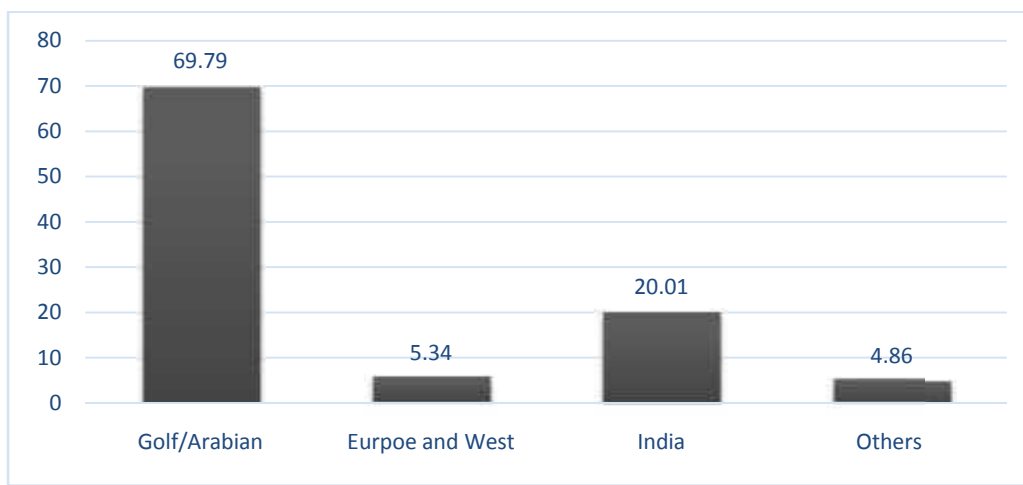
The table 4.6 shows that highest percent of the employees who are currently working in abroad were just students before going for foreign employment and after that 15.56 percent of employees' profession before going abroad was job/service while next 12.22 percent of employees were engaged in teaching before foreign employment and only 5.56 percent of the employees working in various media and household works.

4.16 Remittance Income of the Households.

Among the households with their family members working as the foreign employers, 69 percent have been migrated before three years and were considered as treatment group. The annual average remittance is NRs. 84, 965 for the treatment households and that for the all households with their member(s) as foreign employers is NRs. 75,862. This shows that the people who migrated before three years are able to earn more than recently migrated. In other words, the migrated laborers can earn more amount annually on an average over time.

The average number of family members migrated abroad as foreign employer is 1.45 in the treatment group. About 20 percent of the households have more than one family member as foreign employer with minimum 1 and maximum 3 persons. The country-wise classification of the foreign employers in the survey area is shown in figure 4.9.

Figure 4.13
Emigrant's Places



Source: Household Survey, 2014

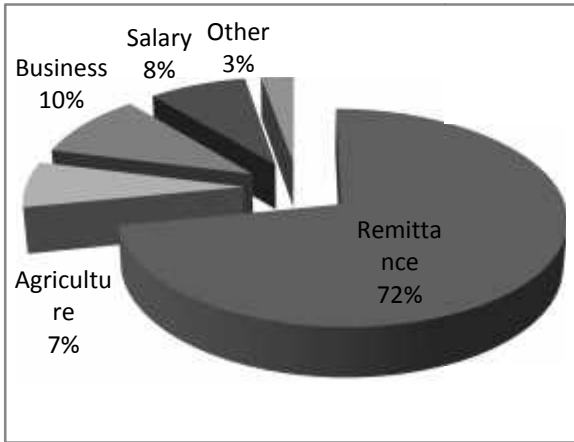
About 69.79 percent of the foreign employers have been working in the Golf and Arabian countries like UAE, Saudi Arab, Malaysia, Qatar etc, very few percent have been working in the Europe and western countries, this consists 5.34 percent of the total foreign employers. The second largest destination of the foreign employers is India with about 20 percent.

The main source of income for treatment households is the remittance income which consists about 72 percent of the total annual income of households. And the income from job, business and agriculture sector compose the major items of income for controlled group. Figure 4.10 and figure 4.11 show the composition of household income for two groups.

The composition of annual household income for two groups is quite different. Remittance income is the major source of income for treatment group, while the households in control group depend on agriculture sector highly to maintain their total income.

Figure 4.14

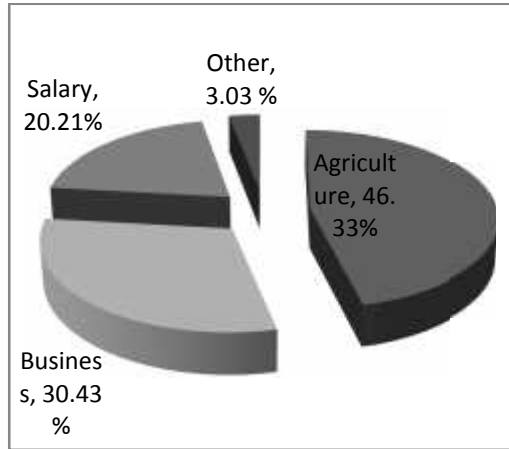
**Composition of Annual Income
(Treatment Group)**



Source: Household Survey, 2014

Figure 4.15

**Composition of Annual Income
(Control Group)**



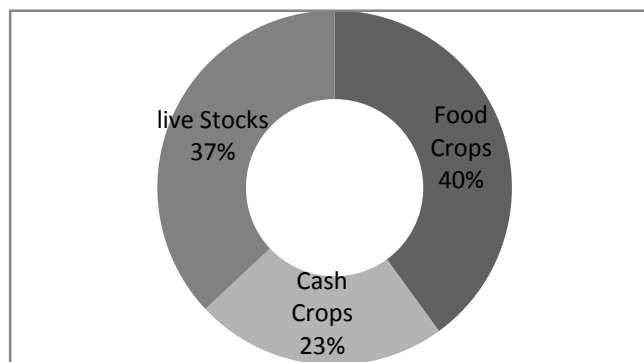
4.17 Structure of Household Income from Agriculture Sector.

The structure of household income from farming and animal husbandry consists major proportion of total income from agriculture sector. The income is subdivided as from food crops, cash crops and from livestock. The composition doesn't show any remarkable difference between two groups.

The major source of agricultural income is from food crops which is about 40 percent of the total agricultural income, and is followed by live stocks 37 percent and sale of cash crops like coffee, fruits, vegetables etc.

Figure 4. 16

Structure of Household Income from Agriculture Sector



Source: Household Survey, 2014

The major food items for sale are maize and millet, rice is basically produced for self consumption. And the live stocks consist pigs, buffalo and goats as major animals for sale. Hens are used for self consumption rather than sale.

4.18 Annual Household Expenditure

In this research, it was found that the entire household can't save their huge amount/income their large level of income is used for consumption than other. Due to the remittance income family expenditure also increasing day by day it looks clearly not uses the remittance income in the sector of Productive activities only small amount are saving which flow to investment in any part of nation. Maximum family members are hesitating to hard work on their field or farm houses or crops cultivation huge amount of remittance income is being used on food and other consuming goods. But also they are attractive to migration from Hilly village to Tarai region where treatment household pour about 13.4% income on land purchase against the control family by (2.8%). Similarly in home purchase also 8% by treatment households and which is 5% more than control households. Comparing in between treatment and control households on income and expenditure pattern show something about different in the following particulars sector.

Table 4.8
Annual Household Expenditure

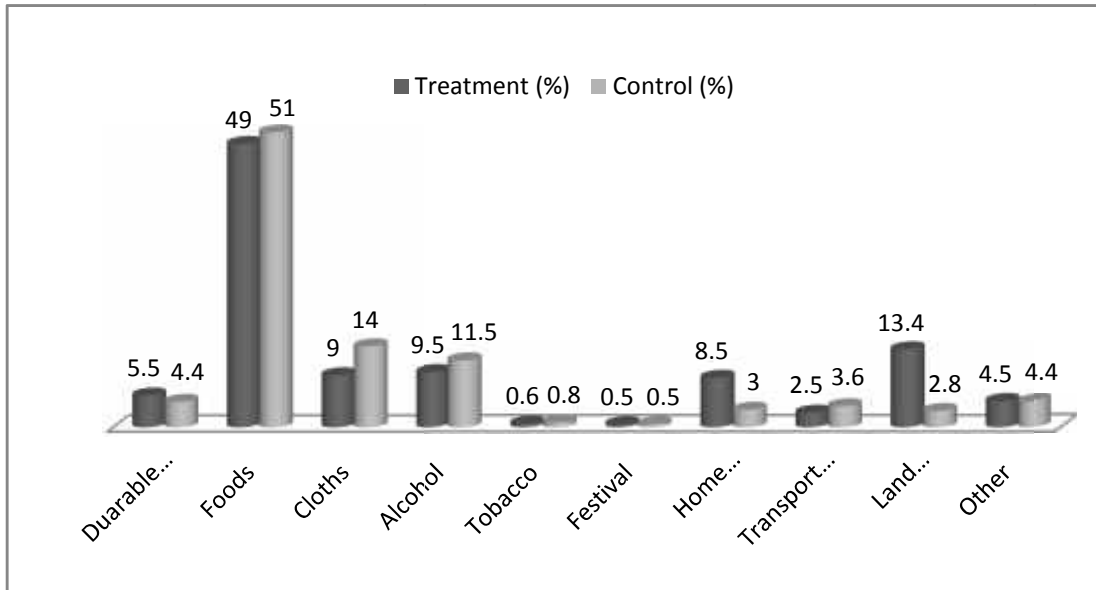
Particulars	Treatment NRs.	Treatment (%)	Control NRs.	Control (%)
Durable Goods	13640	5.5	4191	4.4
Foods	121520	49	48577.5	51
Cloths	22320	9	13335	14
Alcohol	23560	9.5	10953.75	11.5
Tobacco	1488	0.6	762	0.8
Festival	1240	0.5	476.25	0.5
Home Purchase and maintenance	21080	8.5	2857.5	3
Transportation	6200	2.5	3429	3.6
Land Purchase	33232	13.4	2667	2.8
Other	11160	4.5	4191	4.4
Total	248000	100	95250	100

Source: Household Survey, 2014

The household expenditure on consumers durables like mobile phone, home appliances, vehicles etc. is significantly higher for the treatment groups than that for the control group. Similarly, expenditure on food items, cloths, land purchase, tobacco etc. is also significantly higher for the treatment group. On an average, the total yearly expenditure for the treatment households is more than 2.6 times higher than that for the control group. This shows a large proportion of the remittance expenditure goes for the consumption purposes and purchase of consumer's durables and land with alcoholic drinks.

Figure 4.17

Average Household's Expenditure (%)



Source: Household Survey, 2014

Similarly 85% treatment households have TV on their own home; it is 30% more than control households. In term of radio, treatment households and control are using 76% and 67% respectively. But there is low surfing or uses of internet (figure 4.9). In consistent with the belief that the remittance-recipient households use their income mostly in consumption, the treatment households in the study area were found to consuming more than the control households. The average monthly household expenditure in treatment group, for example, stood six thousands higher than it was in control group. Item wise, the food stood the major component in which a significant amount of household budget was spent for both types of households: it was 49 percent for treatment group and 51 percent for control group. The expenditure pattern of treatment households indicate that remittance earnings are mostly being used for non-productive areas such as in real estate and consumption.

CHAPTER V

BENEFITS OF MIGRATION FROM REMITTANCE INCOME

The main reason for migration is clearly the economic support of the family (Hugo and Ukwatta 2008), and thus many countries recognize the efforts of migrants to sustain their families back home while contributing to the country's economy. Thus, government of Nepal recognizes overseas remittances as the backbone of the country's economy. However, it has become difficult to assess the impact of remittances on Nepalese households because of the lack of comprehensive and accurate data, limited research on assessing the remittance impact on migrant households, the inaccuracy of reporting remittance transfers, and the use of informal channels for transferring money. This study makes analysis of the impact of the remittance income in the Jahada VDC of Nawalparasi district in various aspects.

5.1 Remittance and Socio-economic Indicators

The impact of the remittance income is studied in terms various socio-economic variables like business ownership, ownership of consumer's durables, health problems and treatments, land purchase and uses and so on. The independent variable is the inflow of monthly remittance and the respective t-tests has made for each variable. The survey was designed to capture these variables and used them for the estimation. These variables include education, sex and religion of the household head, pension earnings, and land holdings, the type of floor, and the type of roof made three years before.

Table 5.1

Impact of Remittance on Socio-economic Indicators

(Simple Mean Difference Approach)

Impact on	Mean Differences (treatment - control)	t-value
Business ownership	-6.77	-0.75
Health problems	-0.09	-1.88***
Water related diseases	-0.02	-0.47
Toilet use (open toilet vs. others)	0.02	0.35
Ownership of radio	0.11	1.97**
Ownership of television	0.14	3.09*
Land purchase	7.91	1.60
Total landholdings	-66.06	-1.53
Log of net agricultural income	-3.85	-1.30
Ownership of telephone	0.07	1.20
Ownership of DVD	0.09	1.31
Daily radio Listening	0.05	1.11
Daily television watching	0.07	1.65***
Possession of insurance	-0.02	-0.75
Possession of bank account	0.00	0.02
Working hours at home	-15.52	-1.18
Drop-out rate of children	0.27	1.01

Source: Household Survey, 2014

*significant at 1 percent level, **significant at 5 percent level, *** significant at 10 percent level

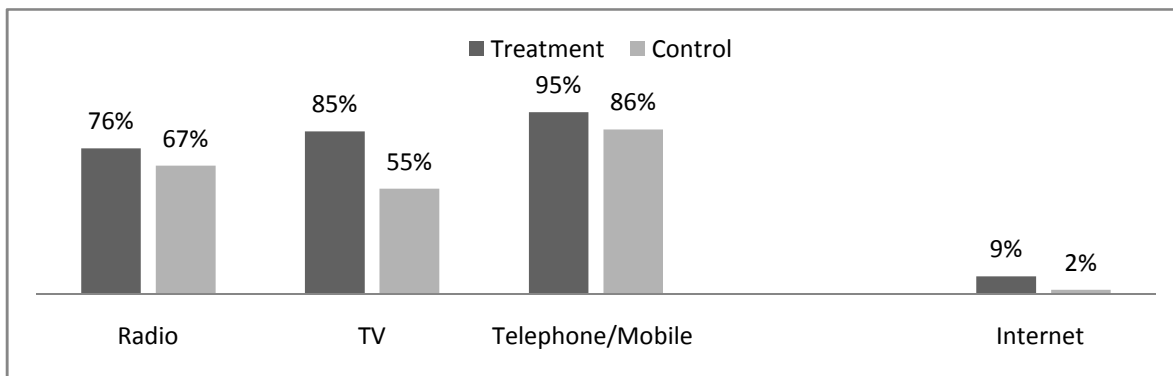
The result reveals that land purchase was substantially increased for the treated households after they started receiving remittances. Similarly, the significant positive effects were also observed in ownership of television, ownership of telephone, agricultural income, daily television watching, and the women's decisions regarding education and financial transactions. The treatment gain was positive for other indicators, such as possession of land holdings, livestock income, possession of insurance, the prevalence of water-related diseases, but the gains are not statistically significant. Children's study hours, for example, was not significant in simple mean difference approach.

5.2 Impact on Information Access

As like other districts and villages, uses of information and communication technology is fast increasing in Jahada VDC, most of the people are using cell phone it is about 95% from treatment household and 86 % of control households.

Figure 5.1

Uses of Access Information



Source: Household Survey, 2014

5.3 Fuel Use

Fuel is the most important things for households, in the contest of Jahada VDC, most of the people are using wood as a fuel, it is due to a big jungle nearby village and some households produce wood on their own land also. In research, nobody uses animal dung, Shrubs, Biogas, but all the people are generated with electricity, most of the households are using kerosene as a night lamp, even though they have used electric lines. Wooden fuel is the mostly used for both treatment (93.5%) and control (95.5%) households and uses of kerosene is 1.5%, both households are equal to use it. Research shows that other fuel items are not used except wood, kerosene and electricity.

The table 5.2 shows that the households with their family members working as the foreign employers more than three years abroad use electricity as fuel more for various purposes than the households without family members working abroad.

Table 5.2

Uses of Fuel

Group	Wood %	Kerosene %	Animal Dung %	Electricity %	Total
Treatment	93.5	1.5	--	5	100%
Control	95.5	1.5	--	3	100%

Source: Household Survey, 2014

The proportion of kerosene users is similar for both groups and the users of firewood for treatment group are about 2 percent lower than that for the control group.

5.4 Expenditure Tendency before Foreign Employment

Expenditure tendency of a person shows his/her economic status. Comparatively, the people who have higher level of income expense more than having lower income people. The expenditure tendency of foreign employees before going abroad is explained in the table 5.3.

Table 5.3

Expenditure Tendency before Foreign Employment

Expenditure per Month (Rs)	Frequency	Percent
1000-4999	15	18.52
5000- 9999	48	59.26
Above 10000	18	22.22
Total	81	100.00

Source: Household Survey, 2014

Only 81 foreign employees responded about their expenditure tendency before foreign employment. Foreign migrants who have income earning activities for long time (more than 15 years) are unable to response about their expenditure tendency before going abroad. Table 5.3 shows that 18.52 percent of foreign migrants expense on the range between Rs 1000 to Rs.4999. Most of them expended on the range Rs.5000 to Rs.9999 before foreign employment which covers 59.26 percent of the total foreign migrants. Similarly, only 22.22 percent foreign migrants expended more than Rs.10000 before involving in income earning activities.

Table 5.4

Sufficiency of Monthly Household Income before and After Migration

Sufficiency of monthly household income	Before Migration (%)	After Migration (%)
Yes	7.5	26.8
No	92.5	73.3

Source: Household Survey, 2014

No significant variation was found between different sectors of migrant households who reported an increase in the sufficiency of their household income with migration. However, most of them agree that migrant's income is the important source of household expenditure. Along with the income, the household expenditure also has increased in the same line.

5.5 Saving before Foreign Employment

The saving pattern of foreign migrants is classified into six categories. The saving tendency before migration of foreign migrants is explained in the table 4.10. The table shows that more than two third migrants did not save any amount before going foreign employment. 5.56 percent of the foreign migrants used to save below Rs. 1000 monthly.

Table No 5.5

Saving Pattern of foreign migrants before Foreign Employment

Saving (per Month) (Rs.)	Frequency	Percent
No Saving	66	73.33
Below 1000	5	5.56
1000-1999	7	7.78
2000- 2999	4	4.44
3000- 3999	7	7.78
Above . 4000	1	1.11
Total	90	100.00

Source: Household Survey, 2014

Similarly, 7.78 percent and 4.44 percent saved on the range between Rs. 1000 to Rs 1999 and Rs. 2000 to Rs. 2999 respectively. Likewise, 7.78 percent of them saved Rs. 3000 to Rs.3999 and only one used to save above Rs. 4000 monthly.

5.6 Uses of Consumers Durables before Foreign Employment

The use of consumer's durables before foreign employment also reflects their socio-economic status. The survey results about the use of consumer's durables for foreign migrants before migration is explained in table 5.6.

Table No 5.6

Uses of Consumers Durables before Foreign Employment

Items	Obs.	Yes (Percent) Control	Yes (Percent) Treatment	No (Percent) Control	No (Percent) Treatment
Mobile Phone	90	13.4	86.67	86.67	13.33
Laptop	90	95.81	4.11	4.11	95.89
Motor Bike	90	98.44	1.56	1.56	98.44
Refrigerator	90	94.88	5.22	5.22	94.78
Washing Machine	90	100	0.00	000	100
TV	90	3.33	96.67	96.67	3.33
Camera	90	82.22	17.78	17.78	82.22
Iphone	90	100	000	000	100

Source: Household Survey, 2014

Table 4.11 shows that 86.67 percent migrants had mobile phone before foreign employment, whereas only 13.33 percent of them had no mobile phone. Only 4.11 percent used laptop, 1.56 percent used to ride motorbike and scooter, 5.22 percent used refrigerator, no one used washing machine, 96.67 percent had television at their home, 17.78 percent had camera no one had Iphone before foreign employment. The table shows a significant number of foreign

migrants used mobile phone and television where as the number of washing machine and laptop users is lower.

5.7 Ownership of Consumer Durables before and after Foreign Employment

Comparatively foreign migrants have increased purchasing and using consumer's durables like motorbike, refrigerator, washing machines and iPhone at their home. The proportion of mobile phone users before foreign employment was 86.67 percent which slightly increased to 100 percent after their employment. We can say that foreign migrants are using modern applications and higher quality communication medium substituting for the older one. The proportion of laptop users increased by 71 percent, however about 29 percent of the foreign migrants are still not using it. 20 percent have bought the motorcycles or scooters.

Table No 5.7

Ownership of Consumer Durables before and after Foreign Employment

SN	Items	After Foreign Employment	
		Yes (Percent)	No (Percent)
1	Mobile Phone	100	00
2	Laptop	71.11	28.89
3	Scooter/ Motor bike	20	80
4	Refrigerator	61.11	38.89
5	Washing Machine	24.44	75.56
6	TV	100	00
7	Camera	86.67	13.33
8	Iphone	7.00	93.00

Source: Household Survey, 2014

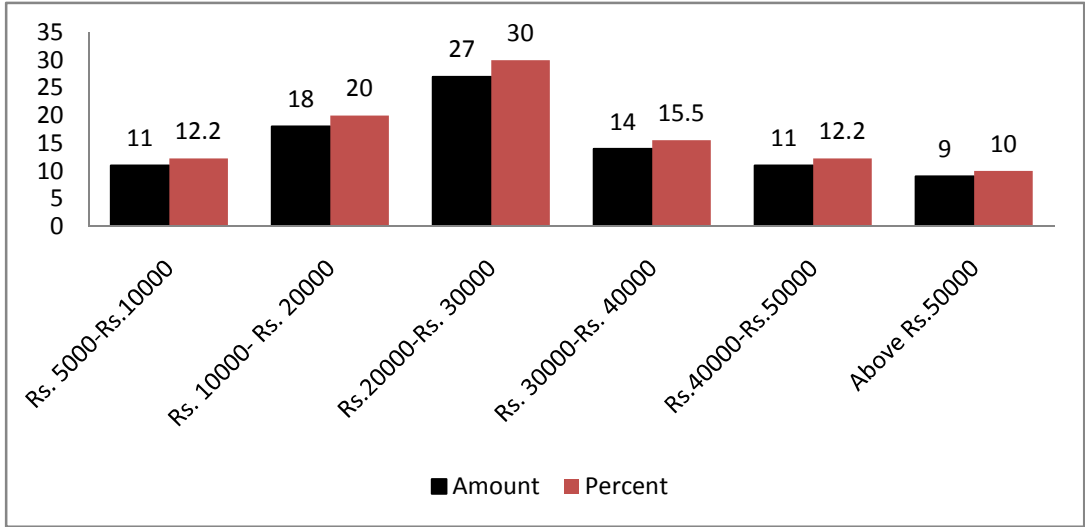
The proportion of washing machine users has been increased by 24.44 percent which may have reduced their working hours at home too. It can be expected that the foreign migrants will be able to use more consumer durables or higher quality product of same appliances in near future.

5.8 Monthly Income of Foreign Migrants

Income is the most important indicator of the economic empowerment of the people. And the monthly income that foreign migrants earn working in different sectors plays very important role for the continuity of that job. The monthly income that foreign migrants earn is analyzed by separating income earned from total monthly income coming from all other economic activities. Here, foreign migrants in Jahada VDC were questioned about their monthly income and their answers are shown in the figure 5.2.

Figure. 5.2

Monthly Income of Foreign Migrants



Source: Household Survey, 2014

The figure 5.1 shows that more than half of the foreign migrants working in various countries earn the monthly income between Rs. 5000 to Rs. 25000 and after that 12.2percent of the foreign migrants in

Jahada VDC earn in the range between Rs. 5000 to Rs. 10000 and 30 percent of them are earning monthly income in the range between Rs.20000 to Rs. 30000. The foreign employees earning income between Rs. 30000 and Rs. 50000 in the VDC are 27.7 percent while very few foreign migrants i.e. 10 percent are earning monthly income more than Rs. 50000.

Total monthly income shows similar pattern that only 18 are participated on other income earning sources beside foreign employment like interest earning, investment in share etc.

5.9 Income by Education

The average monthly income of foreign migrants increases with the level of education. Though only two cases for education level below SLC are found, they are paid not less than the foreign migrants who completed PCL or Bachelor level. And minimum salary with academic qualification of intermediate level is same for those with bachelor too.

Table No. 5.8

Income Differences by Education Level

Education Level	Obs	Mean (Rs.)	Std. Dev. (Rs.)	Min (Rs.)	Max
Below SLC	26	17600	1979.89	7200	25000
Intermediate or Equivalent	49	27000	2509.98	13000	40000
Bachelor	13	28356.09	5237.62	15000	45000
Masters	2	30735.56	8931.36	1500	44000

Source: Household Survey, 2014

And foreign employee's qualification from bachelor level to master's degree not much increase in average salary with in both minimum and maximum payments but more variability.

5.10 Saving and Dissaving.

On an average, foreign migrants included in this study save Rs. 26404.12 monthly. However, all are not able to save their monthly income out of their total expenditure. About 3 percent foreign migrants incurred dissaving in their monthly transaction by average of 12, 498.18 rupees ranging lowest Rs. 7000 to highest Rs. 25000 amount.

Table 5.8 shows among 90 sampled migrants, only 86 responded about income and total expenditure patterns of which 87 percent used to save at least Rs.20000 to maximum amount of Rs. 45000 monthly.

Table No 5.9

Saving and Dissaving of Foreign Migrants

Variable	Obs.	Mean (Rs.)	Std. Dev. (Rs.)	Min (Rs.)	Max (Rs.)
Saving	77	28613.04	7275.91	20000	42000
Dissaving	13	-12498.18	-5682.61	-7000	-25000
Total	90	6404.12	9566.09	-25000	42000

Source: Household Survey, 2014

The results tell that the foreign migrants can save some amount of their income in most of the cases, however not attractive amount after fulfilling their requirements in the destination countries.

5.11 Living Condition and Household Consumption

Migrant domestic workers' earnings overseas have helped to improve the living conditions of their families. Responses to a question in this survey about the ownership of major items such as housing, land, and vehicles and consumer durables before migration and after migration are shown in Table 5.10. Migration has helped one fifth of the migrants to buy or build a house with their earnings abroad. Although 36.3 per cent of the migrants reported the main reason for their migration was to build a house, more than 50 percent of them achieved their goal. About 70 per cent of the migrants had a house on their own before migration, and 23 per cent of them were able to upgrade their housing.

Table 5.10

Ownership of major items before and after migration.

Ownership	Permanent House	Land	Private Vehicle	Refrigerator	Computer
Had before migration and no improvement	46.5	13.5	0.5	2.5	0
Had before migration but now improved	23	73.5	1	3.8	0
Had after migration	20	13	7	22.5	26
Do not still own	10.5		91.5	71.2	74

Source: Household Survey, 2014

As found in the study of Rajan (2003) in India, one of the prioritized aspirations of migrants is the improvement of housing quality. Thirteen per cent of the families reported that they were

able to buy land after migration. Although the ownership of housing and land has improved as a result of migration, little more than a tenth of migrant domestic worker families still do not own land or a house.

5.12 Monthly Consumption Expenditure of Foreign Migrants

The monthly consumption for foreign migrants has been analyzed and compared in terms of consumption goods and services for them and expenditure made on their family members for consumption purpose such as expenditure on rent, fooding, education, health and nutrition, clothes, transportation, make up, entertainment, training and communication.

5.13 Monthly Consumption Expenditure by Level of Education

The monthly expenditure for foreign migrants has been observed more for the foreign migrants with higher level of education.

Table 5.11

Consumption Expenditure by Education Level

Education Level	Obs	Mean (Rs.)	Std. Dev. (Rs.)	Min (Rs.)	Max (Rs.)
Below SLC	28	4350	1202.08	3500	5200
PCL or Equivalent	49	7880	7416.33	3500	21000
Bachelor	13	9866.71	6308.61	5000	25000

Source: Household Survey, 2014

Table 5.11 shows that mean expenditure for foreign migrants with education level bachelors or equivalent is Rs. 9861, with minimum expenditure Rs. 5000 to maximum Rs. 25000. All these indicators are lower for foreign migrants with PCL level of education as their academic

qualification. The average income is lower by Rs. 2300 and minimum expenditure is lower by Rs. 800 for foreign migrants with only bachelor level of education. As income for higher education level is observed high, it is obvious to have higher consumption expenditure for foreign migrants with higher level of education.

5.14 Expenditure Pattern of Foreign Migrants

This study analyzes the monthly expenditure patterns of foreign migrants in terms of basic necessities such as lodging, fooding and other expenditures related to their duty, family supports and skill development activities.

Table 5.12
Monthly Expenditure by Foreign Migrants

Items	Obs.	Mean (Rs.)	Std. Dev. (Rs.)	Min (Rs.)	Max (Rs.)
Rent	27	4251.85	2233.03	2000	11000
Food	47	7787.23	2135.99	6000	10000
Education	31	3041.94	4573.97	500	25000
Health Care	24	1720.83	1198.91	200	5000
Transportation	80	1333.75	996.06	100	7000
Clothing	70	1698.57	1415.60	200	6500
Communication	82	1137.81	2733.81	200	25000
Other Expenditures	25	1564.08	1509.02	1	5000

Source: Household Survey, 2014

Table 5.12 shows most of the foreign migrants make expenditure on transportation, communication, clothing and so on. However, highest share of income goes on rent (average Rs. 4251.85) followed by fooding (average Rs. 3787.23) and education (average Rs. 3041.94). 30 percent of foreign migrants should pay rent for accommodation ranging minimum Rs.2000 to maximum Rs. 11000 and 52 percent foreign migrants make Rs. 7787.23 average monthly expenditure on fooding Expenditure on either for their own education or on educating other

family members is made by 27 percent foreign migrants which is Rs. 3041.94 monthly average expenditure showing large variability Rs. 4573.97 ranging between maximum Rs. 25000 to minimum Rs. 500. Similarly, average Rs. 1720.83 is spent by 27 percent of foreign migrants for their and family member's health care monthly. Average monthly expenditure on makeup and cosmetic uses is Rs. 701.24 ranging Rs. 100 to Rs. 4000. The other expenditure items for foreign migrants consist entertainment expenditure, family supports, communication expenditure, and clothing and transportation expenditure. However only one is found to having making regular expenditure on training, seminar and other skill development activities. The general pattern of spending their income is not different from others.

A question was asked from all respondents about the spending pattern of the money sent by the migrants. Table 8.11 shows that a significant proportion (78.8 per cent) spent money for daily consumption. This is because many migrant families have a low-income. Housing was the major concern for more than two thirds of the families. This includes not only buying or building houses but also improving housing condition. Nepalese migrants not only expect the material well-being of families but also to improve the quality of their children in terms of education and health. Although there are negative effects of migration on the education of children, migrants always show an interest of their children's education. Nearly 60 per cent of the migrants spent their foreign earnings on children's education. Moreover, about 30 per cent of the migrant families spent money on their children's health.

Table 5.13

How Family Members Spent Money Sent by the Migrant - Multiple Responses

Item of expenditure	Percentage
Daily Consumption	78.8
Housing	64
Education of Children	58.7
Jewellery	44.8
Children's Health	30.5
Repay loans	35.7
Vehicle	5.7

Source: Household Survey, 2014

It is interesting that a considerable proportion (44.8 per cent) spent money on jewellery, as they believe it is a valuable asset to them. These families have low level of income, and therefore, they frequently pawn jewellery when they face financial hardships in daily expenses, in some instances, children's education, or in special occasions such as weddings, funerals, etc. Another 66.8 per cent of the migrants borrowed money before their migration. Therefore, little more than a third spent remittances on repaying debts. Spending money in buying a vehicle (5.7 per cent) is important because the migrant domestic worker families, generally, do not have the affordability of buying a vehicle because of their low income. Use of remittances mainly on daily consumption and the repayment of debts raise a question about the long-term financial stability of migrant families. However, these findings indicate that remittances sent by Nepalese migrant workers from abroad have contributed to improve the economic problems of their families to a certain extent.

5.15 Social Impacts of Migration

Migrants bring not only economic remittances but also social remittances to their families and the community (Abella 2005; Hugo 2003; Clawen 2002). Social remittances that influence women and their families can be identified in several ways. Firstly, many migrant families experience changes in consumption patterns, values and attitudes, modes of bringing up children, clothing, and even food preferences (Abella 2005). As UN (2005, p.62) researchers argue that the changes of outer appearance and behavior of migrants reflect the changes associated with modernity and autonomy offered by the environment in destinations. Secondly, it can have a positive influence on gender norms in the country of origin as well (UNFPA 2006; Piper 2005). Thirdly, migration enhances the autonomy and power of migrants specially, women since they become familiar with norms regarding women's rights and opportunities (UN 2005, p.62). It can be empowering in terms of higher self-esteem, and increased economic independence of migrant workers (Chammartin 2004a, p.8). Fourthly, it changes gender roles of family members (Ghosh 2009; De Silva 2006; UN 2005; Hugo 2002). Finally, the migration of women influences the structure of families and family functioning (Wahyuni 2005). As UNFPA and IOM (2006) argue, women migrants are the physical and emotional supporters of their families, and therefore, their separation from the family for a long period can create negative effects on their families (UNFPA and IOM 2006).

5.16 Changes in gender roles

An important impact of the absence of migrants on families is the changes in gender roles (Ghosh 2009; De Silva 2006; Migration has challenged their gender ideology as they are involved in three-tier activities simultaneously. Firstly, for example, migrant women have to perform household and care activities for the family of their employers. Secondly, they mother their children from afar without abandoning them. Thirdly, migrants become the breadwinners, contributing significantly to the economic sustenance of their families. Their role as a breadwinner is a major aspect of their migration

Little more than a quarter of migrants in the study had contributed to the family's income before migration. The general opinion of the returned migrants interviewed was their willingness to start income generating activities in Nepal without going abroad again with the support of government and non-governmental organizations or community leaders.

CHAPTER VI

COST OF MIGRATION

6.1 Cost of Migration

Cost of migration in abroad consists of both monetary as well as non-monetary expenses to the migrants and their households. The money cost can be both direct as well as indirect cost. Direct cost refers to those fund or expenditure raised at the period of migration and during the stay in foreign countries. Most of the households incurred high expenditure at the period of migration (Before leaving the country). Such cost includes mainly the direct costs. However, the indirect as well as the opportunity cost of migration is overlooked by the households. Such type of cost includes information and communication cost and mainly the forgone income.

The social and political costs are mostly talked issues in case of labor migration. However, they can't be monetized by any hard and fast methodology. Therefore, these facts are not considered in this study.

6.2 Total cost:

The total cost of migrant workers can be decomposed into total direct cost and indirect cost. This study incorporates total cost of all 90 migrant laborers of the sample, both to India and to other countries than India.

Table 6.1

Total cost

	India(18)	Other countries (72)	Total
Average Direct Expenses (per person, Rs)	5890	1,21,389	1,26,345
Average Indirect Expenses (per person, Rs)	20,000	27,863	24,089

Source: Sample Survey of Laborers, 2014

Average direct expenses per person is Rs. 5890 for migrant workers in India while it is Rs. 1, 21,389 for migrants to other countries. This means migrants other than India have to make significant more than 25 times higher expenses. When it computed for all the workers, it comes to be Rs. 1, 26, 345. The average indirect expenses is not so different. It is Rs. 7,863 higher for the migrants in other countries than the expenses for the migrant workers in India (Rs. 20,000). Total average expense is Rs. 24, 089.

6.3 Direct Cost

This study discomposes the total direct cost into various eleven components. The major cost items are visa fee and manpower charges. However, it differs with laborer's information level, linkages and manpower relations also. The direct cost items include the visa fee (for migrants in other countries than India), manpower charges, accommodation cost, and passport charges and so on.

Table 6.2
Direct Cost

Obs	Average (Rs)	Standard Deviation (Rs)	Minimum (Rs)	Maximum (Rs)
90	1,26,345	50,984	2000	9,43,437

Source: Sample Survey of Laborers, 2014

The total number employees who made direct expenses are 90 with average expenditure Rs. 1,26,345 with high standard deviation (Rs. 50,984), minimum Rs. 2000 and maximum Rs. 9,43,437.

6.3.1 Visa Fee

Total number of observations for visa charge is 72. This is because laborers who migrate to India need not visa arrivals and work permits to go and work. Average visa fee is Rs. 1,88,576 which ranges between Rs 70,000 to Rs 10,00,000.

Table 6.3
Visa Fee

Obs	Average (Rs)	Standard Deviation (Rs)	Minimum (Rs)	Maximum (Rs)
72	1,88,576	2,34,758	70,000	10,00,000

Source: Sample Survey of Laborers, 2014

The visa charges depends upon the type of job, worker's skill, education too. The variation of the visa fee is very high as measured by standard deviation.

6.3.2 Manpower Charges

Manpower charge refers to service charge of manpower agencies collective of total in Nepal and abroad. This fee is paid by the workers in Nepalese Manpower agencies for their services. This cost ranges from Rs. 25000 to Rs 150000. Manpower service charge is different and this component has higher variability than mean (standard deviation is Rs. 75, 000 and mean is Rs. 29,749).

Table 6.4

Manpower Charges

Obs	Average (Rs)	Standard Deviation (Rs)	Minimum (Rs)	Maximum (Rs)
72	29,749	75,000	25000	1,50,000

Source: Sample Survey of Laborers, 2014

Most of the employee and their households reported that the billed amount. There is no uniformity to the charge of manpower agency for their service charges.

6.3.3 Travel Expenses

Another major expense made by the foreign employees is on travel. It consists the expenditure on air ticket, VDC to Kathmandu travel including foods and other expenses along the travel. The average expenditure is Rs. 42,837 with standard deviation of Rs. 75,398 and minimum and maximum expenses of Rs.2000 and Rs 1, 50,000.

Table 6.5
Travel Expenses

Obs	Average (Rs)	Standard Deviation (Rs)	Minimum (Rs)	Maximum (Rs)
90	42,837	75,398	2000	1,50,000

Source: Sample Survey of Laborers, 2014

For those migrants who entered India for income generation in the last three years, here relatively low travel expense. This gives higher variability in travel expenses.

6.3.4 Passport Fee

This includes the amount of money spent in the process of getting passport, renewing it, applying for lost passport and travel expenses to make passport. These employees who applied passport from the district office, paid less amount (Rs 5000 per person) and incurred relatively less amount for other related items. While, the employees whose passport had lost or reapplied for passport had to pay more amount (Rs 10000) they also had to pay charges for notification in national daily.

6.3.5 Other

Other items include mediator charges. This is the expenses of households and employees paid to the middle men who played role to make connection manpower agencies or disseminated information. It is incurred by few number of households. The average mediator cost is Rs. 7459.

Table 6.6
Other Costs

Items	Obs	Average (Rs)	Standard Deviation (Rs)	Minimum (Rs)	Maximum (Rs)
Mediator Fee	74	7459	9848	500	40,000
Medical Check	72	2046	2019	1500	6000
Insurance	62	1298	267	1000	1500

Source: Sample Survey of Laborers, 2014

Medical checkup cost is minimum Rs 1500 to Rs 6000. Employees need their medical reports for approval of foreign employment. This includes the expenses as doctor's fee check-ups, report preparations expenses and other related expenses like travel, food etc. Average medical check-up cost is Rs. 2046.

The fee paid for labor-insurance is labor cost which is Rs 1000 the cost of receiving this service is up to Rs 1500.

6.3.6 Accommodation and Food cost

This includes the expenses made by the employees for lodging and fooding in the process of searching manpower agents, visiting various places in Nepal. As well as it also includes the monthly expenses on food\accommodation in the country where they are working. The average monthly expenses in this heading is Rs. 13000 with minimum Rs. 3000 to maximum Rs. 12,000.

Table 6.7

Accommodation and Food cost

Obs	Average (Rs)	Standard Deviation (Rs)	Minimum (Rs)	Maximum (Rs)
72	13000	11938	3000	24000

Source: Sample Survey of Laborers, 2014

6.3.7 Entertainment Expenses

Entertainment expenses includes the monthly expenses made for watching movies, taking alcohol, visiting various places, parks abroad. This expenses ranges form Rs. 500 to Rs. 20000 per person.

As most of the employees work in cold countries, they need not to purchase the warm and safety clothes. But most of them reported they purchase the jeans, T-shirts etc which are cheaper in Nepal. The expenditure on gadgets and clothes ranges between Rs 0 to Rs. 10000.

Other cost items includes gifts, food, giving treat to the friends etc. Very few employees make such spending which is Rs 7000 on in average.

6.4 Indirect Cost

Indirect costs are associated costs. These include economic cost of migration due to foreign employment. One of the major component of economic cost is opportunity cost foregone. The laborer's opportunity cost is basically the income foregone in Nepal. This includes the wages, salary, profit income that they were earning in the country. Most of the employees were students before migrating abroad, and others were farmers and job holders. In case of the job holders, their wages and salary has been imputed.

Table 6.8
Indirect Cost

Obs	Average (Rs)	Standard Deviation (Rs)	Minimum (Rs)	Maximum (Rs)
83	24,089	10,878	2000	15000

Source: Sample Survey of Laborers, 2014

The total number of observations that incurred some sort of indirect cost is 83 of which average Rs. 24,089 with standard deviation Rs. 10,878, minimum Rs. 2000 and Rs. 15000.

This includes opportunity cost, information and transaction cost, training cost etc.

6.4.1 Opportunity Cost

The migrant's income foregone is considered as opportunity cost of migration or remittance income. This component is computed for the earning labors by their average monthly income. It consists 28 observations, average income Rs. 7157 per month with standard deviation of Rs. 6431.

Table 6.9a
Opportunity Cost

Obs	Average (Rs)	Standard Deviation (Rs)	Minimum (Rs)	Maximum (Rs)
28	7157	1897	2000	15000

Source: Sample Survey of Laborers, 2014

In case of the students who did not engage in income earning activities in Nepal, the foregone income is computed by multiplying the average salary of government officials completing the respective level of education or skills.

Table 6.9b
Opportunity Cost

Obs	Average (Rs)	Standard Deviation (Rs)	Minimum (Rs)	Maximum (Rs)
13	5237	1689	500	12000

Source: Sample Survey of Laborers, 2014

The number of such students is 13 and average income foregone is Rs. 5237 per person. Another major component of foregone income is for the agricultural laborers. This includes both types of people as totally engaged in the agriculture sector and students who work part time in agriculture. Student's productivity could be higher in the future as they learn modern methods of production and technology. Therefore, no distinction is made between part-time farmers (basically students) and full time agricultural laborers.

Table 6.9c
Opportunity Cost

Obs	Average (Rs)	Standard Deviation (Rs)	Minimum (Rs)	Maximum (Rs)
44	8039	2467	1000	15000

Source: Sample Survey of Laborers, 2014

The number of observation is 44, computed average income foregone is Rs. 8039 with maximum Rs. 15000 and minimum Rs.1000.

6.4.2 Information and communication cost

Information and communication cost includes two expenses made by the foreign employees in their destination country to get information, news, reports from Nepal like expenses on internet, TV channels, friend and relatives visits etc. The major component is on tele-communication, mobile bill and internet expenses.

6.4.3 Transaction cost

Transaction cost includes the average monthly expenses made to remit the money. It includes direct charges and resources foregone in this process. About 11 observations were found who had to pay some significant amount of transaction cost the maximum transaction cost is Rs.1500 and minimum Rs. 100 per month.

Table 6.10
Transaction Cost

Obs	Average (Rs)	Standard Deviation (Rs)	Minimum (Rs)	Maximum (Rs)
11	237	324	100	1500

Source: Sample Survey of Laborers, 2014

Workers also have to pay insurance charges to the insurance companies for their life and non-life insurances at the destination countries in most of the cases. This basically includes the health insurance. Moreover, three cases have been found as the serious types of injuries while doing the assigned job. The employees incurred average Rs. 75000 expenses for treatment.

6.4.4 Training Cost

Another category of cost this study calculates is training expenses. This includes the extra amount of money employee spent for acquiring skills in Nepal and at the destination countries. 13 out of 90 employees have taken such training and the average expenses was about Rs. 7000. It includes the training fee, transportation and accommodation charges.

Table 6.11
Training Cost

Obs	Average (Rs)	Standard Deviation (Rs)	Minimum (Rs)	Maximum (Rs)
13	6989	3451	2000	15000

Source: Sample Survey of Laborers, 2014

This fact supports the fact that the average laborers migrate abroad without any training and, if have training also, it is for short period-low cost training.

CHAPTER VII

SUMMARY, CONCLUSION AND RECOMMENDATION

7.1 Findings

The study applies a semi experimental method to evaluate the effect of remittance earnings on various socioeconomic dimensions of migrant households in Jahada VDC. Four out of nine wards were randomly chosen in VDC and a survey was conducted in 90 households both from migrant sending households [treatment group] and non-migrant sending households [control group]. The survey administered the questionnaire that included a number of socio economic aspects of households, including children's education, family's health, financial access, information and communication access, women empowerment, and others.

A comparison of migrant sending and non-sending households' education level is not different because education benefits take a longer time to materialize but this study takes households in consideration who were abroad only for three years. Less than one percent migrants were found to have college level degree both in treatment and control groups. This indicates that the people going abroad for foreign employment were mostly low skilled workers, which raises concern for the policymakers that sending low skilled workers abroad do not benefit both the migrant sending households and the country in general.

The major findings of the study are as follows:

-) Most of the foreign employees are from those family whose household size is 4 to 5 members and 24 percent have household members six or seven. Many households in Jahada VDC of Nawalparasi district are Hindus (89 percent).
-) The households in the survey area are mostly Madhesi (39.5), Brahmin and Chhetri. Most of the houses in the study area of the village are semi-temporary in nature.
-) About 80 percent households are dependent on the subsistent type of agriculture in the village.

-) Major source of family income is from job and employment. More than two third of the foreign employees have completed education below bachelor level.
-) Higher percentage of the employees are from the age group 25-30 years which is 37.78 percent. The average number of family members migrated abroad as foreign employer is 1.45 in the treatment group.
-) The household expenditure on consumer's durables like mobile phone, home appliances, vehicles etc. is significantly higher for the treatment groups than that for the control group.
-) Land purchase was substantially increased for the treated households after they started receiving remittances. Similarly, the significant positive effects were also observed in ownership of television, ownership of telephone, agricultural income, daily television watching, and the women's decisions regarding education and financial transactions.
-) Only 81 foreign employees responded about their expenditure tendency before foreign employment.
-) Average direct expenses per person is Rs. 5890 for migrant workers in India while it is Rs. 1, 21,389 for migrants to other countries. Total average expense is Rs. 24, 089. The total number employees who made direct expenses are 90 with average expenditure Rs. 1,26,345. The total number of observations that incurred some sort of indirect cost is 83% of which average Rs. 24,089 in which opportunity cost includes the largest share.

7.2 Summary

Remittance income is emerging as one of the most significant and reliable sources of external finances for many developing countries. Not only in the macro level, the contribution of remittances has been direct and sizable in migrant sending households in micro level as well. A significant number of people in developing world are now receiving remittance earnings to finance their expenditures in home consumption, health and in children education.

However effect of social economic phenomenon are come out in front of satieties eyes but it is uses for poverty reduction uses for poverty reduction, increases the number of children to go to school, easy for demanding their daily needed things and funding about the health care etc. So

maximum utilization of remittance income is used for consumption level. Remittance income is not used for productive sector just it was used to import the goods and services. Through the remittance income society/family can live with changing their life style but it is not long term financial support in both households, society and national until remittance is not used in sector as like to produce basic needs in own country/village, investment to gain from natural resources in irrigation, jungle, small type of hydro project etc.

7.3 Conclusion

In Jahada VDC, use of drinking water is supplied equally for treatment households and control households. And most of the households have made toilet that has been drastically changed than past five years. If people could not make flush toilet, they use pit or bush as a toilet.

Information access has entered deeply in the society. Every household has at least one cell phone. But it was found higher in the treatment households than control households. Television, radio listeners are also higher in favor of the treatment households than in the control households. The consumption expenditure of treatment households was also observed to be higher than that of control households.

The cost of migration is higher in comparison to the amount that government has fixed. Indirect cost of migration is generally overlooked. The direct cost is major component for the migrant laborers. Although indirect cost consists less amount in comparison to the direct cost, it is significant for laborers.

7.4 Recommendations

Based on the findings and the summary of the research, recommendations can be made both at the policy level and for the households.

1. The inflow of the remittance income in the village is relatively lower than that of other villages and national average. This can be due to the fact that the migrants from this

village are either low skilled or less efficient. So, the potential migrants and the policy makers in the village should enhance the skill development activities.

2. The uses of remittance income is consumption based in the village. So, the households should make saving out of the received income for future production.
3. The households' major proportion of remittance income is spent for unproductive and ceremonial works. It is necessary to utilize the remittance income for small scale industries and self-owned business. The village level policy makers can conduct the trainings and can make the projects like animal husbandry, handicrafts, coffee farming and bee keeping in the village.
4. The impact of remittance income is observed significant to reduce the health problems, ownership consumer's durables etc. This means high proportion of remittance income is used for this purpose. So, the migrant employers can come back and start the business in this sector.
5. The impact of remittance income in education and skill development activities is relatively low. The households need to use some proportion of remittance income for education and human development activities as well as infrastructure development also.
6. There is possibility of reducing the direct as well as indirect cost in the process of migration. The mediator's charges can be reduced by increasing the information access for laborers. Similarly, various manpower agencies' charges are highly dispersed for laborers, this can be made uniform for similar types of job by enhancing the regulatory bodies.

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Questionnaire for Households Survey

Eligibility for respondents: household should have been at least for three years in foreign employment and control group household should not be in foreign employment to date.

Name of Respondent: _____

Sex of Respondent: ----- (Male=1, Female=2)

Date: _____

Section 1: General Information of Household Member

Q.No	Questions	Before	Coding	After	Coding
1.1.	What is your religion?	Hindu	1		
		Buddhist	2		
		Muslim	3		
		Christian	4		
		Other	5		
1.2.	What is your ethnicity?	Brahmin	1		
		Chhetri	2		
		Dalit	3		
		Janajati	4		
		Other	5		
1.3.	Source of drinking water:	River	1		
		Piped Water	2		
		Other	3		
1.4.	Main type of fuel used in cooking	LPG	1	LPG	1
		Biogas	2	Biogas	2
		Wood	3	Wood	3
		Animal Dung	4	Animal Dung	4
		Electricity	5	Electricity	5
		Other	6	Other	6
1.5.	Main occupation of household head	Government job	1	Government job	1
		Self business	2	Self business	2
		Agriculture	3	Agriculture	3
		Waged Labor	4	Waged Labor	4
		Foreign employment	5	Foreign employment	5
		Other	6	Other	6
1.6.	Type of toilet used	Flush toilet	1	Flush toilet	1
		Pit latrine	2	Pit latrine	2
		Composing toilet	3	Composing toilet	3
		No facility of toilet	4	No facility of toilet	4
		Other	5	Other	5
1.7.	Structure of house	Permanent	1	Permanent	1
		Semi-permanent	2	Semi-permanent	2
		Temporary	3	Temporary	3
1.8.	How many rooms did does the	Before 3 years	Current		

	house have?	_____	
1.9	No. of household members	_____	
1.10.	Did any member of your family give birth during last year?	Yes 1 No 2	
1.11.	How many times did you visit health care center for antenatal care (ANC)?	Visits _____	
1.12.	Where did she give birth?	At home 1 Health care center 2	
1.13.	Total cost of ANC for birth of last child.	Rs. _____	
1.14.	Is your child being vaccinated?	Yes 1 No 2	
1.15.	Does your household have the following items?	Yes No 1 2 Radio 1 2 Telephone 1 2 Mobile phone 1 2 VCD/DVD player/ TV 1 2	Yes No 1 2 1 2 1 2 1 2 1 2
1.16	Compared to last three years ago, has the access to information improved, detested or remained same in general?	Improved 1 Deteriorated 2 Remained same 3	Improved 1 Deteriorated 2 Remained same 3
1.7.	Do household members use internet regularly?	Yes 1 No 2	

Section 2: Household Income

2.1. How many kattha/bigha of agricultural land do all the members of the household own?

Before: Bigha _____, Kattha _____, Dhur _____, Don't know _____ (write Rs. "000")

2.2. Did household purchase any type of land during last three years?

Yes _____1., No _____2 (if yes Bijga __, Kattha __, Dhur __)

After: Bigha _____, Kattha _____, Dhur _____, Don't know _____ (write Rs. "000")

2.3. Household income of last one year.

2.3.1. From Agriculture

Type of Crops	Quantity	Total income (NRs)	Total Spending (NRs.)
a. Rice			
b. Maize			
c. Wheat			
d. Millet			
e. Barley			
f. Oil Seed			
g. Sugarcane			
h. Vegetables			
i. Fruits			
j. Others			

2.3.2.	Salary/Wage		
2.3.3.	Pension/Social Securities Benefits		
2.3.4.	Interest income		

2.3.5. From livestock

a. Buffalo	Quantity	Total Income(NRs.)	Total Expending (NRs)
b. Cow			
c. Goat			
d. Pig			
e. Chicken			
f. Fish			
g. Other specify			

Section 3. Remittance Income and Foreign Employment.

3.1.	No. of family members who are migrated overseas.		
3.2.	Male..... Female.....		
3.3.	Year of migration countries		
3.4.	Total Expenditure (Rs. 000)		
3.5.	Source of Expenditure		
3.6.	Income (amount annually sent, including goods sent)		
3.7.	How do you receive your money sent from abroad?	BFIS 1 Hundi 2 Friends 3 Others 4	

4. Uses of Remittance

4.1.	Did the household purchase Land or home after migrant:	Yes 1 No 2
4.2.	Purpose of land purchase	To construct house 1 To use for farming 2
4.3.	How much land did the house hold purchase?	Bigha __, Kattha __, Dhur __
4.4.	Does household own business line?	Yes 1 No 2
4.5.	Type of business	Grocery 1 Hotel/restaurant 2 Rice mill 3 Handy craft 4 Other specific 5
4.6.	Starting date of business	_____
4.7.	Total revenue (monthly) from business	NRs. _____
4.8.	No. of HH-members employed	_____
4.9.	No. of hired labor	_____
4.10.	Average monthly wage paid to hired labor	_____
4.11.	Other expenditure	_____

Section 5. Household expenditure and Saving (Monthly)

Expenditure on	Before Amount Rs.	After Migration
a. Durables	_____	_____
b. Clothing	_____	_____
c. Food	_____	_____
d. Education	_____	_____
e. Alcohol/ Tobacco	_____	_____
f. Entertainment	_____	_____
g. Festival / Ceremonies	_____	_____
h. Transportation	_____	_____
i. Saving	_____	_____

Section 6. Financial Statement of Household

5.1.	Have you had any insurance ?	Yes 1 No 2
5.2.	What type of insurance do you have?	Life insurance 1 Health insurance 2 Other insurance 3
5.3.	How much insurance premium do you pay per month?	Rs. _____
5.4.	Do you have any account in any bank and financial institutions?	

5.5.	Please mention your deposit balance		
5.6	Borrowing from	Amount (Rs.)	Interest rate
	a. Relatives	_____	_____
	b. Friends	_____	_____
	c. Saving clubs	_____	_____
	d. Banks	_____	_____
	e. Money Lenders	_____	_____
5.7	Lending	Amount (Rs.)	Interest rate
	a. Interest bearing	_____	_____
	b. Interest	_____	_____

Section 7 (Cost, of Migration)

7.1 What was the mode of migration?	Through consultancy.....1 Friends/relatives contacts.....2
7.2 What was total expenditure made for migration (Rs)
7.3 How did you raise the fund?	1. Self 2. Loan from neighbor 3. Loan from bank 4. loan more than 50 %
7.2 Specify the following expenditure items in Rs. - Passport Expenditure -Travel expenditure - Charge (fee) - lost (any) reporting -food - Medical Check up -Travel expenditure - Charge (fee) -food - Exit Fee - Training Expenditure -Travel expenditure - Charge (fee) -food - Accommodation - Travel Expenditure -Air Ticket - Travel expenditure in Nepal (including lodging/fooding)	Rs..... Rs.....

-Manpower charges - Fee - Mediator charges - Visa fee - Work Permit -Other Specify	Rs..... Rs..... Rs..... Rs..... Rs.....
Cost Abroad - Accommodation - Food - Entertainment Movie TV others - Communication Internet Phone Others - Insurance - Transaction cost (Money remitting) - Wage/Salary/income in Nepal	Rs..... Rs..... Rs..... Rs..... Rs..... Rs..... Rs..... Rs..... Rs..... Rs..... Rs..... Rs..... Rs.....
7.3 Employment status before migration	Employed1 Unemployed2
7.4 Type of occupation before migration	Agriculture1 Service2 Wage basis.....3 Other specify 4
7.5 Monthly income before migration	Rs.....

7.6 Specify the name of country currently working	Country
7.7 When did you start working Overseas for the first time?	Date
7.8 What is the nature of your work the last time?	Specify: -----
7.9 What is the monthly salary abroad last time?	Rs.
7.10 How often did s/he send money?	Once a month 1 Once in two months 2 Once in three months 3 Once in six months 4 Once a year 5

	Other (specify) 6
7.11 To whom does s/he send money?	Send to wife 1 Send to children 2 Send to parents 3 Send to relatives 4 Other (specify) 5
7.12 Did s/he bring money with him/her when s/he returned to Nepal last time?	Yes1 No2
7.13 How much money did s/he bring?	Rs.
7.14 For what purposes did your family members use the money you sent?	Day-to-day expenses 1 Education of children 2 To improve health of children 3 Housing 4 Other investment 5 Saving 6 Repay debts 7 Other (specify) 8
7.15 How do you think about the increase in the household income as a result of your work overseas?	Highly increased 1 Moderately increased 2 Slowly increased 3 No increase at all 4
7.16 In addition to money, what type of materials did s/he send to your family when you were abroad?	Household items 1 Gift items 2 Jewelry 3 Mobile phones..... 4 Other (specify)..... 5 None..... 6
7.17 In your opinion, what are the negative impacts of the money you earned abroad on your family?	Family dissolution 1 Husband started to drink 2 Husband live with another lady 3 Husband started gambling 4 Misbehaviour of children 5 Children gave up education 6 Ill health of children 7 Other specify 8
7.18 In your opinion, what are the positive impacts of the money you earned abroad on your	Saved money 1 Improvement in the condition of the house 2

family?	Starting a business 3 Buying a vehicle 4 Buying a land 5 Buying household appliances 6 Buying jewellery 7 Improvement in the living condition . 8 Improvement in child health 9 Improvement in children's education 10 Other (specify) 11
7.19 Were you able to save money "	Yes 1 No 2 Go to Q.7. 21
7.20 What do you think about the amount of money saved?	More than enough 1 Enough 2 Not enough 3
7.21 Were you able to do any useful investment with your money you earned abroad?	Yes 1 No 2
7.22 What is the nature of investment?	Construction work of the house 1 Improve the condition of the house .. 2 Started a business 3 Bought a vehicle 4 Bought a land 5 Bought jewellery 6 Other (specify) 7

Thank You