

**IMPACT OF ECONOMICALLY ACTIVE POPULATION MIGRATION  
IN SOCIO ECONOMIC DEVELOPMENT AT HOUSEHOLD LEVEL  
IN RUPANDEHI DISTRICT**

**A Thesis**

**Submitted to Faculty of Humanities and Social Sciences  
Central Department of Rural Development  
University Campus, Tribhuvan University**

**In partial fulfillment of the requirements for the Degree of  
Master of Arts in Rural Development**

**By**

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## DECLARATION

I hereby declare that the thesis entitled **Impact of Economically Active population Migration in socio economic Development of Rupandehi District** submitted to the Central Department of Rural Development, Tribhuvan University, is entirely my original work prepared under the guidance and supervision of my supervisor. I have made due acknowledgements to all ideas and information borrowed from different sources in the course of preparing this thesis. The results of this thesis have not been presented or submitted anywhere else for the award of any degree or for any other purposes.

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## RECOMMENDATION LETTER

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## ACKNOWLEDGMENTS

This thesis entitled Impact of Economically Active population Migration in socio economic Development of Rupandehi District has been prepared for partial fulfillment of the requirements for the Master's Degree in Rural Development.

I am very pleased to express my dense of gratitude to my thesis supervisor Mr. Bishnu Bahadur Khatri, Center Department of Rural Development, University Campus, Kirtipur for his valuable guidance, suggestions and encouragement without such efforts, this work would never have completed. I am extremely grateful to the Head of Department of Rural Development, Prof. Dr. Pushpa Kamal Subedi for providing me this opportunity.

I would like to acknowledge to Majhgaun 11 people of Devinagar Butwal of who assisted me to collect data during my field study. This study would never have been completed without their help. I am thankful to Rise Education Foundation Butwal for their Kind information about out migration and Kalika Colour House Devinager who help me in course of Case Study. I am also thankful to my colleagues Raj Kumar Baniya and Brother in Law Khimaram Lamsal who provided technical supports and suggestions during the study.

I am highly indebted to my Mother Kamala Gautam, my husband Mahesh Panthi, daughter Aayushma, sivana and family. My sisters Sumitra Gautam, Sagar Gautam and brother Dipendra Gautam who helped me to different work during the study.

Susma Gautam

## ABSTRACT

This study aims to explore the impact of economically active population migration in socio economic development in household level along with negative impact of migration. This study entitled 'Impact of Economically Active Population Migration in Socio Economic Development' in Rupandehi District is based on primary data collection. The main objective of the study is to analyze the impact of economically active population migration in socio economic development at household level of migrated family. The specific objective are: to examine the current status of active population migration in study area, Pull and push factors of migration and finally the socio economic impact at household level.

This study has applied descriptive research design. The sources of data were primary & secondary and nature of data was both qualitative & quantitative. For this purpose total 151 migrant household 100 household has been selected through simple random sampling and interviewed to investigate the current status of migrant, pull & push factor, utilization pattern of remittance, socio economic impact. This was supplemented by the KII interview with five key informants of migrant person, one case study is conducted for positive impact of migration and productive utilization of remittance in household.

The findings revealed that, 1-5 number of persons by one family migrant found in study area. Migrant literacy status is 100 percent found in study area. Purpose of the migration is working (75.92%). Migration channel is 85.54% through legal and 14.53% illegal channel. 61.48% migrant are skilled but not proper utilized in destination. Most of the migrant working in hotel sector (30.37%). Average Expenditure for Gulf country is 1,36500 and for Asian, European, American & Australian country's expenditure is 14,36500 NRP. The highest income of the migrant is 1,5000 in Gulf country and 4,00000-6,00000 in Asian, European, American & Australian country.

Out of the 270 migrant, the major push factor of migration is lack of proper employment opportunity (34.7%), demonstration effect 24.44%, Low wage rate 20.74%, insecurity of job 10%, political conflict & instability is 6.66% and lack of proper higher education is 4.07%. Likewise the major pull factor of migration is

security of job (41.11%), high paid job is 36.29%, opportunity of higher education is 10%, demonstration effect is 8.51%, availability of services & facility is 4.07%.

After migration different types of changes in socio economic status has been found in migrant family. After migration health and education status has been increased. After migration more expenses in basic needs has been found (54.98%) and saving & investment is only 19.51%. After migration most of the migrant family improving their housing condition for different purposes.

However several problems have been identified associated with migration on the family, society and individual level. Remittance has become a major income source of national economy in Nepal and contributes positively to recipient country in macro and micro level. Migration is automatically linked with remittance and remittance directly linked with income level, expenditure pattern, saving and investment which positively and negatively impact on socio economic status of the people and finally results in rural development and overall development of the country. Rational & productive use of income directly positive impact on socio economic status of the people and use in unproductive sector negatively hinders in socio economic status and overall development of any family, society and the country.

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## **ABBREVIATIONS**

BOP	Balance of Payment
CBS	Central Bureau of Statistics
FY	Fiscal Year
GDP	Gross Domestic Product
GDP	Gross Domestic Product
ILO	International Labor Office
IMF	International Monetary Fund
IOM	International Organization for Migration
MOF	Ministry of Finance
NELM	New Economies of Labor Migration
NPC	National Planning Commission
NRB	Nepal Rastra Bank
ODA	Official Development Assistance
TU	Tribhuvan University
UNU	United Nations University
VDC	Village Development Committee
WTO	World Trade Organization

# CHAPTER I

## INTRODUCTION

This chapter focuses about the introductory part of the study. Mainly it includes the background of the study, statement of the problem, objectives of the study, significance of the study, definition of key concept and variables, limitations of the study, and organization of the study.

### **1.1 Background of the Study**

Nepal is a small country, which is located in the southern part of Asian continent. It is one of the least developed countries among the world, having 28 million people. It has 1,47,181 square km. area which occupies 0.03 percent of the world. It is a landlocked country surrounded by two huge countries India and China. But, Nepal is one of the richest countries in the world in terms of natural resources and cultural heritages and the highest peak of the earth the Mount Everest. (doinepal.gov.np)

Human migration involves the movement of people from one place to another with intentions of settling, permanently or temporarily, at a new location (geographic region). The movement often occurs over long distances and from one country to another. People may migrate as individuals, in family units or in large groups. Depending on the goal and reason for relocation, persons who migrate can be divided into three categories: migrants, refugees, and asylum seekers. Each category is defined broadly as the mixed circumstances might occur and motivate a person to change their location. As such, migrants are traditionally described as persons who change the country of their residence for general reasons and purposes. These purposes may include the search for better job opportunities or healthcare needs. Migration is usually divided into two categories: voluntary migration and forced migration. Voluntary migration is based on the initiative and the free will of the person and is influenced by a combination of factors: economic, political and social either in the migrants country of origin (determinant factors or "push factors") or in the country of destination (attraction factors or "pull factors"). Forced migration refers to the movements of refugees and internally displaced people (displaced by conflict) as well as people displaced by natural or environmental disasters, chemical

or nuclear disasters, famine, or development projects. (World Migration Report 2020).

The economically active population is generally defined to " comprise all those persons who contribute to the supply of labor for the production of goods and services disregarding whether they actually were employed at the time of enumeration or not"(CBS, 1977: 149). International migration of Nepal in is very high during last two decades. Intensive subsistence farming of Nepalese hill and mountain agriculture was not sufficient to bear the increasing population. Remittance of foreign migration has increased the income and livelihood for rural farmers and urban people. As a result internal migration from rural to urban area also increased for better education and lifestyle. Migration affects the country, and the migrant workers contribute greatly to development, both in countries of origin and countries of destination. Migration can be an effective strategy for livelihood adaptation and important component of the Nepalese economy with receiving remittance.

Migration for foreign employment appears to be a serious problem in Nepal these days. The number of migrants leaving Nepal for work is increasing every year. As we know, this group is the most energetic and productive when it comes to building the nation. On the other hand, remittance is one of the major income sources of earning foreign currency in Nepal. It really affects the income level of the households as well as society. A growing number of Nepali migrants working abroad has significantly contributed to the country's Gross National Product (GDP) and has also become an important source of foreign exchange earnings. The social contribution of migration is even more encouraging in terms of improving children's education and enhancing the overall social and economic status of the households. Along with agriculture which contributes more than 30 percent of the GDP, remittance and the service sector have emerged as major contributors to GDP. Remittance has contributed significantly to the reduction of poverty in the last 15 years. The second living standard survey had sighted remittance as the major contributor behind the decline in people living below poverty line from 42 percent to 31 percent. The labors who resides the foreign country for employment are known as foreign employee and country in which the foreign labors are working there are known as the country of foreign employer (CBS, 2014).

According to the report of Nepal Rastra Bank (NRB), remittance contributes about 25% to the country's GDP and also according to the report of Department of Immigration of Tribhuvan International Airport 1500 plus Nepali youths migrate abroad daily to foreign job market. These two facts depict how severe is the situation of youth migration in Nepal.

The very low access to employment, unfavorable environment to grow entrepreneurship and capital constraints are the reasons that provoke youths to migrate. The political transformation period of Nepal contributes to these problems to a large extent. About 65.5% of people are engaged in agriculture (MOAD, 2013). The traditional inheritance of farming is no more charming to youths. The literates feel awkward to work in fields. The working in field has been matter of shame making youths to migrate in search of service oriented employment. It has been matter of social respect for anyone to find jobs in sectors other than agriculture CBS (2014).

Development of any country depends upon the determination of the youths. Youths are the actual change agent. So, it is obvious that the adequate expenses in youth empowerment and in youth participation along with the adequate expenses in development of science and technology are essentially very important to address the present problems of migration.

Gurung (2006) has mentioned the history of formal labor administration in Nepal is about 70 years old. Its origin can be traced to the start of organized industry in the 1930's, but national structures took form only after the outbreak of the 1947 labor movement in Biratnagar.

Ghimire (2010) has described the major elements that are responsible to increase the migration for foreign employment, a) push factors: low level of income and poverty, one decade long internal conflict (violence conflict), increasing Domestic unemployment, political instability, high population Growth. b) Pull factors: Increase in the demand of semi-skilled labor in urban, khadi and developed countries, comparatively well salary and wages provision of security)Other factors: Globalization, government policy, demonstration effects etc.



The pace of the foreign employment increased dramatically after 1996 due to shrinkage of economic opportunities in the country like political instability, civil conflict etc. The massive unemployment inside the country is the main reason behind the rapid growth of the workers migration to other countries. According to the government estimate, every year 300,000 to 350,000 new Nepalese workers enter into the market. Out of this new entrant, 30 to 40 thousand find jobs within the country, 100,000 to 150,000 go abroad and the rest remain in the country without any job (Dhital, 2007).

The volume of remittance entering in the domestic economy are Rs. 253 billion in 2010/11, Rs. 359 billion in 2011/12, Rs. 434 billion in 2012/13 and Rs. 543 billion by the end of the year 2014 (NRB, 2014). Similarly the GDP of the country are Rs. 1564 billion in 2011/12, Rs. 1701 billion in 2012/13 and Rs. 1928 billion in the fiscal year 2013/14 (MoF, 2013/14).

Official remittance inflows to Nepal reached 24.7% of GDP, which makes Nepal the third largest remittance recipient in the world. The amount of remittance outflows was just US\$ 50.3 million in 2012. Most of the remitted money is spent in the consumable goods and services and most of the consumable goods are imported. So the remitted money has been returned to the foreign country. Nepal's export is \$ 2 billion (not included unrecorded border trade with India). The imports volume is \$ 7 billion mainly on petroleum products, gold and machinery (NRB, 2014).

Nepal Living Standards Survey 2011 reflects that 78.9 percent of total remittances are spent in daily consumption whereas 7.1 percent in repaying loans, 4.5 percent in household property, 3.5 percent in education and 2.4 percent in capital formation. Remittance income has been mostly used on domestic purpose such as managing land and building, children education, health care, entertainment and so-on.

In the present context of Nepal remittance playing the important role to reduce the poverty level to the downward ranges, especially in rural areas where there is no opportunities to earn and get employment besides the agriculture. The present situation there is a lack of proper government policy to encourage the remittance income in the productive sectors almost 80 percent of remittance money is used in unproductive sectors like buying house, constructing building, land buying, cosmetics

and other luxurious goods. Besides this, remittance helped to boost individual household consumption, reduce poverty and provide temporary financial relief at household and community level.

## **1.2 Statement of the Problem**

Migration is being a crucial factor of change in demographic structure and pattern of a nation, region or places in recent days. Almost all country or people have been facing different kinds of migration. In Nepal common trend of migration is outflow of international labor and educational migration which is being crucial issues of Nepal and brain drain challenges for the government. Migration affects the country, and the migrant workers contribute greatly to development, both in countries of origin and countries of destination. Migration can be an effective strategy for livelihood adaptation and important component of the Nepalese economy with receiving remittance. On the one hand, migration increase the remittance rate and improving the livelihood of the people at large number. Generally people are more benefitted but the society and government has been in looses.

Process of migration is not a new one in Nepal. Migration has been changing the size of population both at the places of origin and destination. Economically active population is migrated day by day at large numbers despite they have interested in the contribution of economy and social development of the country. Youth and active age population is the pillar of the country's economy and the leaders of the country. Government should provide the employment opportunities in the country for all different skilled types of people but it proves the only dreams of the Nepalese people who want to do work in own country. Because of the poverty, unemployment, and food insecurity active age people are migrated in different countries of the world to fulfill their dreams on the one hand, and on the other hand, country has been losses in development sector and challenging for the political leaders.

The outflow of international labor and educational migration is being crucial issues of Nepal and Brain Drain challenges for the government. It has many positive & negative impact in socio economic development of the country. Remittance is a major sources of foreign currency and contributes positively to recipient country in micro and macro level. Only productive utilization of remittance can magnified in the long

run for the better prosperity of the country. So, this research find out the answer to the following questions:

- What is the present status of the migration in the study area?
- What are the pulling and pushing factors of migration in this area?
- How the remittance impact on community to utilize their income in productive sector or not?
- What are the negative impact of migration in community development?

### **1.3 Objectives of the Study**

The general objective of the study is to analyze the impact of economically active population outflow migration in Socio economic development in Devinagar 11 Majhgaun Butwal. The specific objectives are:

- i. To examine the current status of economically active population outflow migration in study area,
- ii. To explore the pushing and pulling factors of migration in study area, and
- iii. To analyze the socio-economic impact of migration at household level of the study area.

### **1.4 Significance of the Study**

Migration is the burning issues in Nepal from very time and all around the world. Remittance has become a major income source of national economy in Nepal. But it is not easy to determine the exact impact of this flow at the household and community level. This study signified in providing the current status of migrated person for different purposes and its impact on changing socio economic development of the society in positive and negative way. It can be helpful for the researcher and development activist to minimize the negative impact or challenges for the future. It could be helpful for the government, policy makers, researchers, planner, social and development activist to mitigate the impact of the migration (reduce the brain drain) for the development of the country.

## **1.5 Limitation of the Study**

As the research has been conducted for the purpose of practical fulfillment of the requirements for the degree of master in rural development, sufficient time and resources were not available during research. So, this study concentrated on a one (Tole) area of the Devinagar, 11Majhgaun of Butwal sub-metro politan city, Rupandehi district to analyze the impact of economically active population migration in economic development in particular study area and 100 sample household of these wards will be covered. So, conclusion or generalization of this study may or may not be applicable in other parts of the nation. This study only concerns the outflow of migration, not include domestic migration flow and out migrant of India also not included in this study. This study focused on the population age group of (15-59) only. Similarly this study have others limitations about respondent selection, time, resource and money.

## **1.6 Organization of the Study**

This whole report has been organized into five chapters. The first chapter is introductory parts, which includes general background, statement of the problem, objective of the study, significance of the study, limitations of the study and organization of the study. The second chapter focuses on review of literature related to outflow of economically active population migration including theoretical review, empirical review and conceptual review. The third chapter explains the research methodology of the study includes research design, rational for the selection for the study area, nature and sources of data, study population, sample & sampling procedure, data collection techniques & tools, ethical consideration, variables & operationalization, conceptual framework and methods of data analysis.

Similarly, the fourth chapter explains the presentation and analysis of field data includes study area at a glance, household's profile of migrated family,current status of the migration of the study area, analyze the pushing and pulling factors of migration, and analyze the economic impact of migration in study area. The fifth chapters include summary and conclusion based on this research and some recommendations for further study. References and annexes are attached as appendix part.

## 1.7 Definition of Key Concept and Variables

The researcher has used some of the concept and variables in the study to clarify the readers as:

**Economically Active Population:** Economically active population means the people age group between (15-59) years.

**Economically Inactive Population:** Economically inactive population means the people age group below the 15 years child and above the 60 years old age

**Origin:** origin refers to the home country where people born & live.

**Destination:** Refers to the country where migrated person choose for their different purposes.

**Basic Food:** The basic food means, the food which are basically necessary for health and nutrition for people.

**Non Basic Food:** Non-basic food means, the food which are not necessary for health and nutrition but just purchase for self satisfaction and other purpose like alcohol, meat and others food.

**Households:** The household refers to one house of the migrated person

**Out migration:** refers to the person who left the country for study & working purpose.

**Khadi:** refers to gulf country

**Kamaiya Partha:** were two traditional systems of bonded labour practiced in the western Terai of Nepal.

## **CHAPTER-II**

### **LITERATURE REVIEW**

The literature review is an initial part of research undertaking for the enrichment of the knowledge. It has been done under two categories on the theoretical review and the empirical study. The researcher reviewed related books, journals, official reports, articles, previous research work, other published and unpublished documents related to economically active population migration.

#### **2.1 Theoretical Review**

Migration is a common phenomenon in both its domestic and international dimensions in Nepal. Traditionally, most of the migration took place within the country's borders, with some people going to India and Tibet. Nepal's entry into the global economy has since re-defined these historical trends, and, now, Nepalese can be found spread across the globe for different purposes. Migration is a decision that impacts the welfare of the household, the home community and in the end whole economy in various ways (Azam and Gubert, 2006).

The issues of remittance have received two schools of thoughts: optimistic and pessimistic view. Optimistic view regards remittance as positive due to possibility of poverty alleviation, and the promotion of economic development. And the pessimistic view regards remittance should not be encouraged as it is detrimental to development due to its nature of resulting in excessive consumption, import dependency and investment in unproductive sectors; land and buildings. The theories varied from the developmentalist optimism of the 1950s and 1960s to the large scale pessimism which prevailed in the 1970s and 1980s to the optimism of the 1990s (Englama 2009).

The dependency theorists were of the view that remittance never contributes to the development of underdeveloped countries mainly for the 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 1960s and 1970s had maintained optimistic views on remittances

believing that capital and knowledge transfers by migrants would help achieve development needs of least developed countries in the world.

Harris and Todaro model of 'Pull and push' factor of migration is one of the important model of migration. They explain that the surplus labor, scarce capital, population pressure and unemployment situation in the sending area serves as Push factor and scarce labor, surplus capital, high income and social amenities in the receiving area serve as Pull factor. This approach is focused on individual, rational choices between sending and receiving areas decision to migrate or not for/ maximizing their income.\*

The concept of remittance can be linked to the theory of migration. Harris and Todaro (1970) have provided the theory of migration. The model assumes that the migration decision is based on expected income differentials between rural and urban areas rather than just wage differentials. In the model, equilibrium is reached when the expected wage in urban areas is equal to the marginal product of an agricultural worker. In this equilibrium there will be positive unemployment in the urban sector. This implies that rural-urban migration in a context of high urban unemployment can be economically rational.

Innovations of the New Economics of Labor Migration (NELM) remove the best-known economics model of migration decisions that were introduced from Harris and Todaro 1970 as the supporters of the Neoclassical Economics approach. Taylor (1994) also continued developing the theory and sustained the noticeable role of remittances for the enterprise risk diversification of the family, as the labor income of the migrant is not correlated with the revenue derived from the income of the family residing in the country of origin. This analysis attempted to discover the migrant's goals in his/her migration project (as an important aspect of the NELM). Another facet of emigration consisted in the behavior of the migrant once he arrives at the destination country and his continued relationship with the family of the origin country. It should also be admitted that the effect of remittances (and migration) at the local level of migrant's home country is conditioned not only from the amount, distribution and weight of such remittances on the income of the family of origin. Sometimes, it is the indirect impact of remittances on the local community that is more effective than the previously listed factors. This kind of impact depends on the behavior of the family of the migrant -the context in which they live.

Neoclassical theories of migration (individualistic approaches), namely Todaro and Harris Todaro models, have been criticized for their failure to explain the continued disequilibrium in wages and income across regions even post considerable flows of migration over time. These models also fail to encompass other influences on migration decisions other than wage differentials and expected earnings, especially those related to remittances (Mendola, 2006).

These models also assumed the poorest areas as likely places for migration, but various empirical studies established the fact that the poorest do not migrate, as they do not have the means to afford migration to far off destinations which involved money as well as social networks.

International labor migration of Nepal is very high during last two decades. Intensive subsistence farming of Nepalese hill and mountain agriculture was not sufficient to bear the increasing population. Remittance of foreign migration has increased the income and livelihood for rural farmers and urban people. As a result internal migration from rural to urban area also increased for better education and lifestyle as well as, international migration is increasing day by day at large numbers. Remittances can generate a positive effect on the economy through various channels such as savings, investment, growth, consumption, and poverty and income distribution. Workers' remittances flow in as a component of foreign savings and as such complements national savings by increasing the total pool of resources available for investment. Remittances constitute an integral part of household livelihood strategies. They make a direct contribution to raising household income, while broadening the opportunities to increase income. They also permit households to increase their consumption of local goods and services. At the community level, remittances create multiplier effects in the domestic economy, producing employment opportunities and spurring new economic and social infrastructure and services, especially where effective structures and institutions have been set up to pool and direct remittances.

Todaro, (1969) and Harris and Todaro, (1970) set up a seminal framework of migration between rural and urban areas. They hypothesize that individuals migrate to urban sectors with the aim of obtaining employment in the formal sector and that informal sector employment is a transitional phase during which migrants are



searching for formal sector job. In their decision to migrate, potential migrants balance the probability of unemployment against the real income differential between the urban formal sector and the rural area. That is, there may exist a higher unemployment in the urban sector due to the existing uncertainty of finding work in the formal sector even though the expected income in the urban sector is higher than that of rural sector. Recently, Bencivenga and Smith (1997) analyzed the interaction between migration and unemployment, in which economic development is accompanied by migration from rural to urban employment and is associated with significant urban unemployment. According to their results, adverse selection in the urban sector keeps the unemployment pools away from the formal urban market so that employers hire only a very small proportion of unemployed workers from the unemployment pools. This adverse selection becomes particularly acute when the economic profit declines in the urban labor markets.

## **2.2 Empirical Review**

According to the vice-president of Nepal Foreign Employment Association Mr. Madan Mahat; the total of about 1.8 million people from Nepal are migrated to the other countries for the search of the employment by both either through the formal or informal mediums. According to the Director General of Labor and Employment Promotion Department Mr. Keshar Bahadur Baniya; Nepalese people are migrated to other countries because they can get the desired work there and also they can earn more money than in the native country. According to the Government data, maximum of 1 lakh 65 thousand people are migrated in the year 2062/63. The number of people going to the foreign employment is not decreasing after the restoration of peace in Nepal also. In the period of one month (Jestha 2064), about 65 thousand people are migrated for the foreign employment. Generally semi-skilled people are migrating to the Gulf countries like Qatar, Malaysia, UAE etc and the literate and skilled labor are migrating to the countries like Korea, Israel, Cyprus, Hong-Kong etc. The Government of Nepal opened 107 countries for the foreign employment of Nepalese labors but the labor-contract was signed with Qatar only (ILO, 2004).

The Ministry of Labor is the apex body in labor administration and mainly functions at the policy level. It operates under the general guidance of the Minister and the direct supervision of the secretary, who also acts as the principal executive authority of the ministry. This Ministry is responsible to formulate policies and programs for promotion, control and management of domestic and foreign labor employment. Nepal's constitution incorporates several provisions. Concerning labor matters, which form the foundation of labor administration in the country? These include the prohibition of slavery and forced labor; freedoms of assembly, association and speech; freedoms of trade, business, and profession; the promotion of social justice, the economic well-being of the people and the eradication of social evils. All national legislation, including that related to foreign employment, is based on the constitution. At present labor related issues are dealt with by Labor Act, 2048 (1992) and Foreign Employment Act, 2042 (1987).<sup>1</sup> The Foreign Employment Act has been revised twice; most recently in 1997. The aim of the Act is to regulate foreign employment, especially in the Gulf countries, and to this end it fixes minimum wages and other conditions of work. In addition, Nepal has ratified several labor conventions (MOL).

Shrestha (2004), in her article “Foreign employment and the remittance economy of Nepal” has identified the major factors attributing to large scale out migration from Nepal which are high growth of labor force, high rate of unemployment, limited employment opportunities outside the farm sector, low salary structure in the economy and insecurity in the rural areas because of insurgency.

ILO (2009), in its publication has shown that the migrant moves in search of employment, taking their families with them is estimated 214 million in the world in 2010. Migration is the result of individual and household weighing the utility that is attainable under different migration regime with the utility from origin place. A migration regime is defined as a combination of place (the village of origin in the case of non migration, internal/external migration destination) and sector of employment. There are five potential regime such a non migration, two destination types (internal and international), and two employment sector in each (farm and nonfarm).

Lipton (1980) has focused on migration increases rural inequality, both within and among villages, because pull migration allows the better off migrants to advance in

better jobs, while push migration weakens the poor. Positive remittances go disproportionately to the better off *town ward* migrants; international remitters who send back big sums are seldom from the poorest village groups. Remittances are thus unlikely to do much to reduce rural poverty.

Shrestha (2010) in his article, “Women’s remittance an upcoming issue for financial discourage” focused on the remittances have been a boon to development and have had significant macro-economic effects in several countries of origin like Nepal. It is stated that remittance now contributes to 23.6 percent of the GDP, which is the highest in South Asia. According to Nepal Living survey 2004, poverty has been reduced to 31 percent from 42 percent and remittance contributed major role on.

According to Dahal (2014), increasing inflows of remittance in Nepal had positive association with financial development and human capital accumulation, but a negative association with international trade. In terms of factors of production it showed positive association with entrepreneurship but negative association with manufacturing. Overall the study showed mixed impact of remittance inflows in the economic growth of Nepal.

National Planning Commission (2007) concluded that out of the total population, 31 percent are living below the poverty line in Nepal. Although, absolute poverty has been reduced from 42 percent to 31 percent during the period from 1996/97 to 2003/04 in total the main reason behind reduction of poverty by 11 percentage points were the faster growth in urbanization, increase in remittance from foreign employment, increase in wage rates in the agriculture sector increase in employment and wage rates in the non-in these factor main factor is remittance.

Ghos(2009)analyzed that migration also shapes values and attitude towards gender roles within the household. When women move their roles as caregivers changes, and men have been found to be more likely to engage in reproductive activities such as caring for the children and the elderly(King &Vullnetari, 2006). When the men migrate, women are empowered to take more prominent part of community decision making, control their own income, and expand their role in the domestic sphere.(Deshingkar & Grimon, 2005, p.39.).

Rosser (2008) has focused Nepalese government has recognized the significance of labor migration and remittances to the national economy. The government has shown some interest in developing institutional mechanisms to deal with labor migration and in channeling remittances through banks, not least because these represent a huge source of foreign exchange and income in the form of tax. Only in the last couple of years has new research generated information and data to reveal the extent of Nepal's dependency on foreign labor employment and remittances. International migrant remittances have become an important source of external finance in developing countries. In nominal dollar terms, recorded remittances sent home by migrants from developing countries are expected to reach \$283 billion in 2008, a rise by 6.7 percent from \$265 billion in 2007.

In 2012, World Bank estimates that migrant workers sent \$406 billion in savings to their families in developing countries. (World bank blog).The World Bank expect this to reach \$534 billion by 2015.Remittances sent to all countries in 2012 (developing and high income) was \$534 billion. These remittances were three times greater than aid budgets to the developing world. The figures for remittances underestimate the actual total because they only include money sent through official channels. The World Bank state that banks and transfer unions are taking an unfairly high commission (up to 20%) with the average transfer fee being 9%. Sub Saharan Africa has one of highest costs of sending money to. Reducing commission fees would substantially improve the benefit of remittances.

Chimhown, Piesse and Pinder (2005) has mentioned that the development impact and future prospects, states that remittance may help improve economic growth, especially if used for financing children's education or, health express. Even when they are used for consumption remittance generates multiplier effects, especially in countries with high unemployment. In many other countries, a large part of remittance are invested in real estate, reflecting both desire of migrants to provide housing of families left behind, and a lack of other investment instruments in the recipient community whether remittance are used for consumption or, buying houses, or for other investments. They generate positive effect on economy by stimulating demand for other goods and services.

NRB (2002) has mentioned in his publication "Foreign Employment and the Remittance Economy of Nepal" that the migrant remittances represent the most direct, immediate and far reaching benefit to migrants and their countries of origin. They are a more constant source of income to developing countries than official development assistance, foreign direct investment and other private flows. Moreover, the emergence of remittances as a new strategy for poverty alleviation in developing countries has spurred multilateral institutions, international organizations, and national governments, among others, to seriously study, identify and implement measures on how these inflows could be maximized and then harnessed for the development of migrants' countries of origin. However, Remittances affect economy-wide resources allocation. At the macro level, inflation, exchange, and interest rates are determined by the amount of money coming into the country in the form of remittances (for example, Djajic 1986). Distributional implications of remittances affect the country's rate of economic growth. At the household level, remittances provide a means of achieving consumption smoothing. Household decisions about the labor market activities of household members, investments in human and physical capital fertility, and migration also depend on the amount of remittances the household receives.

Winters (2002) concluded that migration can have significant benefits for global economic welfare. When migrant workers move between differently endowed countries (e. g. from a country where there are large labour surpluses in one sector to another where there are labour shortages in that sector), that movement can enhance economic conditions in both sending and receiving countries. Indeed, one estimate suggests that if developed countries were to increase the proportion of migrant workers in the labour force equivalent to 3 per cent, world welfare would increase by over 150 billion dollars per annum.

Kritz and Keely (1981) has mentioned in his book, "Introduction in Global Trends in Migration" show the effect of remittances on development, comparing this dependency to drug addiction. However, proponents of international migration argue that labor export is no more productive of dependency than export of commodities or trade in general. Another macroeconomic impact stemming from remittances inflow is the appreciation of the national currency as the total amount of money in the

economy increases without affecting the inflation rate. However, this real appreciation of the exchange rate makes the country's exports relatively more expensive and worsens the competitiveness of the sectors exposed to international competition. As a result, increasing imports and decreasing exports will cause a deficit in the external current account. This phenomenon is known as Dutch Disease (see Bourdet & Falck, (2006). Oath resulting economic decline that overshadows the temporary advantage for a fortunate minority of beneficiaries. And the positive view which turns each of these arguments on its head.

Adams (2004) has mentioned that the remittances reduce level, depth and severity of poverty. The greatest impact is on severity the squared poverty gap decreases by 19.8% when international remittances are included in the household income. This is because households from the lowest deciles group receive a great proportion of their total income from remittances. Households in the bottom group receiving international remittances receive 60% of their total income from this source. Remittances have on the other hand little impact on income inequality. Most of the poverty reducing effects of remittances comes from increases in mean per capita income rather than from any progressive change in income inequality caused by these income flows.

Remittance is money transfers from Nepalese workers employed outside the country to friends and relatives in Nepal. The record of banking sector showed the Rs. 434.6 Arba was received in FY 2013 (MoF, 2014).

Khatri (2007) try to examine the remittances impact on poverty reduction in a small country like Nepal can be even higher than the average impact for 74 countries indicated by the UNFPA study. There are two reasons why this can happen: first the country is poor and the per capita income is low; and second productivity is also low. For example, a study done by Nepal Living Standard Survey on the contribution of remittances in reducing poverty between 1996 and 2003 was 11 percent. The other contributors were the increase in agricultural wage, increase in non-farm activities and some decline in the dependency ratio. But the major contribution was from remittances sent from abroad. In the same period, the households receiving remittances increased from 23 to 33 percent in the same period, and the share of

remittance in total household income increased from 26 to 35 percent during the same period.

Castles et, al. (2008), analyzed that migration can have important implications for domestic institutions and politics. The emigration of capable people may cause loss of governance capacity in countries where institutions are already weak. Also, emigration can serve as a way to release political pressure, which diminishes the incentives of the established political elite to reform, increases corruption ,reduces overall government effectiveness, administrative inefficiency, increase crime case, etc.

### **2.2.1 History of Labor Migrations for Foreign Employment of Nepal**

Gurung (2006) has mentioned the history of formal labor administration in Nepal is about 70 years old. Its origin can be traced to the start of organized industry in the 1930's, but national structures took form only after the outbreak of the 1947 labor movement in Biratnagar. With the installation of a democratic government in 1951, the labor administration underwent a process of reform to cope with increasing labor problems and to undertake labor welfare measures. The establishment of regional labor offices in the 1960s began with the creation of the first labor office at Biratnagar under the Department of Industry. A Department of Labor was established in 1971, followed in 1981 by a Ministry of Labor.

In the past, the Government of Nepal has adopted no specific policies to deal with foreign employment. In the 1740's, the process of unifying Nepal provoked large scale foreign migrations. Unification brought hardship to peasants and the poor in the form of corves labor, over taxation, and exploitation from state agencies and their functionaries. As a consequence mass numbers of people migrated to India, where newly established tea states and the opening of land in Assam, Sikkim and Nagaland had made work available. While British rule in India was encouraging such immigrations, the Government of Nepal faced a shortage of labor and initially attempted to discourage laborers from seeking work abroad. However, as political relations with the British government in India changed, the Nepali government began to encourage large numbers of Nepalese to migrate for work in what was then the British-Indian army. By World War II, around 20% of Nepal's economically active

males were employed by the British- Indian army. Their employment brought the Nepali administration tremendous material benefits and was highly organized and well managed. The process was regulated by bilateral agreements between the respective governments, and did not require any specific policy framework in Nepal.

Sheddon, (2005) in his book, “Nepal’s Dependence On Exporting Labor” show the history of foreign employment in Nepal dates back almost 200 years, when Britain began recruiting men from the hillsides of Nepal, known as Gorkhas into the British armed forces. After India’s independence in 1947, the Indian military also began enlisting Nepali men. Currently, about 3,500 Nepali soldiers serve in the British army and more than 50,000 Nepalese are enlisted in the Indian military. India was the first country to attract civilian migrants from Nepal. The inflow of working migrants to India has increased sharply since the 1950s and 1960s, and India now represents the largest market for migration to foreign countries in Nepal.

### **2.2.2 Causes of Foreign Migration**

Shrestha, B. (2004) in her article “Foreign Employment and the Remittance Economy of Nepal” has identified the major factors attributing to large scale out migration from Nepal which are high growth of labor force, high rate of unemployment, limited employment opportunities outside the farm sector, low salary structure in the economy and insecurity in the rural areas because of insurgency.

Kshetry, D. (2004) in his article “Emigrating Workers in National Perspectives” identified the causes of Nepalese emigration as limited employment opportunities in government and private sector. Underdevelopment of industries and rudimentary services sector provides limited number of jobs to ever increasing labor force. In the farm sector which conventionally used to absorb almost all the work force failed to do so because of low motivation for farm sector work. The entrepreneurs in this sector are not enthused to invest more either due to low returns or risk involved in this sector. Such events and lure of making quick money at least from legal means by going overseas for menial work prompted to exit large number of workers from rural Nepal.

Shrestha, S.R. (2006) in his article “foreign Remittance; A panacea for Nepalese Economy” states that stagnant agricultural economy, lack of new opportunities of



employment and more importantly the “demonstration effect” continue to push Nepalese labor Indian and abroad.

Ghimire, T. P. (2010) has described the major elements that are responsible to increase the migration for foreign employment, a) push factors: low level of income and poverty, one decade long internal conflict (violence conflict), increasing Domestic unemployment, political instability, high population Growth. b) Pull factors: Increase in the demand of semi-skilled labor in urban, khadi and developed countries, comparatively well salary and wages provision of security. c) Other factors: Globalization, government policy, demonstration effects etc.

### 2.2.3 Trend of Contribution to the Country Remittance Received

<b>Remittance Flow: Formal Informal</b>	<b>Year Remittance Received</b>
61 billion	2005
90 billion	2006
108 billion	2007
129 billion	2008
204 billion	2009
223 billion	2010
262 billion (Expected)	2011

Source: *Kantipur Daily Newspaper, November 12, 2010.*

Foreign employment has a boon to Nepal’s economy. It has not only supported the conflict torn. Economic but also provided employment to a large number of people annually 3, 00,000. The negative impact on tourism industry due to the internal armed conflict and the closing of the carpet and garment industry after the pull out of the multi fiber agreement displaced many and hampered the employment opportunities within Nepal. Migrants not only contribute through remittance but also generate revenue for the government. For example, while making passport, on an average basis they generate Rs, 50, 00,000, per day. Similarly, RS, 10, 00,000 is generated daily as registration fees for welfare fund.

#### 2.2.4 International Study

Most of the studies have argued that remittance has been established as one of the main component of GDP of most of the LDCs since its share in GDP is in increasing trend. No doubt remittance has played significant role not only to maintain surplus BOP and foreign exchange reserve but to reduce level and incidence of poverty as well. However, remittance is not costless although benefit of inflow of remittance, especially in LDCs cannot be undermined. Robert (2004) has highlighted following potential benefits and costs of remittance:

**Table 2.1: Benefits and costs of remittance**

Potential benefits	Potential Costs
Source of foreign exchange	Eases pressure on government to implement reforms
Potential source of saving and investment	Reduces saving of the recipient family
Facilitates in children's education and human capital formation	Labor effort of recipient family is reduced.
Raise the standard of living	Leads to brain drain
Reduces poverty	Increases income inequality

Study on the impact of remittance on poverty and inequality in Nigeria by Chukwuone (2008) have concluded that remittance had significant positive impact on poverty i.e. households that receive remittance are less likely to be poor. And remittance on the other hand increased inequality. Thus measures of poverty reduction could be targeted at remittance non-receiving households.

Davis and Carr (2003) conducted the study in Latin America and Caribbean and found that in rural areas, migration may reduce the incentives for land conservation because the land conservation activities are mostly labor intensive.

In a study of migration from five African countries to South Africa's mines, Lucas (1987) concluded that migration diminishes domestic crop production in the short run, but enhances crop productivity and cattle accumulation through invested

remittances in the long run and results in increased domestic plantation wages as well. Taylor (1994) confirmed that the combination of lost-labor and remittance inflow may originally have a negative effect on production in migrant-sending regions but have a positive impact in the long run.

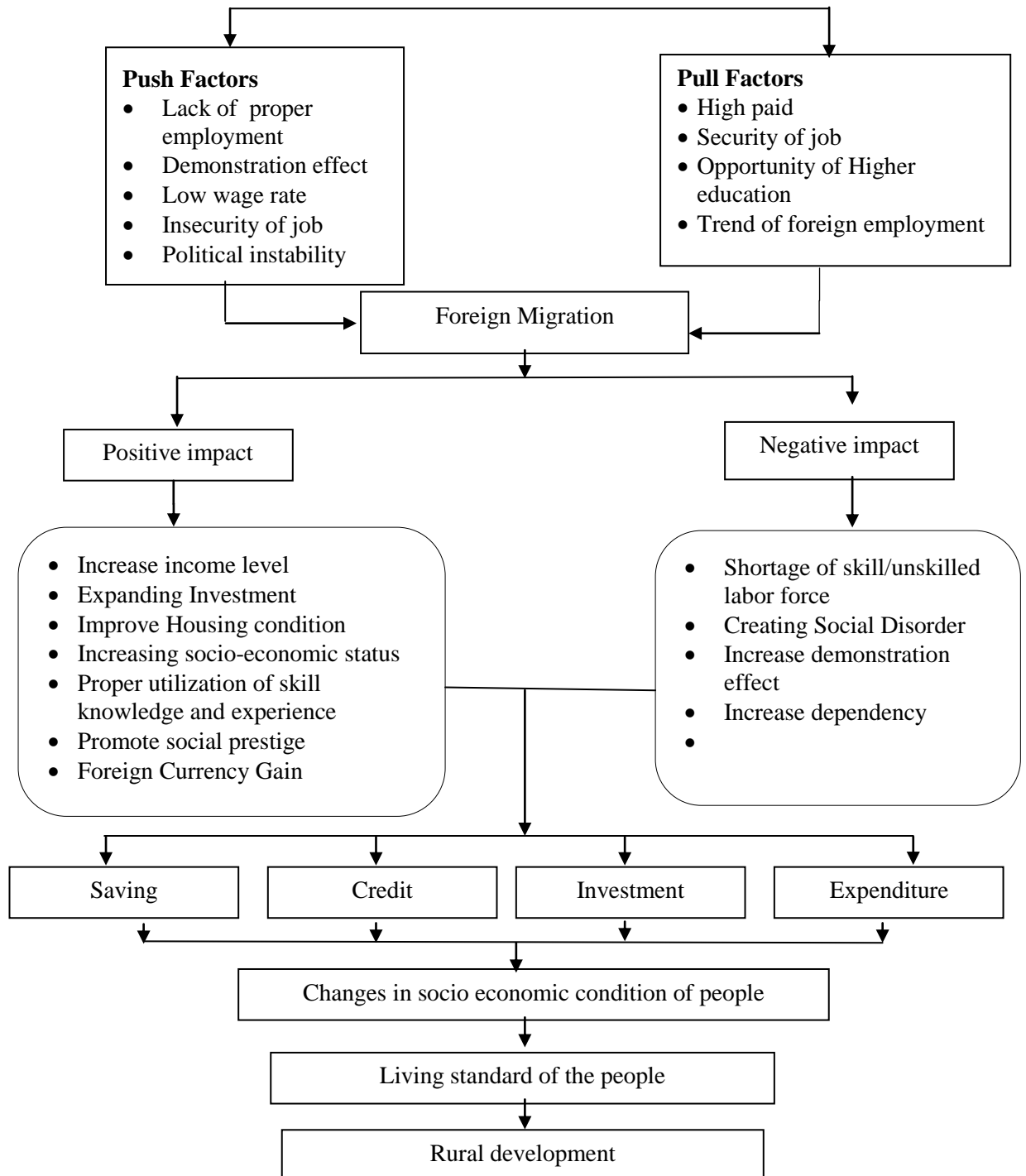
Migrants return for a number of reasons, relating to the opportunities available to them in the sending and receiving countries. Certain migrants never aspire to permanent settlement, but instead have short-term “targets”, such as saving money to facilitate their return. Others may aspire, but fail to achieve their goals in their host country.

Ureta (2003) found from his working paper, 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.

Banga and Sahu (2010) estimated the impact of remittances on poverty in 77 developing countries using panel data from 1980 to 2008. Using three stage least squares estimation procedure (3SLS), outcomes show that for the given level of GDP, a 10 percent rise in remittances can potentially cause a reduction of 3.9 percent in poverty headcount ratio. The associated reduction in poverty gap in developing countries with this increase in remittances could be between 3- 3.5 percent.

## 2.3 Conceptual Framework

The conceptual framework is drawn upon the objective of this study which is illustrated as below:



**Figure 2.1: Conceptual framework for the impact of migration**

This analytical framework shows the impact of migration in socio- economic development. Pull and push factor leads to the condition of migration and positive & negative impact of migration effect in the socio-economic condition of people. These determine living standard of people and finally affect in rural development.

Before migration push and pull factor determine to decide the people for migration. Push factor includes: Lack of proper employment opportunity, demonstration effect, insecurity of job, low wage rate and political instability. Pull factor includes: high paid, security of job, opportunities of higher education and trend of foreign employment.

Migration creates both types of impact: Positive impact and negative impact. Both positive and negative impact determine the level income, saving, investment and consumption or utilization pattern of their skill, knowledge & experience.

Positive and negative impact reflect the changes in socio economic condition of people. Finally this determine the living standard of people which ultimately result in rural development.

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

Research methodology is an overall action plan for research. It is a systematic process adapted in the research. It describes the methods and process applied in the research. This chapter focuses about the methodology of the research applied in the study. This is purely academic research based on social science. Mainly it covers research design, rationale of the site selection, nature and sources of data, study population and sample selection, data collection techniques and tools, variables and operationalization, conceptual framework for analysis and method of data analysis.

#### **3.1 Research Design**

This study is carried out on the basis of descriptive research design. It is because the information collected from the field has been organized and explained in a descriptive way and it also investigates the impact of economically active population migration in Socio economic development of the study area.

As this study requires both qualitative and quantitative data. The information which are related to the present status of the out migration, socio economic changes and utilization pattern of the remittance is based on quantitative way while the major pull and push factors of migration and negative impact or challenges faced by the society is presented in qualitative way.

The research design as a strategy, follows sequential activities from problem identification, introduction, statement of problems, objectives of the study, significance of the study, limitations of the study, organization of the study, literature review, research methodology, data collection techniques and tools, data collection from the field, data analysis to interpretation, summary, conclusion to finally recommendations.

### **3.2 Rationale for the Selection of the Study Area**

It is known to all of us that contribution of remittance to the economic growth of the country was not discovered in Nepal before 1990s. From the mid 1990s remittance was viewed as the direct roles to promote the national economy, but we can only study about the direct roles of the remittance income because of the availability of required data. The direct effects of remittance income to the national economy has been increased in real GDP in producer's price, increase in saving and investment, decrease in the unemployment rate etc.

No doubt remittance is the backbone the Nepalese economy. But its utilization pattern is not satisfactory because most of the people spent their income in unproductive sector such as, construction of building, purchasing luxurious goods & services and invest more amount in marriage ceremony and other cultural programmes of the society. This trend indirectly hinders to development of the country.

More interested about the topic because of the burning issues of Nepal is another rational of the selection of these areas. This study believes to fill this gap and provide a supplementary document while assessing socio-economic impact of active population migration. It helps local bodies to formulate proper policy and programs. Findings of this study may be fruitful for the economists, and public administrators about migration and productive use of remittance. Therefore this study is rational in its own arena.

### **3.3 Nature and Sources of Data**

The data are both qualitative and quantitative in nature. The researcher obtained the data and information from both primary and secondary data sources. The primary data were collected from Household Survey, KII guideline and Case Study whereas secondary data are collected from published and unpublished sources like hard and soft copy of scholarly journals, books, report, library works as the secondary data needed during study.

### **3.4 Study Population, Sample and Sampling Procedure**

In Butwal sub metro politan city there are 13 wards. All these wards 11 ward is the large number of household according to my preliminary study. In this ward there are 6,512 HH. Randomly I selected Majhgaun 11 where 550 HH. Through Survey I found there are 151 HH. This is the universe of my study population of out migrant in which 100 HH is selected through simple random sampling. Target population are the at least one out migrant /family of 100 household.

### **3.5 Data Collection Techniques and Tools**

The study demands verification of data ranging from qualitative and quantities and primary to secondary hence following techniques has been applied to pick the data from the field.

#### **3.5.1 Household Survey**

The household survey was conducted as technique for which structured questionnaire was developed as tool. The questionnaire has mainly covered to collect the information related to the household profile of migrated family, present status of economically active population migration, major pull and push factors of migration. Finally utilization pattern of remittance i.e. how the remittance changing socio-economic condition of the community people. The information generated by the tools is largely quantitative in nature. The format of household survey questionnaire has been attached in annex I.

#### **3.5.2 Key Informant Interview**

The primary data was collected from key informants interview (KII) by developing the semi or unstructured interview guideline as a tool. The interview was taken as cross checking for data obtained from questions. The information was interviewed on the impact of migration in socio-economic development in household level (health, education, assets composition, investment, saving) positively and negatively and



another was major push and pull factor of migration. The format of KII guideline has been attached in annex II.

Total 5 person's interview was taken from different field. Some interview was taken from migrated person who return their home country, next was taken from education consultancy manger (Rise Education Foundation) and Social activist. The information generated by the tool is largely qualitative in nature.

### **3.5.3 Case Study**

One case study were conducted by taking specific case about productive use of remittance after return their own country and positive impact on socio economic development.

## **3.6 Ethical Consideration, Social Immersion and Rapport Building**

The researcher has followed these techniques in the study area and adopts flexible approach to make the environment of convincing and encouraging them to have free and frank response. Besides, environment of trust and secrecy was created to gather more relevant information. All the academic ethics and code of conducts have followed thoroughly in this research.

### 3.7 Variables and Operationalization

S.N	Objectives	Variables	Operationalization
1	To examine the current status of economically active population outflow migration in study area,	<ul style="list-style-type: none"> <li>➤ Number of migrant</li> <li>➤ Duration/time</li> <li>➤ Channel</li> <li>➤ Purpose</li> <li>➤ Destination</li> <li>➤ Nature of job</li> <li>➤ Education/skill/training</li> </ul>	To find out the present status of migrant population through household survey
2	To explore the pushing and pulling factors of migration in study area, and	<ul style="list-style-type: none"> <li>➤ Major pull factors <ul style="list-style-type: none"> <li>• High paid job</li> <li>• Security of job</li> <li>• Opportunity of higher education</li> <li>• Trend of foreign employment</li> </ul> </li> <li>➤ Major push factors <ul style="list-style-type: none"> <li>• Lack of proper employment</li> <li>• Demonstration effect</li> <li>• Insecurity of job</li> <li>• Low wage rate</li> <li>• Lack of desired higher education</li> <li>• Political instability</li> </ul> </li> </ul>	To analyze the major pull and push factors through household survey and key informant interview
3	To analyze the socio-economic impact of migration in study area.	<ul style="list-style-type: none"> <li>➤ Income</li> <li>➤ Expenditure</li> <li>➤ Saving/credit</li> <li>➤ Investment</li> <li>➤ Housing condition</li> <li>➤ Health/education</li> </ul>	To analyze the economic impact through household survey KII, Case study

### **3.8 Method of Data Analysis and Interpretation**

The data was collected so far properly edited and coded for future processing. After properly editing and coding, the data was to be subjected to various applicable statically test. The quantities data collected to be analyzed via the simple statically methods such as tables, graphs, central tendency for data analysis. Depending upon the qualitative data gathered simple descriptive method was applied. After properly interpretation the data and findings was properly agglomerated in the report form. The report was also the subject to presentation at various concerned stakeholders in either language.

## **CHAPTER IV**

### **PRESENTATION AND ANALYSIS OF FIELD DATA**

This chapter focuses about the presentation and analysis of collected data from the questionnaires; KII and Case study conducted in the fieldwork to achieve the stated objectives. The data is presented and analyzed using theoretical basis with simple table, graph, charts and verbal expressions. According to specific objectives the data are presented and analyzed systematically. The whole chapter has been organized as:

- 4.1 Geographical background of study area
- 4.2 Household profile of the migrated family
- 4.3 Current Status of migrated person
- 4.4 Analysis of major pull and push factor of migration
- 4.5 Role of remittance changing in socio-economic status at household level
- 4.6 Problems associated with migration

#### **4.1 Geographical Background**

Rupandehi District a part of Lumbini Province, is one of the seventy-seven districts of Nepal and covers an area of 1,360 km<sup>2</sup> (530 sq mi). The district headquarter is Bhairahawa. As per the national census 2011, the population of Rupandehi was 8,80,196.

At the time of the 2011 Nepal census, Rupandehi District had a population of 880,196. Among them Male 432,193 and Female 448,003 and total household was 163,916. All Of these, 36.9% spoke Nepali.(Central bureau of statistics Kathmandu, government of Nepal)

Devinagar 11 Majhgaun is of (butwal sub metro politan city) in Rupandehi district. It is located in the northern part of district headquarter and 30km far from headquarter. At the time of the 2011 Nepal census it had 6512 households in Devinagar11 Butwal (CBS, 2011).

#### **4.2 Household Profile of the Migrant Family**

##### **4.2.1 Population Composition by Sex and Age**

The population is the major component of the study. The biological difference between male, female and third gender is called sex. Age is other important indicator

of any community. So sex and age are important parameters which have been playing a vital role in every aspects of social life. Population distribution of migrated person's household under different age groups where economically active and economically inactive population presented below in the table.

**Table 4.1 Distribution of Sample Population by Age and Sex**

Age group	Male	Female	Total	Percent
Below 14	60	70	130	23.63
15-59	160	180	340	61.81
Above 60	35	45	80	14.54
Total	255	295	550	100
Percent	46.36	53.63	100	

Source: *Field Survey, 2018.*

The table shows that there is almost equal distribution of male and female population on the household information of migrated persons. Total population is 550 among them 46.36 percent are male and 53.63 percent female. Table 4.3 shows that out of the total population of the sample household average population below 14 years is 23.63percent. Similarly average population above 60 years is 14.54 percent.

This result shows that dependent population of the study area is about 38.17percent. Economically active population is dominant 61.81 percent in the study area. Based on the above assumption inactive population is 38.17 percent. This high dependence rate is one of the major causes of migration.

#### **4.2.2 Educational Status of the Migrant Family**

“Plants are developed by cultivation men by education” – Plato.

It is surely will not be the subject of debate that education is the main factor of changes in socio-economic status of the people and society. It determines the occupations structure, income level, proper utilization of resources and awareness level of any society. Many literatures and personal experience shows that education plays an important role in building confidence, self respect, increasing mobility, increasing access to information, employment opportunities and much more.

**Table 4.2: Educational Status of the Migrant Family**

<b>Education Status</b>	<b>Male</b>	<b>Percent</b>	<b>Female</b>	<b>Percent</b>	<b>Total</b>	<b>Percent</b>
<b>Illiterate</b>						
<b>Child under 5 years</b>	10	38.46	17	48.57	27	44.26
<b>Cannot read and write</b>	16	61.54	18	51.43	34	55.74
<b>Total</b>	<b>26</b>	<b>100.00</b>	<b>35</b>	<b>100.00</b>	<b>61</b>	<b>100.00</b>
<b>Literate</b>						
<b>Read and write only</b>	12	4.92	17	6.94	29	5.93
<b>Primary level</b>	25	10.25	32	13.06	57	11.66
<b>Under SLC</b>	42	17.21	45	18.37	87	17.79
<b>SLC</b>	60	24.59	50	20.41	110	22.49
<b>Intermediate</b>	45	18.44	35	14.29	80	16.36
<b>Bachelor</b>	30	12.30	40	16.33	70	14.31
<b>Bachelor above</b>	30	12.30	26	10.61	56	11.45
<b>Total</b>	<b>244</b>	<b>100.0</b>	<b>245</b>	<b>100.00</b>	<b>489</b>	<b>100.00</b>

Source: *Field Survey, 2018*

The table shows that, in the study area literate population is 88.90 percent where, 11.09 percent found illiterate (under 5 years and can not read & write). Within literate population male literacy rate is 44.36 percent and female literacy rate is 44.54 percent.

In the study area majority of the household found literate. Literacy status of the male and female of the study area has somehow similar. Where, bachelor passed female has 16.33% followed by male has 12.30%. Similarly, 10.61% female population has graduated bachelor above followed by male has 12.30%. So, literacy status of the study area bachelor level pass female ratio is higher than male. So, literacy status found satisfactory by sex also.

#### **4.2.3 Occupational Structure of migrant Family**

The occupation is the major determination of income and prosperity of people. It reflects the socio-economic status of people. Therefore the information about the

major occupation of the migrated family has been collected from the field and presented below in tabulated form. The response of them has been summarized in the table mentioned below:

**Table 4.3: Distribution of Occupation of the Population in this Study Area**

S.N.	Major Occupations of Family Member	Frequency	Percentage
1	Government job	38	6.90
2	Private job	195	35.45
3	Trade and business	109	19.81
4	Agriculture	14	2.54
5	Study only	62	11.27
6	Age below 15	38	6.90
7	Pension	51	9.27
8	Old age people above 60	43	7.81
Total		550	100

Source: *Field Survey, 2018*

Table Shows that Major Occupations of family member Government job 6.90, private Job 35.45, trade & business 19.81, agriculture 2.54, foreign employment 10.36, Study only 11.27, Children (less 15 year) 6.90, pension 9.27 and old age people 7.81.

The table reflects that private job is the main occupation in study area. It clarified that if the government of Nepal rethink about the utilization of human resource in own country definitely most of the people stay in their home country. The study shows that migration was not their own choice.

### **4.3 Status of Migrated People**

#### **4.3.1 Literacy Status of Migrated Persons**

Literacy status of the migrated person determined the occupations structure, income level, proper utilization of income, saving, skill and awareness level of any persons. Many literatures and personal experience shows that education plays an important role in building confidence, self respect, increasing mobility, increasing access to

information, and bargaining power of the migrant people. Literacy status of the migrated person male and female is presented in below:

**Table 4.4: Literacy status of Migrated Persons**

<b>Education Status</b>	<b>Male</b>	<b>Percent</b>	<b>Female</b>	<b>Percent</b>	<b>Total</b>	<b>Percent</b>
Literate	5	2.63	8	10	13	4.81
Lower secondary	17	8.94	12	15	29	10.74
SLC	42	22.10	9	11.25	51	18.88
Intermediate	42	22.10	22	27.5	64	23.70
Bachelor	52	27.36	14	17.5	66	24.44
Bachelor above	32	16.84	15	18.7	47	17.40
Total	190	100	80	100	270	100

Source: *Field survey, 2018*

The table shows that, 100 percent migrated population is literate where, 4.81 percent found literate who can read & write, 8.94 percent male and 15 percent is female is found lower secondary pass. SLC pass population male is 22.10 and 11.25% female. Intermediate level passed male is 22.10% and female is 27.5%. Bachelor passed male is 27.36 and female is 17.5%, and people who graduated bachelor above male is 16.84% and female is 18.7%. The population of the migrated person has found satisfactory on higher education in the present situation.

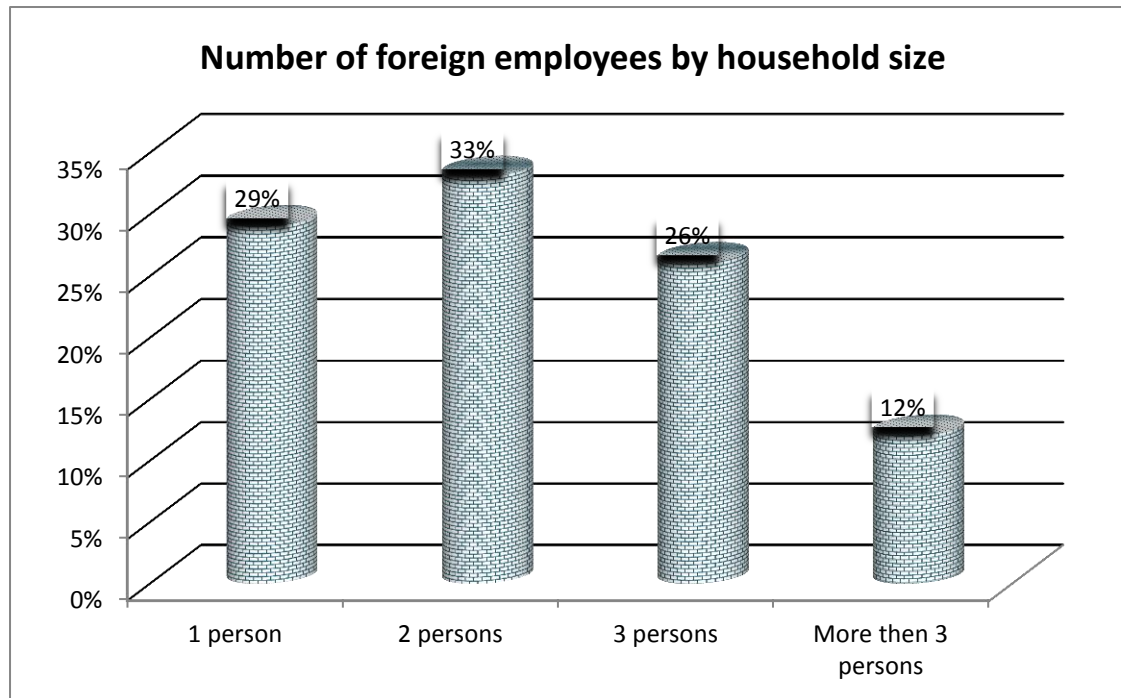
So, literacy status of the study area is satisfactory by sex also. It concludes that in comparison to male female literacy rate is high in intermediate level and bachelor above.



### 4.3.2 Number of Foreign Employees by Household Size

Number of foreign employee determined the Purpose and causes of migration. Most of the family in the study area is found to 2 and 3 person migrated per family.

**Figure 4.1: Number of Foreign Employees by Household Size on Diagram**



*Source: Field Survey, 2018*

The above graph shows that 29 percent of total household found 1 person migrated per family. Likewise 33 percent of total household found 2 person migrated, 26 percent of total household found 3 person migrated and 12 percent of total household found more than 3 person migrated per family.

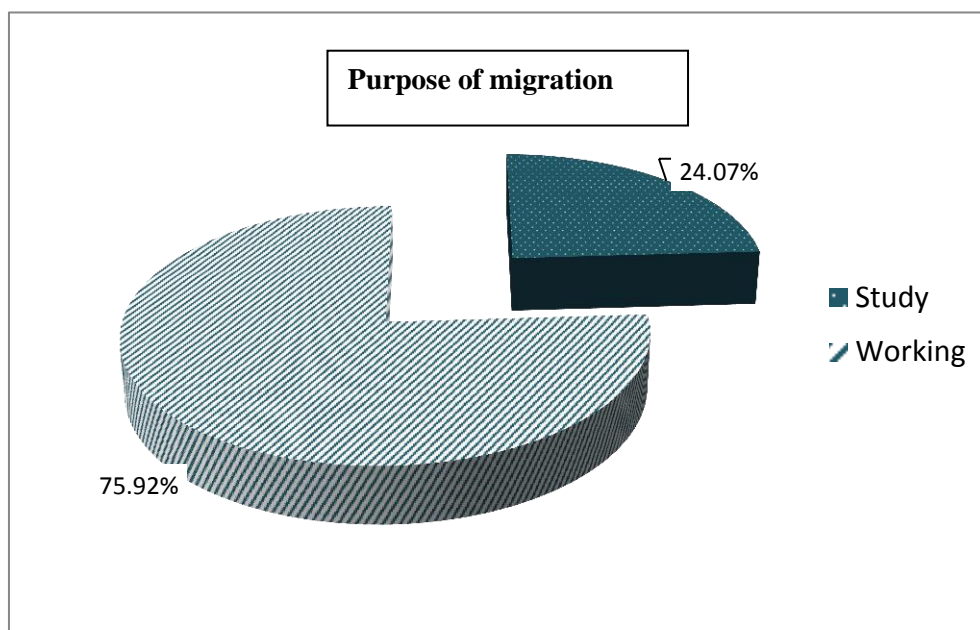
It concludes that most of the household is found 2 to 3 person migrated and it reflect that more people are attracted toward the migration for different purposes.

### 4.3.3 Purpose of Migration

People are migrated for different purposes. This study shows the only two purpose, For study and employment. Purpose determined their skill, education, working sector, level of work, period of stay, income level and saving. Whatever the purpose of the

migration, ultimate goal of migration of the Nepalese people is to earn more money in destination countries.

**Figure 4.2: Purpose of migration**



Source: *Field survey, 2018*

Above chart shows that 24.07 percent out migrated people are going to the purpose of education (student visa). 75.92 percent people are going to the purpose of working (working visa). This result that most of the people are migrated for searching employment opportunity for their better future.

In conclusion, Whatever the purpose of the migration, ultimate goal of migration of the Nepalese people is to earn more money for socio economic prosperity.

#### **4.3.4 Channel of Migration**

Channel refers to the medium when person choose for the migration. The main purpose to include the migration channel in this study is which channel they choose for destination country. It helps to know about are they safe or danger in their working sector.

Individuals, who want to go foreign employment need to know the job, salary, nature of contract and cost of getting the employment opportunities. Generally, government

registered manpower agencies (MPA), Education consultancy are supposed to cater the needs for foreign employment seekers. Besides this individual contract also plays important role. The quality of job and the costs are related to the medium used by the individuals.

**Table 4.5: Channel of migration**

SN	Channel	No. of person	Percent
1	Consultancy	52	19.25
2	Direct Manpower	185	68.51
3	Through Unorganized Agent	12	4.44
4	Friends and relatives	21	7.77
<b>Total</b>		<b>270</b>	<b>100</b>

*Source: Field survey, 2018*

The table shows that out of total number of migrated person (270) 68.51percent went for foreign employment through registered manpower agencies, 19.25 percent went through consultancy, 4.44 percent people went through agent and 7.77 percent people managed through their own contacts with the help of friends and relatives.

It can be concluded that majority of foreign employers use MPAs and consultancy as a medium to find the job. Some of them use their friends & relatives and agent for the employment. Those who went through MPA and consultancy are found more secured and earned.

#### **4.3.5 Destination of Migrated Person**

Foreign job seekers in Nepal go and work in several countries. The place of employment depends on level of education, the type of skill learned, the ability to bear the cost of employment and other several factors. Because Nepalese labor force is unskilled, majority of them get employment in gulf countries such as Saudi Arabia, Dubai, Qatar and Malaysia. The destination of employment may show their level of skill and income so the destination was considered important. The information

obtained from interview to the respondents in the field has been presented in the table under here:

**Table 4.6: Destination of migrated person**

SN	Destination Country	No. of person				Total Percent
		Male	Percent	Female	Percent	
1	Gulf	51	26.84	7	8.75	21.48
2	Asian	84	44	37	121	44.81
3	American	16	8.42	12	15	10.37
4	Australian	27	14.21	18	22.5	16.66
5	Europe	12	6.31	6	7.5	6.66
<b>Total</b>		<b>190</b>	<b>100</b>	<b>80</b>	<b>100</b>	<b>100</b>

Source: Field survey, 2018

Above table shows that 21.48 number of person are chosen gulf countries (Malasiya, Dubai, qatar) as their destination because of easy access of foreign employment and low cost. 44.81 percent number of person preferred Asian country ( japan, Korea) because of high salary and security of job, 10.37 percent number of person choosed America because of the high income, comfort life style and the higher education. 16.66 percent people choosed Australia and last only 6.66 percent migrant choosed Europe.

This data shows that most of the people are choose Asian country because of the high paid and good system of the country. People who choose Gulf country because of the easy access of getting visa, low cost and good income. The persons who choose America And Australia because of the opportunity of desired higher education, capacity to bearing the cost, opportunity of high paid job and other facility & services of the country provided. Few number of person choose Europe they answer that in

comparison to other country work in Europe is hard, and to getting PR also very hard.

This result that the person who choose gulf country earn low income, insecurity of job, low level of facility & services in comparison to Asian country, European country, American and Australian.

#### 4.3.6 Channel of Remittance

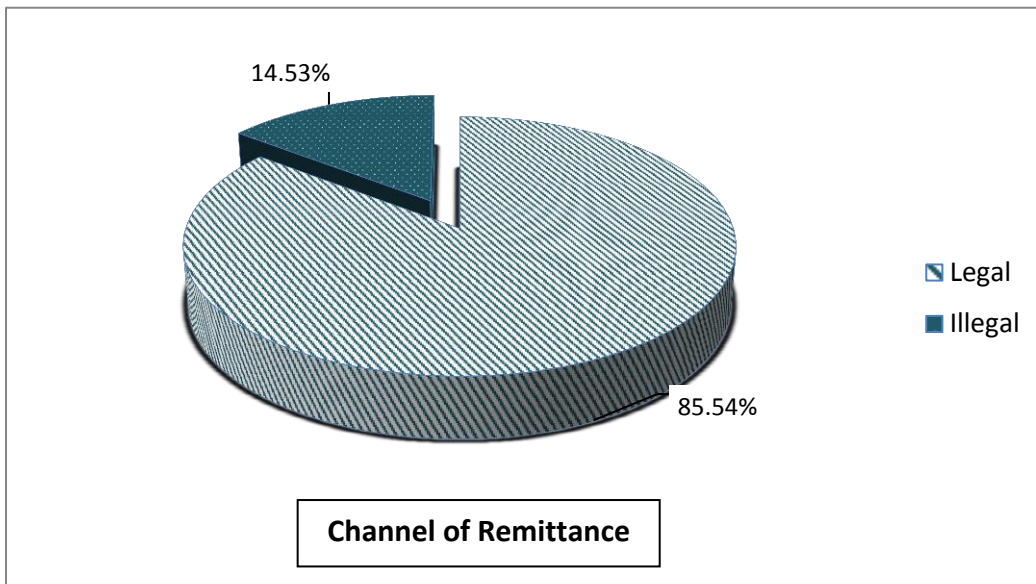
Remittance channel is the medium through which the migrated person sending their income to their family. Income transfer depends in the availability means of transfer institutions and facilities and their reliability and awareness of users about the system. The channel is formal and informal. Formal channels such as bank, money transfer agencies etc. and informal channels are such as Hundi, friend/relatives etc. To find out the channels used by migrants in the study area the households/respondents were asked about system of transfer of remittance which all shows the table mentioned below:

**Table 4.7: Channel and Medium of Remittance**

<b>Medium</b>					
<b>Legal Channel</b>			<b>Illegal Channel</b>		
<b>Channel</b>	<b>No of person</b>	<b>Percent</b>	<b>Channel</b>	<b>No of person</b>	<b>Percent</b>
Bank	106	39.25	Hundi	22	8.24
Money transfer agency	125	46.29	Ownself	6	2.22
			Friendsand relatives	11	4.07
<b>Total</b>	<b>231</b>	<b>85.54</b>		<b>39</b>	<b>14.53</b>

*Source: Field Survey, 2018*

**Figure 4.3: Channel of Remittance**



Above graph shows that 85.54 percent people transfer remittance through bank money transfer agency (Legal source). 14.53 percent people transfer remittance through hundi, friends & relatives and carry by themselves (Illegal source). This shows that most of the migrated person transfer the remittance through legal source which is reliable and safe.

#### **4.3.7 Skills of Foreign Workers**

Skill is one of the most important factors which determined the proper job, income level and increases the bargaining power of labor. Anybody who is trained can earn more money and get better job than unskilled labor people. The assessment of respondents towards foreign workers condition of skill is presented in following table:

**Table 4.8: Condition of Skill& utilization pattern in Destination**

Type	No. of Person	Percent	Utilization pattern		Percent
Skilled	166	61.48	Proper Utilized	67	24.82
Unskilled	104	38.52	Unutilized	203	75.18
Total	270	100		270	100

Source: *Field Survey, 2018*

Above the table shows that 61.48 percent of job seekers considered themselves as skilled before getting foreign employment. Out of remaining 38.52 percent workers are unskilled. But the utilization pattern of skill in destination country is not satisfied. 61.48 percent people are skilled but only 24.82 percent people are working in their working sector. 38.52 percent people are unskilled. Those who are not trained, have to take on job training for the certain task, their income is very low in compare to skilled labor.

#### **4.3.8 Areas of Working Sector**

Nepalese workers are doing work in different countries in the world. Working sector depend upon the level of education, skill & knowledge of the person, causes & purpose of the migration, cost of bearing and personal choices of the person.

Most of them get employment in manual jobs like salesman, cooking, security, driving and manufacturing works. In this study area respondents were asked what kinds of job do your family members get in foreign countries. The respondents have given the responses presented in the following table:

**Table 4.9: Areas of working sector by Sex**

Types of Jobs	No. of Persons				Total	Percent
	Male	Percent	Female	Percent		
Hotel Sector	55	28.94	27	33.75	82	30.37
Security Guard	14	7.36	-	-	14	5.18
Driving	11	5.78	-	-	11	4.07
Care giver	-	-	17	21.25	17	6.29
Store	22	11.57	14	17.5	36	13.33
General Worker	66	34.73	11	13.75	77	28.51
Others Official work	22	11.57	11	13.75	33	12.22
<b>Total</b>	<b>190</b>	<b>100</b>	<b>80</b>	<b>100</b>	<b>270</b>	<b>100</b>

Source: *Field Survey, 2018*

The table shows that most of the workers are working in hotel sector which is 30.37 percent of the total migrated population. Most of the unskilled workers are associating in labor due to lack of other technical knowledge in which 28.51 percent migrants are working. Likewise, 13.33 percent migrants are working in store, 12.22 percent migrant are associated in official work, 6.29 percent migrant only female working as a care giver, 5.18 percent migrant male only working as a security guard and last 4.07 percent migrant male only working in driving sector.

Most of the migrant are working in hotel sector as a hotel manager, cook, waiter and house keeper and their income also high. Second most migrated working sector is general worker which include 28.51 percent. Female migrant are not involved in security guard & driving and male migrant are not involved in care giver.

#### **4.3.9 Monthly Income**

Income depends upon the education of the person their skill, working sector, working hour and other reason.



The amount of saving mainly depends upon migrant's income in abroad and we conduct their salary in NRP. The monthly income depends on their income and expenditure.

**Table 4.10: Monthly income of migrated persons**

Destination	Monthly Income in '000'	Monthly salary				Total	Percent
		Male	Percent	Female	Percent	Number	%
Gulf country (Dubai, Qatar & Malaysia)	25 - 1.500	51	26.84	7	8.75	58	21.48
Asian country (japan korea)	1.500-300	84	44.21	37	46.25	121	44.81
Europe(Norway)	200- 400	12	6.31	6	7.5	18	6.66
America	300- 600	16	8.42	12	15	28	10.37
Australia	300-500	27	14.21	18	22.5	45	16.66
<b>Total</b>		<b>190</b>	<b>100</b>	<b>80</b>	<b>100</b>	<b>270</b>	<b>100</b>

*Source: Field survey, 2018*

Above table shows that highest percent of the migration in Asian country is 44.81%, followed by gulf country 21.48%, then Australia is 16.66%, followed by America 10.37%. Last European country only Norway is 6.66%

This data shows that most of the people who are in America and Australia earn more money i.e, 3 to 6 lakh per month, followed by Europe and Asian country in average is 2 to 4 lakh per month, Gulf country 25 thousand to 1.500 per month.

This result that most of the people of the study area choosed Asian, American and Australian country because of the high income and facility and services provided by the government.

#### 4.3.10 Cost for Foreign Migration

Cost refers to the amount or expenses areas where migrated person must be afforded in different heading. To include the cost of foreign migration in this study is to know about the total cost of the migrated persons in different heading clearly.

The cost starts from obtaining a passport, medical checkup, manpower agency commission, visa expenditure, airfare and cost of traveling from home to district headquarter and Kathmandu as well as hotel charge. Duration of foreign stay of migrants depends upon availability of work, facilities provided by company, salary rate, health condition, visa permit date, home urgency and so on. Sometimes the respondents return back their home before the agreement duration due to inferior type of job, low salary and family affairs such as death of family member, sickness and their own bad health. Table 4.11 shows per person expenditure in study area for foreign employment.

**Table 4.11: Cost of Migration Per Person in Average**

SN	Expenditure	Amount NPR(per person)
1	Passport (MRP)	8000
2	Medical	3500
3	Visa Fee	65000
4	Transport (in country)	10,000
5	Airfare Ticketing	50,000
6	Tuition Fee and others for student only	13,00000
	Total Expenditure in average	14,36,500

Source: *Field Survey, 2018*

Table shows that, migrants have to spent money under different headings in average while they go for foreign employment. Although who are working in India are not counted as foreign workers. It has shown that the migrants have to pay 8000NRS average for passport, 3500for medical, 65000 for visa, 10,000 for domestic transport,

50,000 for airfare and Tution fee and other charge for student only . It shows that per person expenditure for foreign employment of study area is NRP 136,500 and for student (visa) only per person average expenditure area is NRP 14,36,500.

#### **4.4 Analysis of Major Pull and Push Factors of Migration**

Migration is the outcomes of the two factors: Push factor and pull factor. Where the people take a rational decision and finally decide for the migration with choosing their opportunities despite the many challenges. Major push and pull factors of migration is presented as below.

##### **4.4.1 Causes for Searching Foreign Employment**

Most of the people of study area were found to be migrated for foreign employmen<sup>47t</sup>. Unemployment has found the main cause of migration. The survey of study area has found an interesting thing that each and every household contains minimum one to maximum four person migration for foreign employment. There are several reasons of out migration. To find out the causes of migration, the respondents were asked why their family members desired to go for foreign employment. The causes are found their poor economic condition, lack of employment opportunity, family debt and social or political situation. The respondents were asked to identify the prime causes of foreign employment. The causes of foreign migration are presented in the table mentioned below:

Migration is the outcomes of the two factors: Push factor and pull factor. Where the people take a rational decision and finally decide for the migration with choosing their opportunities despite the many challenges.

Push factor is that types of factor where the person are compelled to left their home country for different purposes. The major push factors of migration in the study area is presented as below with the responses of the responded.

**Table 4.12: Push Factor of Migration**

<b>Push factors of Migration</b>	<b>No of persons</b>	<b>Percent</b>
Lack of proper employment	92	34.07
Low wage rate	56	20.74
Insecurity of job	27	10
Political conflict/instability	18	6.66
Lack of proper higher education	11	4.07
Demonstration effect	66	24.44
Total	270	100

Source: *Field Survey, 2018*

Table shows that lack of employment opportunity is the main cause of migration. Among all the migrated person about 34.07 percent stated that Lack of employment opportunity is the major push factor of migration. Likewise demonstration effect (24.44), low wage rate (20.74), insecurity of job (10), political conflict & instability (6.66) and finally lack of proper higher education consist of 4.07 percent. These all push factors of migration in detail is presented as below:

#### **4.1.1.1 Lack of Proper Employment Opportunities**

The major push factor of migration in study area has been found lack of proper employment opportunity which is 34.07%. Migrated People in study area has been found graduated in different faculty but they don't got the proper job opportunities in right time, right place with right paid. Due to the fact that most of the active age people are migrated.

#### **4.1.1.2 Demonstration Effect**

The second highest factor of migration has been found in study area is demonstration effect which is 24.44%. Because of the positive socio economic impact of remittance in community and other facilities and services available in destination people are attracted for the migration

#### **4.1.1.3 Low Wage Rate**

Low wage rate in origin country is the another push factor of migration which is 20.74%. People are graduated and got a different types of skill but they were not satisfied with their income level job so, in search for high paid job they were compelled for migration.

#### **4.1.1.4 Insecurity of Job**

Insecurity of job is the another push factor of migration which is 10%. Due to the political interference in every sector their job is insecure so, the people are ultimately decide to migration for security of job.

#### **4.1.1.5 Political Conflict & Instability**

Political conflict & instability is not a major factor but in the period of Maoist Insurgency some of the people were migrated by Maoist threaten and some people were migrated because of the political instability which direct hamper in employment opportunity creation in origin country so they were compelled for migration. 6.66 % people are migrated due to the political conflict and political instability.

#### **4.1.1.6 Lack of Proper Higher Education**

Due to the lack of proper higher education 4.07% people are migrated for graduated higher education in their desired field. Study found that in the origin country their desired graduation level education was not available so, they were migrated.

It can be concluded that lack of proper employment opportunity, demonstration effect and low wage rate are the major push factor of out migration. Insecurity of job and political conflict & instability is another push factor of migration. Whatever the purpose of the migration ultimate goal is to socio economic prosperity of family.

#### **4.4.2 Pull Factors of Migration**

Pull factor is that types of attracting factor where the people attracted towards the destination to searching the different opportunity despite accepting the many challenges and finally decided to left the home country.

Pull factors may be different which provides the opportunity to every person to choose the several countries but, the areas of working depends on level of education, the type of skill learned, the ability to bear the cost of employment, and other several factors.

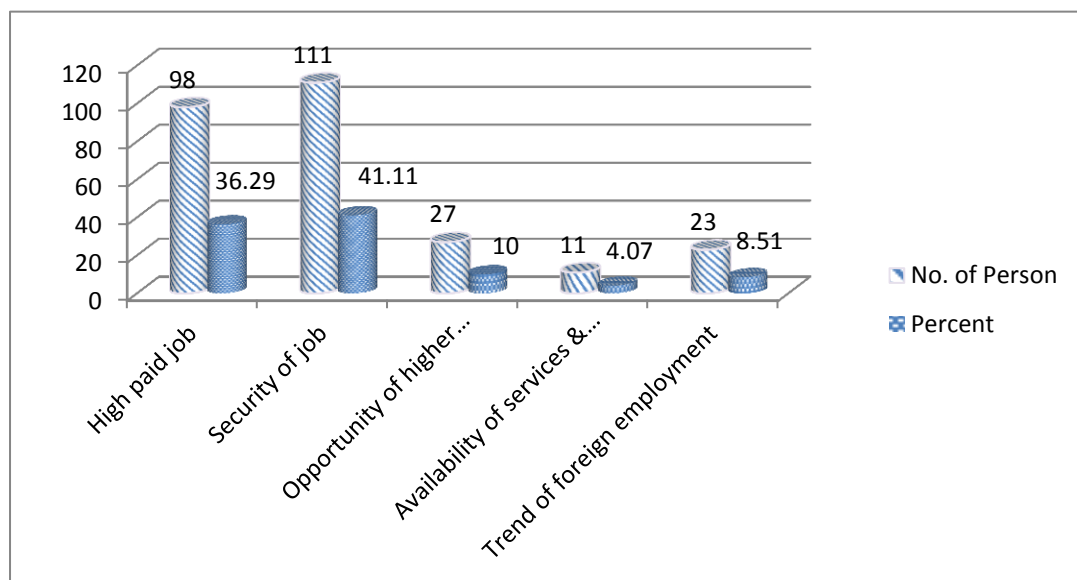
More people are attracted towards the high income and security of employment opportunities. In this study area respondents were asked which factors did you/ your family member attract to go to foreign countries. The respondents have given the responses presented in the following table:

**Table 4.13: Pull Factor of Migration**

<b>Pull factors of Foreign Employment</b>	<b>No. of Person</b>	<b>Percent</b>
High paid job	98	36.29
Security of job	111	41.11
Opportunity of higher education	27	10
Availability of services & facility	11	4.07
Trend of foreign employment	23	8.51
Total	270	100

Source: Field survey, 2018

**Figure 4.4: Pull Factors of Migration by Percent**



The graph shows that according to the responded, security of job and high income is the major pull factor of migration in study area according to the family members. Among all the respondents about 36.29 percent people attracted towards the high paid job. The other pull factors are security of job (41.11%), opportunity of higher education (10%). Availability of services & facility (4.07%) and trend of foreign employment (8.51%). Pull factors of migration in detail are presented as below:

#### **4.4.2.1 Security of Job**

The major pull factor of migration in study area is security of job which is 41.11%. Due to the proper security in working sector and facility available by the owner of the company & insurance provision in every sector people are attracted for the migration.

#### **4.4.2.2 High Paid Job Opportunity**

Due to the high paid job opportunities in destination country 36.29% people are migrant in study area. In Nepal private sector and government sectors wage rate is not sufficient for the fulfillment of every needs. Because of this reason most of the people were attracted towards the high income opportunity provided by the other destination country.

#### **4.4.2.3 Opportunity of Higher Education**

In the study area who are migrated for better opportunity of higher education is 10%. People are migrated to get the opportunity of scholarship program in different university and some of the people are graduated their desired sector with payment for their better future.

#### **4.4.2.4 Trend of Foreign Employment**

Because of the trend of foreign employment and remittance's contribution in socio economic sector some of the people were pressured by their family for migration. Some people were attracted towards the comfort & lavish life style seems in destination country through their friends. 8.51% people are migrated due to these reason.

#### **4.4.2.5 Availability of Services & Facility**

Availability of services & facility is not the prime push factor of migration but 4.07% people are migrated due to these reason. People in Nepal are still deprived from the government facility and services. In comparison to Nepal other destination country's government provide the different Facility & services which directly helps to upgrading the socio economic status of the people. So, due to these reason some people are attracted for the migration in study area.

High Paid job opportunity and security of job is the major pull factors of migration. Opportunity of higher education and trend of out migration is another pull factor of migration. The people who went for higher education is found some people in official work. Availability of facility & services is also factor of migration but not a major factor.

Beside these pull factors, it clearly shows that migration for Nepalese people is not only their own desired rather for to pay family loan, low income status and insecurity of job due to political interfere in every sector and low wage rate which is not sufficient to fulfill their family needs.

#### **4.5 Role of Remittance Changing in Socio- Economic Status at Household Level**

How the foreign employment and remittance impacts on certain household indicators? Do they live in better house? Do they send their children to better schools? How the health condition of their family changed? Are their family members better dressed? Are they protected from indebtedness at the time of need? These were very relevant questions. Positive impacts on foreign employers' household depends on size of income from foreign employment, family size, earlier economic condition of the family, knowledge and education, culture of society etc. To find out the impact of foreign employment on households the respondents were asked to respond on the changes brought by the foreign employment.

##### **4.5.1 Utilization Pattern of Remittance at Household Level**

Generally the expenditure on the entire items is positively related with household size. The positive changes of remittance depends upon the size of income received from



foreign employment, family size, earlier economic condition of the family, culture of society etc. As household size increases expenditure on daily necessary goods also increases. In Nepal high portion of remittance income has found to be used in unproductive sectors, Such as consumption, loan repayment, real-estate and purchase of electronic goods etc. From the field study it has found that there are different sectors to spend the household's income before and after receiving remittance. This clearly shows the table mentioned below:

**Table 4.14: Major Utilization pattern of Remittance of the Family Before and After Migration**

<b>S.N.</b>	<b>Utilization pattern</b>	<b>Before Migration in Percent</b>	<b>After Migration in Percent</b>	<b>Remarks/ Roles</b>
<b>1</b>	<b>Basic needs</b>	<b>43.18</b>	<b>54.98</b>	
	Food manage	10.5	13.72	
	Cloths	8.11	10.51	
	Family health	8.25	10.22	
	Family Education	13.11	15.53	
	Entertainment	3.12	5	
<b>2</b>	<b>Non basic needs</b>	<b>57.4</b>	<b>45</b>	
	Loan repayment	29.5	5.50	
	Land purchase	10	13	
	Investment in business	6.10	8	
	Saving	6.8	11.51	
	Religious & cultural functions	5	7	
	Total	100	100	

Source: *Field survey, 2018*

The above table shows that the 54.98 percent of total income that they spent for basic need consumption after receiving remittance where, 13.72percent for food manage,

10.51 percent for clothes, 10.22 for family health, 15.53 for their family education and 5 percent for entertainment. But before migration only 43.18 percent they spent for basic need consumption where. 10.72 percent for food manage, 8.11 percent for clothes, 8.25 for family health, 13.11 for their family education and 3.12 percent for entertainment.

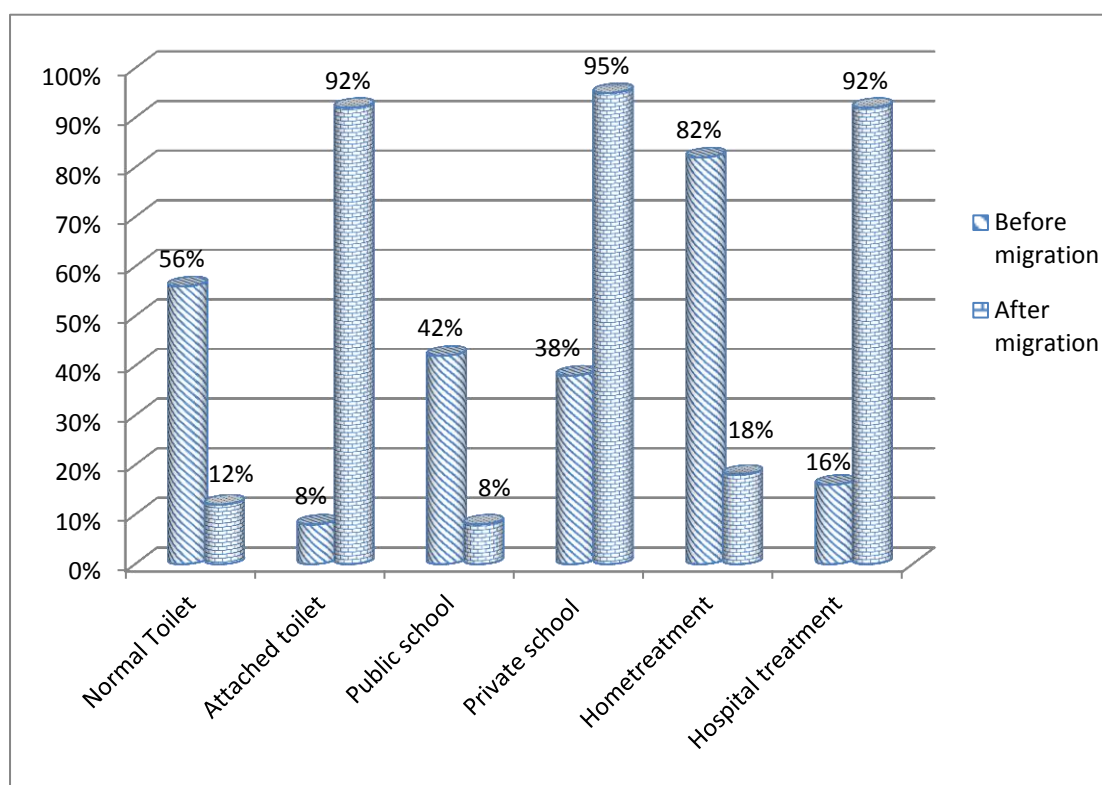
On the other hand the highest amount of their annual income they spent in for non basic needs management before migration is 57.4 percent where they spent for loan repayment, 29.5 percent land purchase, 6.10 percent for investment in business, 6.8 percent for saving, 5 percent for religious & cultural functions. But after receiving remittance out of total annual income 45 percent expenditure for non basic need management, where, 5.50 percent for loan repayment, 13 percent land purchase, 8 percent for investment in business, 11.51 percent for saving, 7 percent for religious & cultural functions.

This expenditure ratio shows that the basic need consumption has increased by 11.8 percent after receiving remittance. But expenditure in non basic needs management has decrease by 12.39 after receiving remittance. This expenditure ratio further indicates that people are found to have spent their increased income on productive sector but more income invest for basic needs management.

#### **4.5.2 Changes in Health & Education Due to Foreign Employment**

It is often believed that if anyone involves in foreign employment s/he improves the income level of household. The change of household income can be viewed through the living standard, expenditure ratio, improved their skills and through purchasing power. To find out the change in different aspects of remittance receiving households, the respondents were asked to give their own judgment. Major changes in health and education of the migrated family responsed given by them has been presented in the following table:

**Figure 4.5: Changes in health and education before and after migration**



Source: *Field Survey, 2018*

The graph shows that the remittance has brought so many changes in health and education status. This study compare between the two indicators before and after migration in health and education sector. The data shows that before migration the percentage of normal toilet household is high (56%) but after migration the ratio is decreased (only 12%).

This results that after migration the family utilized their remittance in housing construction with modern facility with attached toilet based.

Another changes in health sector is compare between two indicator is home treatment & hospital treatment before and after migration. The data shows that before migration the home treatment percent of the household is high i.e. 82% but after migration home treatment ratio is decreased. But after migration hospital treatment ratio is increased because of increasing the cost bearing capacity of the person & family and another reason is suggested and pressured by the every migrated person of the family to treatment in hospital.

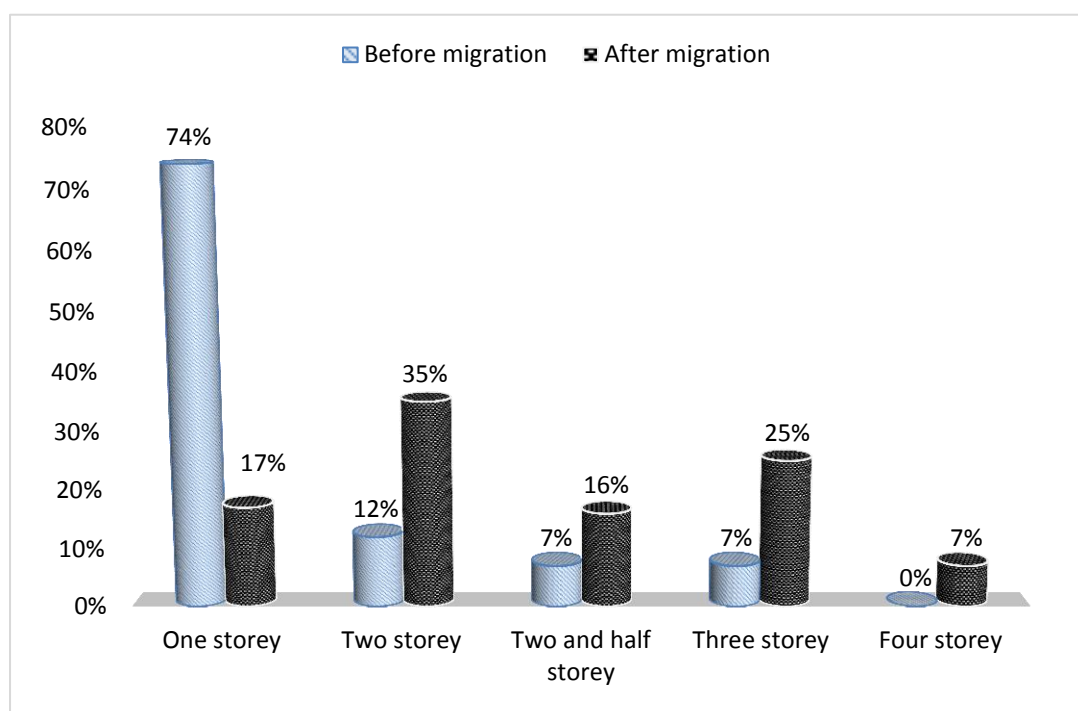
The changes in education sector is compare between the two indicator Public school and private school attendance before and after migration. Before migration the number of public school attendance ratio is high because of the low income status but after migration private school attendance ratio is high because of the increasing the cost bearing capacity of the family, to know about the importance of education and globalization effect i.e. English language is the worldwide language and necessary for every people.

It concluded that most of the people in study area found to be more conscious to utilized their remittance in productive sector. Most of the people invest their income to improving their health& sanitation and education sector. Improving in health & education status directly positive impact on economic prosperity of the people and overall development of the society & country as well.

#### **4.5.3 Impact of Remittance on Housing Structure**

Housing conditions is the one of the major indicators of economic progress. So the information about housing conditions had been collected from the field and presented below in graphical form. This gives us the information about the economic situation of the sampled households from the structure and condition of the housing. So the information about housing conditions before and after migration has been collected from the field is presented as below in graphical form.

**Figure 4.6: Impact of Remittance on Housing Structure**



*Source: Field Survey, 2018*

The above figure shows that maximum 74 percent of total household spend before receiving remittance for one storey building, but after migration only 17 percent spent for housing structure. Second highest rate 12 percent that they spent for two storey building before migration, 35 percent household build house after migration. Similarly, two and half storey building is quite different before migration 7 percent and after migration 16 percent. Likewise three storey building construction before migration is 7 percent and after migration 25 percent. Lastly, the four storey building construction before migration is not found but after migration 7 percent house is increase.

This housing structure ratio is gradually and slightly increase after migration. Most of the family seems to be more money spend in housing structure and particular, for example (modern electrification, toilet bathroom attached, marble based , residential, semi residential and business purpose, parking etc.)

The study found that most of the family of migrated person are attracted towards the construction of the housing for residential, semi residential and business purpose.

Home rent seems to be major source of income for unemployed people of the family and they are fulfilled their basic needs earning from home rent. Construction of housing is seems to be more beneficial to the family, it directly helps to save their income of the migrated people. To improving their housing structure with modern facility & services people are feeling to increasing their living standard and increase the social status also.

### ***Case study***

#### ***Rupa got a successful business person after returning from Syprus***

*Rupa Karki with her family live in Devinagar 11, Butwal and renowned as a successful business person of Asian Paints dealer. She was tour around 8 European country through meet the company target and socio economic prosperity gain due to the productive use of remittance in own country.*

*Before migration her husband was in Nepal Police due to the Maoist insurgency she forced her husband to left the job. At the time their source of Cash income was not but only some cultivated land was available In Tarai village. Because of the lack of cash income she decide to left the country for some years to left her two children with husband. She was decided went for foreign employment as a Care Giver in Syprus and left the country in 2060. Facing many difficulties she live in Syprus around 7 years.*

*After 7 years she was return her home country with new plan and strong will power. First she started her business invest only 1 lakh and now has a Asian Paint Dealer around 3 corore . Now her monthly income is around 2 to 3 lakhs. She is more satisfied with her business and income. Now, she has a 2 house in Butwal city. one 1 storey building with paint house and next is 4 storey building with modern facilities for resident. She has a additional saving, land and other assets. After migration and proper utilization of remittance in productive sector she has got a socio economic prosperity of family and raised up social status also.*

## **4.6 Negative Impact of Migration in Community Development**

The information on the problems associated with migration on the households of study area was collected through the key information interview discussion with 6 participants belonging to the different family members of the out-migrants following the KII guidelines provided in the Appendix II. The findings of the KII have been as follows:

### **4.6.1 Brain Drain**

The departure of skilled human resources from the country results in severe shortages of productive workers. The country has invested in its citizen through education, health services and other facilities and after getting some skills they went for better opportunity in other countries of the world. There are very little cases where the migrants have returned home and applied the skill gained from the foreign countries. Because of the brain drain village are full of old age people and children only.

### **4.6.2 Problems Related to Economy**

It is equally important to consider that life in a foreign land is also not easy. Manual workers have to work very hard, but they get low paid. As a result, it takes them years just to pay their debt which they had taken while leaving the country. In some cases people compelled to lose their all property just pay for loan which directly hinders in economic status, living standard and social status.

Now a days another burning issues of migration is partner of the migrated person in home country expenses the remittance in unproductive sector and finally they left their children & family with taking the all property. This creates both social and economic disorder.

### **4.6.3 Problems Related to Health**

As the family members, in most cases household head migrate from the household. The person who take responsibility to take care of the person cannot take good care which result in degradation of health. The impact is mostly seen in children. The

negative impact of migration is illustrated with sexually transmitted diseases on migrant workers. The reproductive health and physical relation is also affected between the partners.

Some problems of migrated person the worst case scenario is sometimes they even lose their lives for unknown reasons; leave the accidents in the workplace aside. Every now and then we read news stories about workers who went to sleep fine, but then never woke up. Likewise, suicide cases also seems to be more serious in every destination countries.

#### **4.6.4 Increasing Social Issues**

In most cases moving to another country and being separated from one's immediate family takes place with emotional implications. It increases the risk of family breakdown, fragmentation of social networks and stresses the divorce rate has increased. The impact is not only on the migrants but their family as well. The feeling of rejection might arise in the children left behind which cannot be compensated by the material gifts and remittances sent from abroad. There might increase the risk of falling into drugs and alcohol addiction, and reduced school attendance among those children as well.

#### **4.6.5 Increased Dependency on Remittance**

The easy access to remit money, results in family members to avoid daily works at home, searching for other sources of income. Even in rural areas people have to avoid all the work and fast food replace the organic food which increases dependency of the local economy on the remittance.



## CHAPTER V

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Summary

Migration for foreign employment appears to be a serious problem in Nepal these days. The number of migrants leaving Nepal for work is increasing every year. As we know, this group is the most energetic and productive when it comes to building the nation. On the other hand, remittance is one of the major income sources of earning foreign currency in Nepal. It really affects the income level of the households as well as society. A growing number of Nepali migrants working abroad has significantly contributed to the country's Gross National Product (GNP) and has also become an important source of foreign exchange earnings. The social contribution of migration is even more encouraging in terms of improving children's education and enhancing the overall social and economic status of the households.

The main objective of this study is to measure the impact of economically active population migration in socio- economic development of the study area. Moreover this study analyzed remittance income, and its use, level of the skills, major pull and push factors and finally the positive & negative impact of the active population migration in the home country.

To fulfill the above stated objectives of the study, Devinagar 11 Majhgaun of Rupandehi district was selected for the study and sample survey was conducted in 2011. The sample size was 100 households/respondents, having migrant family member (at least one) were selected using snowball sampling method and data were collected through questionnaires, key informant interview, focus group discussion and one case study method.

The summary of findings of this study:

- Economically active population is dominant i.e,61.81 percent in the study area. Inactive and dependent population (child & old age) of the study area is about 38.17percent.

- In the study area literate population is 88.90 percent and 11.09 percent found illiterate. Within literate population male literacy rate is 44.36 percent and female literacy rate is 44.54 percent.
- Literacy status of the migrated people found to be 100%. 4.81 percent male & female can only read and write remaining 95.19% people are ranging from lower secondary level pass to bachelor above. Female higher education status is higher than male.
- Major Occupations of family member Government job 6.90, private Job 35.45 trade & business 9.45, agriculture 2.54, foreign employment 10.36, Study only 11.27, Children (less 15 year) 6.90, pension 9.27 and old age people 7.81.
- Most of the household is found 2 to 3 person migrated. It reflect that active population are attracted towards the out migration for different purpose.
- Out of the total migrated people 24.07 percent out migrated people are going to the purpose of education (student visa). 75.92 percent people are going to the purpose of working (working visa). Whatever the purpose of the migration, ultimate goal of migration of the Nepalese people is to earn more money in destination countries.
- Out of total migrant 87.76 percent went for foreign employment through registered manpower agencies and consultancy, 12.21 percent people managed through unregistered agency.
- The main destination country choosed by migrated person is Asian country, followed by Gulf then Australia, America and Europe.
- The main areas of working sector of migrated person is found hotel sector 30.37% in different level of work, followed by general worker 28.51%, then official work, care giver, security guard and driving. Female are not involved in driving & security guard and male are not involved as a care giver.
- Out of the total migrated people 61.48% people are skilled and 38.52% people are unskilled. Out of the total skilled people only 24.82% people properly utilized their skill in destination country and remaining 75.37% people's skill is unutilized. It means they are working in other sector.
- Per person average expenditure for foreign employment is NRP 136,500 and NRP 14,36,500 for student only with tuation fee and other charges.

- Channel of receiving remittance in household of the migrated person found 85.54% through legal channel (bank, money transfer agency) and 14.53% through illegal channel (hundi, brought themselves and friends & relatives).
- Most of the people who are in America and Australia earn more money i.e, 3 to 6 lakh per month, followed by Europe and Asian country in average is 2 to 4 lakh per month, Gulf country 25 thousand to 1.500 per month. This result that most of the people of the study area choosed Asian, American and Australian country because of the high income and facility and services provided by the government.
- Lack of employment opportunity is the major push factor of migration. Among all the migrated person about 34.07 percent stated that Lack of employment opportunity is the main push factor of migration. Likewise demonstration effect (24.44), low wage rate (20.74), insecurity of job (10), political conflict & instability (6.66) and finally lack of proper higher education consist of 4.07 percent.
- Security of job and high income is the major pull factor of migration in study area according to the family members. Among all the respondents about 36.29 percent people attracted towards the high paid job. The other pull factors are security of job (41.11%), opportunity of higher education (10%). Availability of services & facility (4.07%) and trend of foreign employment (8.51%).
- The basic need consumption has increased by 11.8 percent after receiving remittance. But expenditure in non basic needs management has decrease by 12.39 after receiving remittance. This expenditure ratio further indicates that people are found to have spent their income on productive sector but more income for basic needs management.
- Most of the people in study area found to be more conscious to utilized their remittance in productive sector. Most of the people invest their income to improving their health& sanitation and education sector. Improving in health & education status directly positive impact on economic prosperity of the people and overall development of the society & country as well.
- Out of the 100 household 74% house was one storey building before migration. But after migration 2 storey building increased by 23%,, 2 & half storey increased by 8%, 3 storey building increased by 18 %and four storey

building is not found before migration but after migration it is increased by 7% with different modern particular and services.

## **5.2 Conclusion**

From the above findings of the study, it can be concluded that Migration is automatically linked with remittance and remittance directly linked with income level, expenditure pattern, saving and investment which positively and negatively impact on socio economic status of the people and finally results in socio economic prosperity of family and overall development of the country. All the migrant were migrated for the purpose of working & study. Whatever the purpose of migration the ultimate goal of every migrant were found earning more money for socio economic prosperity of their family. Lack of proper employment opportunity in origin country and low wage rate is the major push factor of migration. Security of job and high paid job is the major pull factor of migration in study area. Before migration however the economic and social conditions of all families who have involved in foreign employment but after migration socio and economic status is upgrading by remittance. After migration most of the family utilized the remittance in housing construction for residential, semi residential and business purpose. Likewise they expenses most of their income in basic and non basic needs management. Lastly they have been saving, investment in business and land purchase. Therefore it can be concluded that remittance is playing role in upgrading the socio economic status in the study area But most of their income of remittance expenses in unproductive sector. After migration socio economic status of migrant family is found highly improved.

Hence it is essential to understand that only meaningful utilization of remittance money can pave the way to the better prospects of the nation. More collection of remittances in banks and financial institutions does not bring desired outcome in the economy. Such funds should be kept in proper channels in different layers of the economy to meet twin goals: poverty alleviation and sustainable development of Nepal. The real GDP of the nation could be magnified in the long run with the better use of remittance.

### 5.3 Recommendations

The very low access to employment, insecurity of job, low wage rate, political instability, demonstration effect, unfavorable environment to grow entrepreneurship and capital constraints are the reasons that provoke youths to migrate. Large portion of economically active population is in unproductive sector and attracted towards the foreign migration for different purposes. And remittance has a positive impact in economy and overall development of the society.

Through this study impact of economically active population migration, some relevant recommendations are made such as:

#### General Recommendation

- Most of the remittance received family of our society expenses their income in unproductive sector. So the government should attract the remittance receiver to invest in large scale to create investment friendly environment with securing their investment.
- Nepalese economy has received large amount of remittance but it is still being transferred through informal channels. So formal channels need to be promoted.
- The technical training institutions are essential to the migrated person and should provide on the job training in accordance to their working sector and skill required in destination country.

#### Policy Level Recommendation

- The government must take actions to create job opportunities in home country so that they do not have to think about leave the country simply in search of bread and butter.
- Migrant youths should be integrated into the mainstream development process. Like (NRN).
- In order to channelize remittance into productive sectors and to strengthen the national economy the government should make proper strategy and policies and to create the investment friendly environment.

- Policy should be made to give more information to the foreign employers on using their remittance income into productive sectors and provided opportunities to use their learnt skill in home country after returning from the foreign employment.
- The unorganized agent must take in law custody.

**For the academic purpose** it has been recommend that, the researcher has been to analyze the socio-economic impacts of migration from survey, kII, FGD, Challenge analysis and case study perspective. But it doesn't inform the different purpose of migration, Migrant in India, domestic or internal migration, challenges of migration. Therefore the further research or new researcher to carry out their research from the above mentioned perspective.

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## Annex-1

### Impact of economically Active Population Migration in socio Economic Development

#### A Case Study of Devinagar VDC 13- Majhgaun, Butwal, Rupandehi District

#### Household Survey Questionnaire

1. Introduction

- a) Name of Respondent: .....
- b) Sex: Male.....Female.....Third Sex.....
- c) Age: .....
- d) Number of Family: Male.....Female.....Third Sex.....Totle.....
- e) Address: Zone: Lumbini, District: Rupandehi, VDC: Devinagar, Ward No.:

2. General Household Information:

S.N.	Name of Family member	Sex M/F	Age in years*	Occupation**	Literacy Status***	Migration Status****
1						
2						
3						
4						
5						
6						
7						
8						
9						

(\* indicate 1 for 0-14 years, 2 for 15-59, 3 for 60 above \*\* indicate 1 for government job, 2 for private job, 3 for business, 4 home rent, 5 pension, 6 study only/\*\*\* indicate 1 for Illiterate, 2 for Litterate only, 3 for school level, 4 for +2 pass, 5 for bachelor pass, 6 for bachelor above.(\*\*\*\*indicate 1 for migrated ,2 for non migrated.)

3. For Only migrated members

S.N.	Name	Country*	Causes	Purpose***	Channel****	Cost '000'	Working sector #	Annual Income

\*indicate 1 for gulf country, 2 for European country, 3 for American country 4 for Australian country, 5 for others Asian country.\*\*\*indicate 1 for study, 2 for work. \*\*\*\*indicate 1 for through consultancy, for through man power company, 3 for through agent, 4 for through friends & relatives #indicate 1 for hotel,2 for security

guard, 3 for driving, 4 for care giver, 5 for store, 6 for official work., 7 for general worker/labor.

4. For Return Migrated Only

S.N	Period of stay	Income Gain	Skill*	Knowledge**	Satisfaction***	Technology	

\*indicate 1 for skilled, 2 for unskilled,3 for semi-skilled, 4 for full skilled.\*\*indicate 1 for gain, 2 for no gain \*\*\*indicate 1 for, satisfied, 2 for not satisfied, 3 for little satisfied,4 for more satisfied.

5. Assets Composition

S.N.	Name of assets	Availability conditions		Before migration		After migration		Reason
		Yes →	No ↓	Quantity	Price	Quantity	Price	
1	Land							
2	House							
3	Cash/saving							
4	Jwellery							
5	Vehicle							
6	Share							
7	Others							

6. Major expenses area of this family (Multi answer):

S.N.	Major area of expenses	Before Migration in Rs	After Migration in Rs	Remarks/ Roles
1	Basic Food management			
2	Non Basic Food			
3	Clothes			
4	Family health			
5	Children Education			
6	Housing condition improvement			
7	Ornaments purches			
8	Assets purches			
9	Land purches.			
10	Saving			
11	Festival Celebration			
12	Investment in Business			

7. Which medium use yours family member to sent remittances from abroad?

S.N.	Medium	Sent money (in Amount)
<b>Legal Source</b>		
1	From bank	
2	Money transfer agency	
<b>Illegal Source</b>		
1	Brought with yourself	
2	From Friend/relatives	
3	From Hundi	
<b>Total</b>		

Facilitate by: .....

Date: .....

\* Thank you for your valuable time\*

**Annex-II**

**Impact of Ecomically Active Population Migration in Socio Economic Development in Household level of Rupandehi District**

**A Case Study Of Devinagar 11 Majhgaun, Butwal, Rupandehi District**

**KII (Key Informant Interview)**

Name of Respondent:

Age:

Sex:

Education:

Occupation:

1. What can be the major reason to go to abroad?

.....  
.....

2. What can be the major pull factors of migration?

.....  
.....

3. What are the positive impacts of migration in economy?

.....  
.....

4. What are the negative impacts of migration in economy faced by migrant person or family?

.....  
.....

5. In which types of advantages are taken by community from migrated people?

.....  
.....

6. In which sector remittance received by family is maximum utilize?

.....  
.....

7. What are the major challenges faced by migrant person in abroad?

.....  
.....

8. What are the differences between educated/Trainer person and less educated/untrained person in income level?

.....  
.....

9. How can you suggest to reduce the flow of out migration?

.....  
.....

10. Do you want to suggest and add anything about migration ?

.....  
.....

## Annex III

### Photo Gallery



Conducting KII



Conducting Case study



Conducting Household Survey

## **Housing Structure**



Housing structure for semi residential purpose with parking





Housing pattern for semi residential purpose

**Annex IV**  
**Study Area Map**

