

**FOREIGN EMPLOYMENT AND REMITTANCE INCOME
STATUS IN PUTALIBAZAR MUNICIPALITY, SYANGJA**

A Thesis

Submitted to the Department of Economics

Faculty of Humanities and Social Sciences, Tribhuvan University,

in Partial Fulfillment of the Requirements for the Degree of

MASTER OF ARTS

in

ECONOMICS

Submitted by

RAM PARSAD SHARMA

Department of Economics

Prithvi Narayan Campus, Pokhara

Tribhuvan University

January, 2018



त्रिभुवन विश्वविद्यालय
TRIBHUVAN UNIVERSITY

पृथ्वीनारायण क्याम्पस
PRITHVI NARAYAN CAMPUS



520142
520143
520389
523462
526837
527440
531944

पत्र संख्या :
चलानी नं. :

(.....)

भीमकाली पाटन, पोखरा, नेपाल
Bhimkali Patan, Pokhara, Nepal

LETTER OF RECOMMENDATION

This thesis entitled "*Foreign Employment and Remittance Income Status In Putalibazar Municipality, Syangja*" is prepared by Ram Parsad Sharma under my supervision. I hereby recommend this thesis for approval by the thesis committee.

.....

Prof. Deo Narayan Sutihar
Thesis Supervisor

Date: 17th January, 2018



त्रिभुवन विश्वविद्यालय
TRIBHUVAN UNIVERSITY

पृथ्वीनारायण क्याम्पस
PRITHVI NARAYAN CAMPUS



520142
520143
520389
523462
526837
527440
531944

पत्र संख्या :
चलानी नं. :

(.....)

भीमकाली पाटन, पोखरा, नेपाल
Bhimkali Patan, Pokhara, Nepal

APPROVAL SHEET

We certify that the thesis entitled, “*Foreign Employment and Remittance Income Status In Putalibazar Municipality, Syangja*” submitted by Ram Parsad Sharma to Department of Economics, Prithvi Narayan Campus, Pokhara, Faculty of Humanities and Social Sciences, Tribhuvan University, in partial fulfillment of the requirement for the degree of **MASTER OF ARTS in ECONOMICS** has been found satisfactory in scope and quality. We therefore, accept this thesis as a part of the said degree.

Thesis Committee

Prof. Deo Narayan Sutihar
Head, Department of Economics

Prof. Dr. Bed Nath Sharma
External Examiner

Prof. Deo Narayan Sutihar
Thesis Supervisor

Date: 21st January, 2018

ACKNOWLEDGEMENTS

It's my pleasure to prepare the research work in the form of a dissertation as a student. I have no hesitation to say the research paper has a number of helping hands which have provided me invaluable supports and suggestions from their respective places.

My gratitude from the inner core of heart goes to my supervisor and Head, Department of Economics Prof. Deo Narayan Sutihar, Prithvi Narayan Campus, Pokhara for his praiseworthy supervision and splendid suggestions.

I would like to express my gratitude to my friend Mr. Bikesh Raut for computer setting and editing and helping me in SPSS. I duly express my gratitude to Mr. Govinda Bhandari and Bharat Raj Adhikari, Lecturer, Triveny Public Secondary School, Pokhara Lekhnath for language correction. The households and their families, who provide actual data in the time of households' survey are true sources of the primary data required for this research, deserve my gratefulness.

The word would be insufficient to convey the depth of gratitude to my father Sri Prasad Shrama, Mother Sabitri Devi Sharma and my beloved wife Mrs. Sushila Pandey Sharma and my dear daughter Ojaswi Sharma and my friends Arjun Gautam, Pitambar Gautam and Bikash Subedi and respected sir Rajendra Mani Poudel are true sources of my encouragement to accomplish this task.

I would also like to acknowledge the help, I have received from all the staff of western regional library P.N Campus, Pokhara. I would like to thank all those directly and indirectly who helped me to bring this thesis to completion.

Finally, I would like to express my next thank to City Photo and Computer Service, Pokhara Lekhnath-1, Bagar for computer assistance.

Date: 16th January, 2018

Ram Parsad Sharma

Roll No.: 552/070 'B'

T. U. Regd. No.: 5-2-48-4176-2006

ABSTRACT

This study entitled "Foreign Employment and Remittance Income Status in Putalibazar Municipality, Syangja" has been carried out in partial fulfillment of the requirement for the master of Art in Economics. The main objectives of the study are to analyze the economic impact of remittance in the household economy of Putalibazar Municipality and to analyze the determinants of economic status of foreign workers of the study area.

This thesis comprises the descriptive and analytical research design. The sample has been selected on the random basis and based on the judgement of the research to include diverse sources of migrant. So This research adopted random sampling method. For the collection of data, structure questionnaire has been used and facts are collected by direct personal interview. To analyze the data collected from the questionnaire, SPSS, excel, regression model, ANOVA table, F- table, t-test Durbin Watson test have been used.

A case study of Putalibazar municipality shows that the biggest contribution of remittance has been found to the welfare and improved livelihood of remittance receiving households in terms of basic needs, better health, and education except lack of labor in the Municipality. Hence it is essential to understand that only meaningful utilization of remittance income can pave the way to the better prospects of the nation's. Such find 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 better use of remittance money. Hence, it is lessening the investment and unemployment gap in the nation because the share of foreign employment is increasing.

TABLE OF CONTENTS

	Page No.
ACKNOWLEDGEMENTS	iii
ABSTRACT	iv
LIST OF TABLES	vii
LIST OF FIGURES	viii
LIST OF ACRONYMS	ix
CHAPTER I: INTRODUCTION	
1.1 Background of the Study	1
1.2 Statement of the Problems	8
1.3 Objectives of the Study	9
1.4 Justification of the Study	9
1.5 Limitations of the Study	10
1.6 Organization of the Study	10
CHAPTER II: REVIEW OF THE LITERATURE	
2.1 Conceptual Framework	12
2.2 Review of Related Studies	26
2.3 Research Gap	30
CHAPTER III: METHODOLOGY	
3.1 Research Design	31
3.2 Population and Sample Size	31
3.3 Nature and source of data	32
3.4 Instrumentation	33
3.5 Determination of the sample size	34
3.6 Reliability and Validity	36
3.7 Data Analysis	36
CHAPTER IV: DATA ANALYSIS	
4.1 Presentation of the Result	41
4.2 Relationship between Remittance and GDP	41
4.3 Descriptive Analysis	44

4.4	The relationship between social indicator and change in social indicator	68
4.5	Regression Model	68
4.6	Findings of the Study	73
CHAPTER V: SUMMARY AND CONCLUSIONS		
5.1	Summary	79
5.2	Conclusions	82
5.3	Recommendations	83
APPENDICES		88
BIBLIOGRAPHY		96

LIST OF TABLES

Table No.		Page No.
1	Determination of the Sample Size in the Study Area	35
2	Gender-wise Description of the Migrants	44
3	Age-wise Distribution of the Migrants	45
4	Marital Status of Migrants	47
5	Level of Education of the Migrants	48
6	Places of Migration	49
7	Reasons of Migration	50
8	Structure of the House	51
9	Use of Land	52
10	Occupational Status	53
11	Income of Migrant Workers	54
12	Source of Income	55
13	Economic Condition of the Migrant	57
14	Managing Expenses for Abroad	58
15	Work Done by Nepalese People in Foreign	59
16	Utilization of Remittance	60
17	Use of Skill	61
18	Change in Social Indicator	63
19	Channel Used for Sending the Remittance	65
20	Status of Sending Electronic Gadgets	66
21	Types of Electronic Gadgets	67

LIST OF FIGURES

Figure No.		Page No.
1	Ratio of Remittance to GDP	43
2	Gender-wise Description of the Migrants	45
3	Age-wise Distribution of the Migrants	46
4	Marital Status of Migrants	47
5	Level of Education of Migrants	48
6	Places of Migration	50
7	Reasons of Migration	51
8	Structure of the House	52
9	Use of Land	53
10	Occupational Status	54
11	Income of Migrant Workers	55
12	Source of Income	56
13	Economic Condition of the Migrant	57
14	Managing Expenses for Abroad	58
15	Work Done by Nepalese People in Foreign	59
16	Utilization of Remittance	61
17	Use of Skill	62
18	Change in Social Indicator	64
19	Channel Used for Sending the Remittance	65
20	Status of Sending Electronic Gadgets	66
21	Types of Electronic Gadgets	67

LIST OF ACRONYMS

ADB	Asian Development Bank
BOP	Balance of Payments
BOT	Balance of Trade
CBS	Central Trade of Statistics
CDR	Central Development Region
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNP	Gross National Product
HHs	Households
ILO	International Labor Organization
IMF	International Monetary Fund
INGO	International Non-Governmental Organization
IOMW	Income of Migrant Workers
LOE	Level of Education
MOF	Ministry of Finance
MOFA/N	Ministry of Foreign Affairs, Nepal
MOI/N	Ministry of Industry, Nepal
NGO	Non-Government Organization
NLFS	Nepal Labor Force Survey
NLSS	Nepal Living Standard Survey
NNP	Net National Product
NPC	Nepal Planning Commission
NRB	Nepal Rastra Bank
ODA	Oversees Development Assistance
PCI	Per Capita Income
POM	Places of Migration
RNRHs	Remittance Non-Receiving Households
RRHs	Remittance Receiving Households
UNO	United Nation Organization
WB	World Bank
WDR	Western Development Region