

Role of Remittance in development:

A case study of

Devdaha VDC, Rupandehi District



A case study

Submitted to:

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Central Campus, Tribhuvan University, Kirtipur

In partial fulfillment of the requirements of the Master's Degree of

Arts in Sociology



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RECOMMENDATION LETTER

The study entitled **Role of Remittance in development: a case study of Devdaha VDC, Rupandehi District** is prepared by Mrs. Tika Maya Bhandari for the partial fulfillment of the requirements of Master's of Arts in Sociology under my supervision. This is her innovative work conducted under my supervision and I therefore, recommend this report for the final evaluation and acceptance.

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Approval Letter

This is to certify that the case study submitted by Mrs. Tika Maya Bhandari entitled **Role of Remittance in Development: A case study of Devdaha VDC, Rupandehi District** has been approved by the department in the prescribed format of the faculty of Humanities and Social Sciences.

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Acknowledgement

I am very much grateful to my supervisor Mr. Tika Ram Gautam, Department of Sociology, for his encouraging guidance throughout my studies.

I would like to express sense of gratitude to all my respected teachers of department of sociology, Central Campus, TU for their sincere teaching while I was student in the University.

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I am very much grateful to all the respondents for providing required information during field visit.

Tika Maya Bhandari

ABSTRACT

The Study has been carried out on **Role of Remittance on Development: A case study of devdaha VDC Rupandehi District**. The main objective of the study is to identify volume of remittance, use and its contribution in Development In the study area. Similarly the study has aimed to identify the socio-economic status of the study area. Since the study is case study type, it is a micro level study. This is analytical as well as descriptive type of research design. Basically, the study is based on the primary data. It also studies for those who are far from those family members. The required data is collected from the field study of the researcher himself as well as some data about remittance is taken from the secondary sources which are of published as well as unpublished. Out of total households i.e. 805, in the study area, 104 households were selected using proportional size with sampling method. In order to make the study meaningful as well as advanced in the limited time period a larger sample size was not feasible.

The main destinations of the study area were found Gulf countries, India, Japan, Korea and UK. Out of them 30percent in gulf counties, 20 percent in India, 15 percent in Japan, 10 percent in Korea and remaining are it her countries. In the national context, main destinations of Nepalese worker are gulf countries and Malaysia. More than sixty percent of the workers are employed in gulf countries. Country wise Malaysia, Qatar, Saudi Arabic, UAE are the destinations of Nepalese workers.

According to NRB, total remittance receive through registered source by Nepal in FY 2066/067 is more than 100 billions, which is very large than the previous year. In the FY 2066/067 the flow of remittance rose by 19 percent in Nepal, during the first half of the FY and touched the amount of Rs.57 billion of mid-januarys Nepal has received Rs. 48.26 billion during the same period of last year.

The contribution of remittance to GDP saving and investment in 2009/10 were 16.8 percent and 47.6 percent respectively. The socio-economic characters of migrant worker was age ground most of 25-40 years, 71.97 percent of the migrant worker are married, and 80 percent of the migrants are literate, 62percent migrants coming from medium income group; 38 percent migrants from higher income group and 78 percent of migrants from agriculture occupation.

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

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ABBREVIATIONS

ADB	: Asian Development Bank
BOP	: Balance of Payment
CBS	: Central Bureau of statistics
CEF	: Convertible Foreign Exchange
DFID	: Department for International Development
FDI	: Foreign Direct Investment
FY	: Fiscal Year
GNP	: Gross National Products
DNI	: Gross National Income
GON	: Government of Nepal
HDR	: Human Development Report
IA	: Intermediate of Arts
ILO	: International labor Organization
IMF	: International monetary Fund
KSA	: Kingdom of Saudi Arabia
MOF	: Ministry of Finance
NLSS	: Nepal Living Standard Survey
NPC	: National Planning Commission
NRB	: Nepal Rastra Bank
SAARC	: South Asian Association for Regional Co-operation
SLC	: School Leaving Certificate
UNDP	: United National Development Program
UAE	: United Arab Emirates
UK	: United Kingdom
USA	: United State of America
US\$: United State Dollar
VDC	: Village Development Committee