

**SOCIO-ECONOMIC CONTRIBUTION OF FOREIGN
EMPLOYMENT IN BESISHAHAR MUNICIPALITY, LAMJUNG
(A CASE STUDY OF WARD NO 12)**

A Thesis

**Submitted to the Department of Economics, Prithvi Narayan Campus, Faculty
of Humanities and Social Sciences, Tribhuvan University in Partial Fulfillment
of the Requirements for Degree of**

MASTERS OF ARTS

in

ECONOMICS

Submitted By

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LETTER OF RECOMMENDATION

This thesis entitled "**Socio-Economic Contribution of Foreign Employment in Besishahar Municipality, Lamjung (A Case Study of Ward no 12)**" has been prepared by Ms. Sarita Bastola under my guidance and supervision. This thesis is the outcome of her own intensive and independent research work and has been prepared in the form as required by the Department of Economics, P.N. Campus, Pokhara. Therefore, I recommend it for approval by the thesis evaluation committee.

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ABSTRACT

Migration of people from one place to another is a usual phenomenon since the beginning of human civilization. The migration in the beginning was for the sake of food and exploring new places for security purpose. But gradually the migration took the shape in diverse forms and now has become a very essential and common in each and every corner of the world.

Three key factors are labour market needs in many industrialized countries, the unemployment and crisis pressures in less developed countries and inter-country networks based on family, culture and history. Migration and foreign employment has become a way of life to many educated youth of the country.

Though the foreign employment in Nepal is a decades old issue, there is no authentic statistics in terms of number involved in it. Beside that there is serious lack of data regarding real contribution of remittance in the national and local community level and lacks proper information relating to the utilization of remittance and its impact on socio-economic condition of the household and community at the origin of foreign migration. And the facts regarding the changes brought in the gender role and empowerment of migrant's wives due to the foreign employment is little known. There is lack of individual level information of the dependents of the foreign employee in terms of added responsibility and assumption of changed role. Therefore, this study on Socio-economic Contribution of Foreign Employment in Besishihar Municipality, Lamjung, (A Case Study of Ward no 12) was carried out with the general objective of this study is to analyze and examine the socio-economic consequences of foreign employment on the national economy and household level.

The world scenario shows that, international migrant remittances have become an important source of external finance in developing countries. Remittances had generated a positive effect on the economy through various channels such as savings, investment, growth, consumption, and poverty and income distribution. At the national level, remittances had contributed significantly to the GDP.

At the community level, remittances had created multiplier effects in domestic economy, producing employment opportunities and spurring new economic and social infrastructures and services, especially where effective structures and institutions have been set up to pool and direct remittances. The poverty reducing and income distribution

effect of remittances is also significant.

In many countries, a large portion of remittances are invested in real estate, purchasing houses, or other investments. Remittances had also fuelled inflation, disadvantage the tradable sector by appreciating the real exchange rate, and reduce labour market participation rates as receiving households opt to live off of migrant's transfers rather than by working. Moreover, remittance's contribution to growth and poverty had reduced the incentives for implementing sound macroeconomic policy or to institute any needed structural reforms. Similarly, this study also focused on the contribution of the out migration / foreign employment at the household level. It is observed that, remittance money is spent in maintenance of houses, construction of new buildings and purchase of land. All these investments are considered unproductive investment in economic terms.

The study had also explored the changes in role of women folks in the country of origin due to husband going abroad for foreign employment. It was observed that majority of the husband's responsibility like assisting in harvesting, household cash management, representing social organizations etc. shifted to the wife of the migrants after husband went abroad.

The study further focused on the socio-economic empowerment of the migrant's wives in the study area. The four key elements of empowerment - i) Access to information; ii) Awareness about the basic rights; iii) Efforts made for capacity building; and iv) Decision making were assessed in the process of the studied.

To conclude, remittances had generated a positive effect on the economy through various channels such as savings, investment, growth, consumption, and poverty and income distribution. Though, it has positive impact, its major contributions are visible at the household and community level only. It has not created socio-economic impact and long term development of the country due to lack of strategic planning for the utilization of remittance. For the purpose, policies and plans based on updated information on migration are required.