

Chapter -1

Introduction

1.1. Background of the Study

Remittance sent by international migrants to their countries of origin has grown to be substantially higher. Nepal has been one of the greatest shareholders of global remittance but the issue is how such flows have been used in the livelihood of remittance-recipient households. The objective of the study is to identify how remittance has its impact on various economic dimensions of recipient households. This study was conducted on the basis of surveying impacts on remittance-recipient households of Mijuredanda VDC of Kaski District in Nepal, analyzing the impact of foreign remittance on household economy.

Migration from less economic developed to developed countries has increased dramatically in recent years, including the South Asian countries, a trend which is predicted to gain strength in the foreseeable future. About 61.64 percent of Nepal's population constitutes the labor force aged between 15-64 years. According to CBS, 2011 at least one member in every household in Nepal is absent in the birth place, that is migrated to foreign countries. Out of every two (56%) households in Nepal has a grace of receiving remittance (NLSS-III). Due to the decline in employment opportunities in the country, there is an increasing trend towards the migration of Nepali workers abroad. Privatization of state owned industries, collapse of industrial enterprises, violent conflicts and lack of opportunities in Nepal have been forcing the workers to migrate abroad for livelihood security (Dahal, 2004).

Nepali workers that represent the largest single component of the country's foreign exchange earnings and gradually transforming the economic fabric of the country. The changed economic condition of the families of these having emigrated abroad and their consequent influence on the economics of cities has become a subject of interest for media. Although emigration has its own dynamics and consequence, economic, psychological and social are the most vitally and directly affected units of the family.

Migration of earning members seems to have given rise to quite a few problems having special implications for these families.

Nepal is a small developing country with a very unique geographical setting. It is a land locked country surrounded by India in the South, East and West and China in the north. It covers an area of 54,326 sq. miles running along 500 miles from the East to the West and 80 to 150 miles from north to south. The most important assets of the country includes the land with the wide climate and altitudinal variations the perennial rivers and the Himalayas. The total population is 2,66,20,809 according to the population census, 2011. The population of Nepal is increasing annually at a rate of 1.35 percent. According to the Nepal labor force survey, 2008 about 73.9 percent people depend on agriculture. The subsistence agriculture is implying low productivity. Foreign employment is a traditional "Lahure" pattern in Nepal for 176 years when we observe to the period from 1814 to 1990. In terms of number and education, its characteristic has been in change but it is very limited to the countries including the British and India. The economic policy could not response it with economic aspects. Therefore, it seems to be a non-policy preference and response. The remittance was important but not thought as at present. It was limited in the household economy. Lack of generalization, limited its scope and its contribution to national economy was very insignificant. Therefore, it was not well discussed about it. Therefore it could not receive specific attention. Remittance income in developing countries has become a life line for economic development. By remittance we mean sending income in terms of money or goods to home by the migrants or the workers who have their earnings outside their home countries. Nowadays, this source of foreign income has been growing rapidly each year in developing countries. Since long time in Nepal, many migrants have been transferring their incomes through the unofficial channels. Today, due to the establishment of different agencies like western union, international money express (IME), etc. in several district headquarters of the country, the remittance flow has become popular for transferring cash or money in time to the recipients. However, it is difficult to calculate the exact size of remittance flow in Nepal due to the emergence of unofficial channel even though it has recorded in balance of payment account. In this regard, it is estimated that unrecorded flows through informal channels are believed to be more than 50% of the recorded flows in developing countries.

International migration is increasingly influencing the global economy. Human capital flows from poor countries to rich countries are large and growing. The leading cause is the increasing skill-focus of immigration policy in a number of leading industrialized countries. Contemporary South Asia is a region with high level of labor migration both long and short term. Asia represents a remittance market of comparable size to Latin America, though a far more complicated one insofar as the major labor exporting countries (e.g. Nepal, Pakistan, India, Philippines) are far more diverse and there overseas communities are more segmented by occupation education and country of residence.

Rapid growth of population, unemployment and wide spread of feeling of economic insecurity are all the major factors pushing people to migrate all over the world. Highly Developed countries like America, UK, and USA have the high rate of people within states. So the migration is in increasing phenomena among youth in Nepal therefore it has growing impact on the poverty and resources distribution in the country. So that economic impact effected on various aspects of households. It helps them to increase their income and saving, improve the level of health facilities and better nutrition increase their standard of education. Remittances are the first and foremost a private financial flow by migrants back to their families. Personal and welfare motivations are the key factors behind remittance flows. Remittances represent a significant inflow of income for poor families and especially women and children. Besides these above factors, many Nepali workers were facing various problems in abroad during their work. Some of the problems are listed below.

1. **Racial Discrimination:** There was less discrimination by caste however it is seen that some workers have not got similar salary due to religion. Similarly, salary is also different between male and female. Also more problems were being faced by female workers than male ones by sex.
2. **Irregular payment:** Usually, workers get their payments after a fixed interval of time such as weekly, monthly, etc. But some of the migrants were not getting their salaries in fixed time. As a result, migrants were not able to solve their household problems and finally they returned to their home.

3. **Danger difficult and dirty work:** Nepali workers have been to abroad without any skills and knowledge so that they are bounded to be involved in difficult, dirty and dangerous work. As a result, workers fall in accident during the work.
4. **Cheated by Nepali manpower:** Nepali workers were cheated by Nepali manpower in various fields. Some of the migrants have been migrated by paying large amount of money and illegally too. Saying good works and better salary but the migrants did not get such thing in abroad.
5. **Low level of income:** Nepali workers especially from village have been to abroad without any technical skills and knowledge. So they were engaged in low level of work and therefore gets low level of salary. It makes them difficult to meet household expenses.
6. **Problem in sending money:** Those workers who have been to abroad illegally, have problem in sending money to their home. These people send money by Hundi and other illegal channel but it is not secured and legal. Otherwise they need to depend on other friend's account for sending money.
7. **Home sick:** Some workers become home sick because they may be leaving their families first time, and do not adjust in work and living place. As a result they return home.
8. **Leave Problem:** Workers get vacations after definite interval of time however, they do not get leave when they are sick. Similarly they do not get leave in their suitable time.
9. **Others (family disagreement, climate, etc.):** Some of the workers have faced family disagreement and divorce to their family during the work in abroad. Similarly, due to very hot and cold climate sometimes workers become sick and cannot work properly.

1.2. Present Situation of Remittance in Nepal

Remittance inflow rose by 7.7 percent year-on-year in 2015-16 to Rs665 billion, according to the Nepal Rastra Bank (NRB). However, last year's growth rate was much lower than the previous year's 13.6 percent. The growth rate in the first and second months of the fiscal year stood at 26.3 percent and 27.5 percent, respectively, but it continued to decline in the following months, averaging 7.7 percent for the year, due to a decrease in the number of migrant workers leaving the country. Last fiscal year, the

number of Nepali going for foreign employment declined by 18.4 percent due to Malaysia halting to hire migrant workers since February. The number of Nepali workers going to Malaysia slumped to 60,979 last fiscal year from the previous year's 202,828. However, Malaysia in May lifted the ban in manufacturing, construction, plantation and furniture-making industries due to labor shortage. Besides Malaysia, the outflow of Nepali to the United Arab Emirates, Bahrain, Afghanistan, Israel and Lebanon also decreased. Many Nepali foreign employment firms are not sending workers to foreign countries protesting the government's "free visa, free ticket" system. The decreasing growth rate of remittance has increased the risk to the economy because the country is very much dependent on remittance income for the livelihood of many people, according to NRB's Research Department. Remittance accounts for 29.6 percent of the country's Gross Domestic Product (GDP) as of last fiscal year, according to the NRB. Remittance has been considered as one of the key factors for decreasing rural poverty. If we continue to lose foreign jobs and cannot create employment within the country, it has a huge impact on poverty reduction, Oil-dependent Gulf countries facing economic slowdown due to falling crude prices have slowed the hiring of migrant workers. Hundreds of companies in Saudi Arabia have closed down in recent months and those still operating are laying off workers forcing many Nepalese to return. Saudi Arabia is one of the top destinations for Nepalese, with the Gulf nation taking in to 138,529 Nepalese worker 30.8 percent of the total Nepali migrant workers last year. Government officials, however, Nepali workers are not at risk in Saudi Arabia. Big companies are retaining workers, while smaller ones are laying off, even those facing the axe are finding jobs in other companies. The lifting of the ban in Malaysia in a few sectors might help boost the outflow of Nepali migrants and inflow of remittance. World Bank in its Nepal Development Update report stated Nepal could face a slowdown in remittances due to decreasing number of Nepali workers. A potential slowdown in remittances poses a significant near-term risk to Nepal because of its outsized role in the Nepalese economy. Remittance inflow, which jumped in the post-earthquake period, slowed down by January 2016. In three months to April 2016, remittances contracted by 5.3 percent (in dollar terms) compared to the same period of the previous year, the report pointed out. At a time when Nepal has been facing labor shortages for massive post-earthquake reconstruction works, decrease in the number of Nepalese going abroad could help to fulfill the domestic demand for workers. If the

reconstruction works accelerate, there is a chance that many Nepali would get jobs within the country.

While examining the receiving side of remittances, immigrants are more likely to return to their countries after being abroad for a considerable period of time. If they are given greater financial opportunities and support their families can improve their living condition. The families who have foreign remittance have better quality of life. So this study has been carried out to find the Impact of Foreign Remittance on Household Economy in Mijuredanda VDC, Kaski District.

1.3. Statement of the Problem

Nepal's rural economy seems to be fundamentally supported by the foreign remittances. Due to the lack of alternative source of income in their native village, people leave their home country and move towards abroad like India, Malaysia, Qatar, UAE, USA, UK, and other foreign countries. They earn some money and send it via bank/other medium to their homes as 'remittance'. People use the remittance for various purposes such as to pay the loan, family expenses, construction of houses, etc. people spend a large portion of the remittance in the unproductive activities such as consumption and real state. There are many issues related to remittance in the rural economy. But there are very few studies so far conducted to understand and explore the various dimensions of remittance in the household economy. This study is to find the impact of foreign remittance in household economy of Mijuredanda VDC Kaski. This study raises some issues as:

- How do remittances change their household economy, such as earning, spending, saving, cash available, investment, education and health services?
- How is the economic condition of remittance receiving households and its change by foreign remittances?
- Where is the remittance being used (productive or unproductive sector)?
- What are the problems associated with foreign remittance?

1.4. Objectives of the study

The main objective of the study is to find impact of foreign remittance on household economy of Mijuredanda VDC. However the specific objectives are:

- To find out the economic change of remittance receiving households.
- To identify the uses of remittance in productive and non-productive sector.
- To analyze the economic status of remittance receiving households.
- To identify the problems associated with foreign remittances.

1.5. Significance of the Study

The topic becomes significant because of the reason that the foreign remittance affects the economic condition of the country, however it is the micro level of research which is done only in impact of foreign remittance in household economy. The foreign remittance improved economic status of people providing money for basic needs such as food, clothing, housing improvements and education. So the study helps to find out the role of remittance in household activities, economic condition and change of remittance receiving families. Similarly, it helps to find out the area where the remittance is being used (productive sector or unproductive sector), the problems faced by the Nepali workers during the jobs in abroad, to utilize the remittance in proper place, it gives the proper direction for the further researcher. And it helps to make the VDC and other NGO and INGO plan for rural developmental project.

1.6. Limitations of the Study

This study deals with the impact of foreign remittance on households economy of Mijuredanda VDC of Kaski District. This is the case study on the basis of sample survey. This study is conducted in small sample size.

The study has the following limitations.

- This study is conducted only in Mijuredanda VDC of Kaski District
- This study is based on impact of foreign remittance in household economy.
- This study is based on primary data.
- Only 15% of the total households have been selected as sample households whose family members are migrated to work abroad.
- Only foreign remittance is carried out throughout the study

1.7. Organization of the Study

The study is divided into five chapters. Chapter one is concerned with the introduction. Introduction part contains general background, present situation of remittance in Nepal, statement of the problem, significant, objective of the study, limitation of the study and organization of the study. Chapter two is concerned with the review of literature. It contains theoretical review and research review. Likewise chapter three includes research methodology which contains theoretical framework, research design, sources of data, data collection procedure, and data processing procedure. Similarly, chapter four is related with the presentation and analysis of the data and major findings of the study. Finally, chapter five is related with summary, conclusion and suggestion. The end of the study contains appendix and bibliography.

1.8. Description of the Study Area

Kaski district lies in Gandaki zone of western development region of Nepal. The district, with Pokhara as its district headquarter, covers an area of 2,017 square km and has a population of 492,098 (according to 2011 Census). Mijuredanda VDC is located at the northeast part of Kaski district which is about 30 km far from Pokhara. Due to different political reasons it is backward in the sense of development. There are 905 households and 5256 population at present (VDC Profile Mijuredanda). The main Occupation of the study area is agriculture, where as other occupations are business, government job, foreign labor, local labor, etc. considered as non-agriculture. There were different caste group in the study area. The major caste group were Bramin, Chhetri, Thakuri, Gurung, Tamang, Gharti,



Kami, Damai and Sarki. There were different types of houses in the study area. Some of the houses are made with mud, stone and khar (dry grass), some are made with mud, stone, and Jasta pata (zink Plates), and others are made with stone, cement and jasta pata. Few of the houses are concrete.

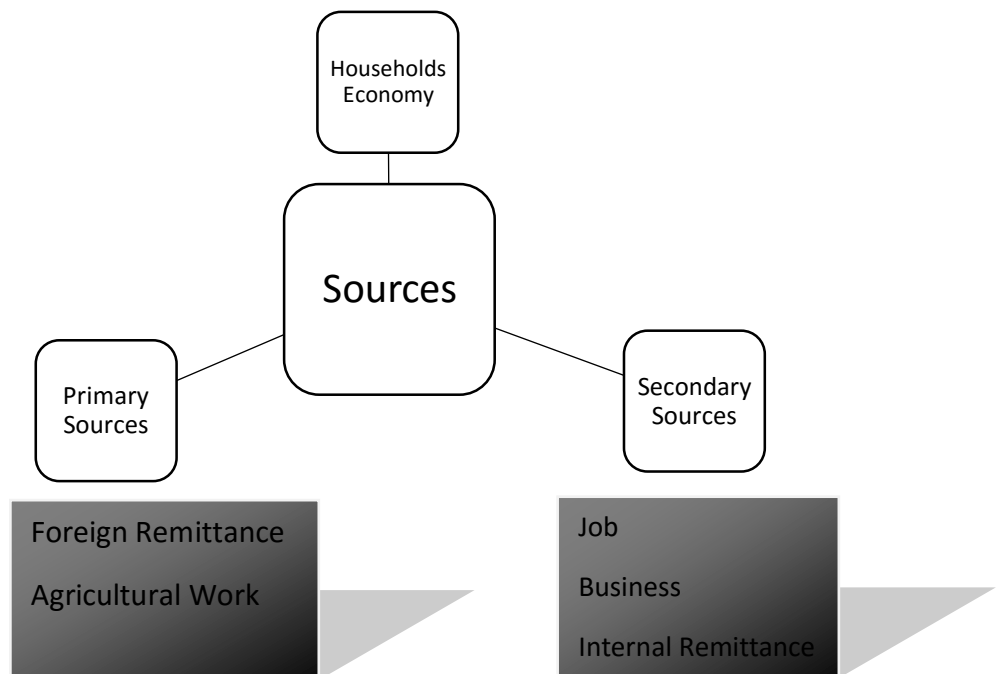
Chapter-2

Review of literature

2.1. Theoretical Review

Foreign remittance plays vital role in household economy. It affects the socio and economic activities of Nepali people. It is the main source of household economy. The sources of household economy are categorized into primary sources and secondary sources. Primary sources of household economy are foreign remittance and agriculture. In rural area, foreign remittance plays the vital role. Similarly secondary sources consist of job, business and internal remittance. But in this study it is discussed the overall impact of foreign remittance in household economy.

Chart: 2.1 Sources of Households Economy:



A remittance is a transfer of money by a foreign worker to an individual in his or her home country. Money sent home by migrants competes with international aid as one of the largest financial inflows to developing countries. Workers' remittances are a

significant part of international capital flows, especially with regard to labor-exporting countries. In 2014, \$436 billion went to developing countries, setting a new record. Overall a global remittance also was \$583 billion. Some countries, such as India and China, receive tens of billions of US dollars in remittances each year. In 2014, India received about \$70 billion and China \$64 billion (Wikipedia, the free encyclopedia). Remittance played significant role in the global economy. It contributes to economic growth and to the livelihood of less prosperous people (though generally not the poorest of the poor). According to World Bank estimate, total remittance US\$414 billion in 2009, of which US\$316 billion went to developing countries that involved 192 million migrant workers. For some individual recipient countries, remittances can be as high as a third of their GDP.

There are more than 215 million or 3 percent of the world populations are the international migrants in the world. Recorded remittance received by developing countries, estimated to be US \$ 325 billion in 2010, far exceed the volume of official aid flows and constitute more than 10 percent of gross domestic product (GDP) in many developing countries. The top migrant destination country is the United States, followed by the Russian Federation, Germany, Saudi Arabia, and Canada. The top immigration countries, relative to population, are Qatar (87 percent), Monaco (72 percent), the United Arab Emirates (70 percent), Kuwait (69 percent), and Andorra (64 percent) (The World Bank, 2011). 15 High-income countries are the main source of remittance. The United States is by far the largest, with \$48 billion in recorded outward flows in 2009. Saudi Arabia ranks as the second largest, followed by Switzerland and Russia. In 2010, worldwide remittance flows are estimated to have exceeded \$440 billion. From that amount, developing countries received \$325 billion, which represents an increase of 6 percent from the 2009 level. The true size, including unrecorded flows through formal and informal channels, is believed to be significantly larger (The World Bank, 2011). In 2010, the top remittance recipient countries were India, China, Mexico, Philippines, and France. As a share of GDP, however, smaller countries such as Tajikistan (35 percent), Tonga (28 percent), Lesotho (25 percent), Moldova (31 percent), and Nepal (23 percent) were the largest recipients in 2009.

Nepal is the highest remittance recipient country in terms of percent of GDP in 2009, having 22.9%. It shows the Nepalese economy is largely dependent on the remittance. Since a large number of Nepalese are employed in foreign lands, a substantial amount of remittance is sent to Nepal. This heavy reliance in foreign employment has shifted

the Nepalese economy from an agriculture based economy towards remittance-based economy. As per the size of US dollar (in billions), India is the top remittance recipient country in the South Asia whereas Nepal lies in the fifth position and had received US \$ 3.5 billion in 2010.

The role of remittance in Nepali economy appeared around 200 years ago. Nepal labor migrants have been bringing and sending back some of their earning as remittance to their families since long time. It started even before the first Nepali men travelled to Lahore in the early 19th century to join army of Sikh ruler, Ranjit Singh (earning themselves and all these subsequently employed in foreign armies abroad the nick name 'Lahore') even before the recruitment of the first Nepalese to the British Gurkhas in 1815/16 (Seddon ET AL, 2001). The interest of joining army or British Gurkha unexpectedly increasing day by day. People who wanted to live efficiently tended to migrate to do service outside the country. Possibly after the Sugauli Treaty Lahore (now it is in Pakistan) was the main place for recruitment and that time the system of Lahore may have begun. Seeking a good job cause of migration which leads people to go abroad (Seddon ET AL, 2001).

Although Nepal is an agricultural country, the main income source has become the remittance. In rural area, the agricultural system has not been sustainable and systematic due to different reasons like dependency on monsoon, lack of modern technology for farming, etc. So people of rural area are seeking alternative income source for the living. Therefore foreign remittance has become the integral part of rural economy. Remittances contributed the largest source of foreign exchange earning to the country from 1960-65. It is constituted 50% of exchange earning of all sources of both visible and invisible earnings. But since 1980/81 the contribution of remittance has come to the smallest and accounted only 2% in 1992/93(Nepal Rasta Bank, 1995 AD).

2.2. Research Review

It is already discussed that remittance has played an important role in Nepali rural economy. Further remittance has been important sources for household economy. Some of the studies done by earlier researchers have been reviewed below.

Kansakar (1982) A study "On Emigration, Remittance and Rural Development" focusing on Panchamul (Syangja) and Bharse (Gulmi) has found that 51.4% and 53.4%

remittance were derived from pension by households of Panchamul and Bharse respectively. The share of remittance in the total household income of non-pensioner of Bharse and Panchamul was recorded only 43.6% and 49.4% respectively.

Gurung (1996) has conducted a study about the "Role of Remittance in Hilly Economy" based on the data generated from Oraste VDC of Syangja. He stated that most of the productive and enthusiastic life span are spent in foreign countries and retired in old stage. Therefore it does not bring any social or technological changes in the village but brought some changes in consumption habit in the name of so called modernization. He also conclude that the external remittance is the main source of cash income and its contribution is more than 90% of the total remittance derived from the different sources.

Basnet (1996) in his study entitled "A study of temporary out migration" in Shishuwa Adarash VDC in Kaski district, indicated that household involved in foreign labor migration tended to have less research he found that highest percentage (55%) of remittance was spent on immediate food and family requirements and followed debt repayment (12%) while what might be termed investment (housing, land purchase, bank savings, education, marriage and business) accounted for the rest.

Gaudel (2006) in his research article on "Remittance Income in Nepal, Need for Economic Development" explained that remittance as a major source of foreign currency to the developing nation has become a substantial component of making current account surplus in the balance of payment. It is argued that many workers from Nepal going abroad for employment are no doubt young energetic, laborious and enthusiastic. They do hard work for earning large remittance income to support their families. However the downside of remittances reflects the view that remaining young generation for long time outside without family may increase their weakness and ultimately they will have a tendency to live their homeland. Thus in order to recover the loss of economically active labor force to the domestic economy, they should be encourage to come back again with skilled knowledge for utilizing their saving and working experience for development to the productive areas in accordance with the priority of the national development.

Karki (2006). In his report "Foreign Employment and Remittance"; A case study of Dhuseni VDC, Illam had found that minimum part of remittances has been used in productive sector like as land purchase (30.55%) Bank deposited (13.88) and commercial agricultural farming and small business 8.33% the rest of the remittance is used for loan payment, house improvement and social spending as household expenses.

Srivastava and Chaudhary (2007) research article about "Role of Remittance in Economic Development of Nepal". The article deals with the analysis of direct impact of remittance on three development indicators Viz. GDP, GNP and PCI of the nation. In the nominal GDP and GNP, remittance shows 61% and 71% impact respectively while in the real term it is comparatively low (4% in nominal and 1% in real terms). The findings are positive accepts for labor force, but they are marginal which shows that remittance has not been used effectively so as to increase the real growth rates of the economy.

Regmi (2007) has conducted a research on "Role of Remittance in Household Economy of Rural Nepal"; The study is about the role of remittance in Nirmal Pokhari VDC based on data collected from the field survey. All different caste Bramins, Ksherti, Giri, Magar, Damai, Kami and Sarki are categorized in three major caste groups; Higher, Ethenic and Dalits. She found that remittance is an alternative source for the villagers to survive. People who are socially and economically poor in status with low level of education are willing to go foreign countries. Most of the people of higher classes, internal remittance is the dominated source of income whereas the Dalits and Ethnic external remittances is found to be dominated source of household income.

Chapagain (2007) in his research report "The Role of Remittance in Household Economy of Rural Nepal": A Case Study of Kurgha VDC Parbat has found that Remittance has played a greater role in solving their hand to mouth problem. Out of total remittance they spend 19.67% in directly productive sector and remaining is in indirectly unproductive sector.

Dhakal (2008) in his study "Role of Remittance in Rural Poverty Reduction": A case study of Johang VDC of Gulmi District has stated that 51.29% of respondents had increased their cash holding with them, 21.15% of the respondent's cash holding has

remained same and the rest 25.96% of the respondents have decreased their cash holding after returning from foreign employment.

Pudasaini (2010) in his study entitled "Migration and Remittance": A Case Study of Masel VDC of Gorkha District has shown that most of the family of migrant workers are sustaining their lives from the remittance income. Out of total 55% migrants worker were able to invest in productive sector.

Gautam (2011) in his report entitled "Use of Remittance Income on Consumption": A case study of liwang VDC of Rolpa District has found that out of total sampled households in study area they get 79% of their total earnings from remittance and remaining 21% is from non-remittance. On the other hand use of remittance income is high for consumption.

Khadka (2011) in his report entitled "Contribution of Remittance in Rural Poverty Reduction". A case study of Okhare VDC of Terathum District. He concluded that 20.40% remittance income is used for household consumption purpose. Similarly 14.40 percent, 37.05 percent, 6.64 percent and 21.5 percent remittance income is used for loan repayment, for purchasing land and real state, investment in business and saving respectively.

Dhungana (December 2012) wrote article "Remittance and Nepalese Economy"; This study explores the relationship between remittance and economic growth of Nepal during the period of three and half decades till 2010/11. The recent remittance utilization pattern 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. The result shows that increasing remittance income does not support for the economic growth and development of the nation unless it is extensively used into the productive sectors. The Nepalese economy is gradually becoming consumption oriented due to remittance income that naturally leads to dependency resulting in the dearth of resource for investment. Thus, it is recommended to the government agencies for the formulation and implementation of remittance utilization policy for the enhancement of national economy.

2.3. Research Gap

The studies reviewed above have shown a considerable role of remittance in the socio-economic life of Nepalese people. But most of the earlier studies mentioned overall impact and focused on rural areas and some of them were related with urban area. But this study mainly focused on the rural area, based on primary survey and to identify the impact of foreign remittance in the household economy. No studies have been done under Mijuredanda VDC on Impact of Foreign Remittance on Households Economy. Thus, this study has been carried out to see the impact of foreign remittance of this VDC.

Chapter-3

Research Methodology

3.1. Research Design

This study is a case study of Mijuredanda VDC of Kaski District. It is a micro level study. This is analytical as well as descriptive type of study. The data was collected from primary sources. The sample population is 696 out of total population 5256 and the sample households were 136 out of 905. Simple statistical tools like graphs charts, etc. were used to describe and analyze the results.

3.2. Sources of Data

Basically, there were two types of data used in this study, primary and secondary.

- a. **Primary Data:** The primary data were collected by the researcher herself from the members of migrated households whose family members were working abroad. The data were collected by questionnaire method.
- b. **Secondary Data:** The secondary data were collected from VDC's profile, National Planning Commission, NRB Publication, Research report of UNDP, ADB and World Bank, etc.

3.3. Data Collection Procedure

There were 905 households in Mijuredanda VDC. Altogether 136 sample households from 9 strata (wards) who got foreign remittance were interviewed through questionnaire method. The sampling procedure was purposive because of the unavailability of the list of the remittance receiving households in the study area. To collect the primary data personal interview was conducted and the structural questionnaire were filled up. Also to cross the reliability of respondents some indirect questions were asked to the teachers and representative (Chairman) of respective wards.

3.4. Data Processing Procedure

The data collected from the primary and secondary sources have been collected, classified and tabulated to meet the objective of the study. Data processing has been

done with the help of scientific calculator and computer software MS excel. Data have been presented in tables, graphs and diagram as per the requirement of the study.

Chapter- 4

Presentation and Analysis of Data

In this chapter, the collected data from the sample households are presented in table, percentage pie diagram and bar diagram and analyzed accordingly.

4.1. Caste Structure

There are various caste groups living in the study area. The living standard, expenditure and settlements are differing from one caste to another. The caste groups in the study area were categorized in to three major groups. The Upper caste groups, Ethnic caste group, and Dalit caste group. Bramin, Chhetri and Thakuri are in the upper caste group, Gurung, Tamang and Gharti are in ethnic caste group and Kami, Damai and Sarki are in the Dalit caste group. The cast structure of sample households are in the table 4.1 below.

Table: 4.1 Caste structure of sample households	
Caste group	Percentage (%)
Upper	50.74
Ethnic	31.62
Dalit	17.64
Total	100
Source: Field Survey, 2073	

Table 4.1 shows the caste wise distribution of the households in the study area. Out 136 households 50.74% are upper caste group, 31.62% are ethnic caste group and remaining 17.64% are Dalit caste group. The highest number of caste group in the study area is Upper, whereas the least group is Dalit. The major caste structure of the study area is shown in the given Pie Diagram (figure 4.1).

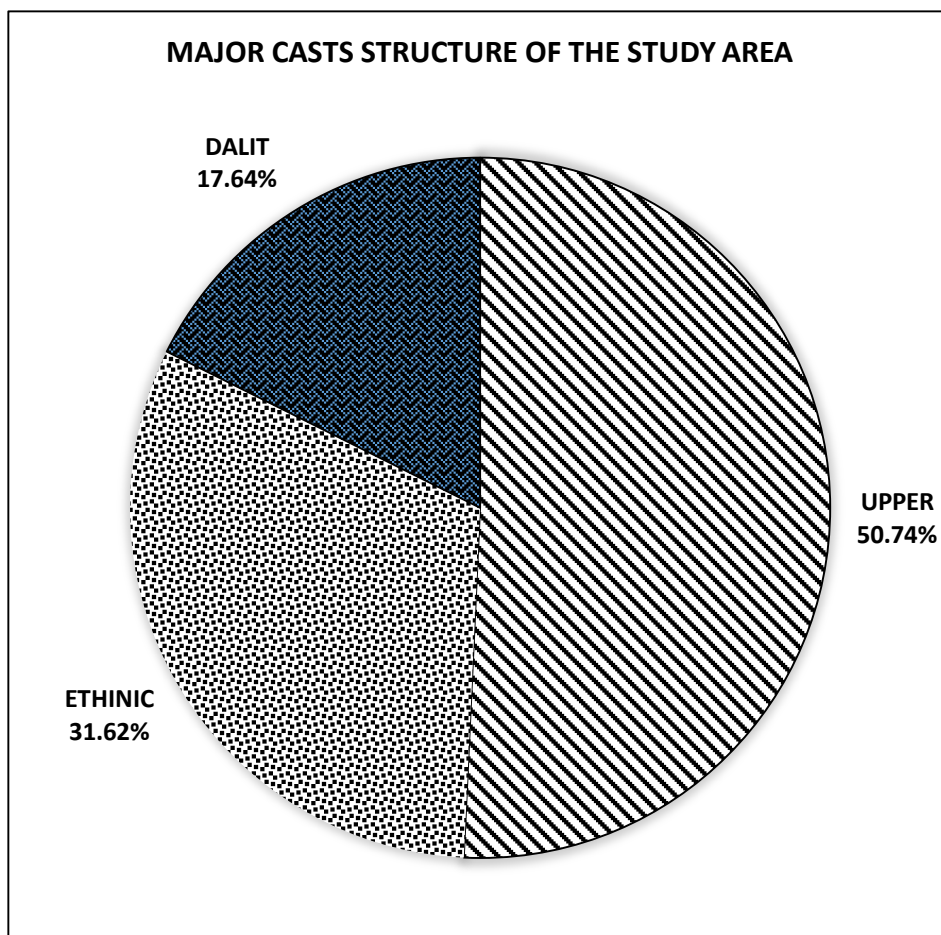


Figure 4.1

4.2. Demographic Structure

The male, female and age structure of the sample households have been presented in the table 4.2.

Table:4.2 Age and Sex Composition of the Sample Households				
Age structure	Male (%)	Female (%)	Total	Percentage (%)
Below 5 years	31 (45.59%)	37 (54.41%)	68	9.77
5-15 years	62 (46.62%)	71 (53.38%)	133	19.11
15-60 years	211 (50.34%)	228 (49.66%)	439	63.07
Above 60 years	24 (42.86%)	32 (57.14%)	56	8.05
Total	328(47.13%)	368 (52.87%)	696	100.00

Source: Field Survey, 2073

The table 4.2 shows that 47.13% from the sample households were male and 52.87% were female. The size of male population of Nepal is 48.56% and female is also found 51.44% according to census 2068 B.S. The population below 5 years is 9.77%, 5 to 15 years is 19.11%, 15 to 60 years is 63.07% and above 60 years is 8.05%. The productive age group is of 15 to 60 years is found the highest population. It is also called the active population. The above age structure is shown in the following diagram.

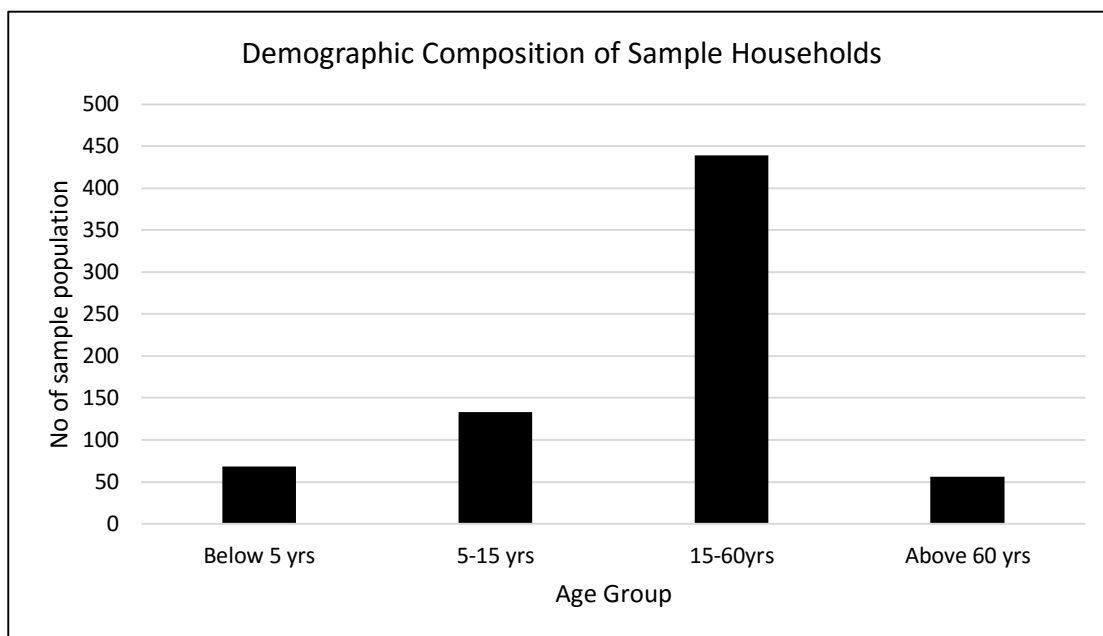


Figure 4.2

4.3. Educational Status

Education is the backbone of the country. People can improve their socio-economic status and standard of living through education. The educational status of sample households is categorized into four groups. That is, illiterate, literate SLC passed and higher education.

S.N.	Level of education	No of people	Percentage (%)
1	Illiterate	74	11.78
2	Literate	345	54.94
3	SLC (Passed)	112	17.83
4	Higher Education	97	15.45
Total		628*	100.00

Source: Field Survey, 2073 * Population below 5 years is not included.

Table 4.3 illustrates that out of total sample households 11.78% people of the study area are illiterate, which is less than that of the national level. 54.94% population of sample households are literate, 18.83% are SLC passed and the rest 15.45% have got higher education. The national figure shows that 65.90% of the population are literate according to National Census of Nepal 2068.

Educational status of sample households are shown in the given pie diagram.

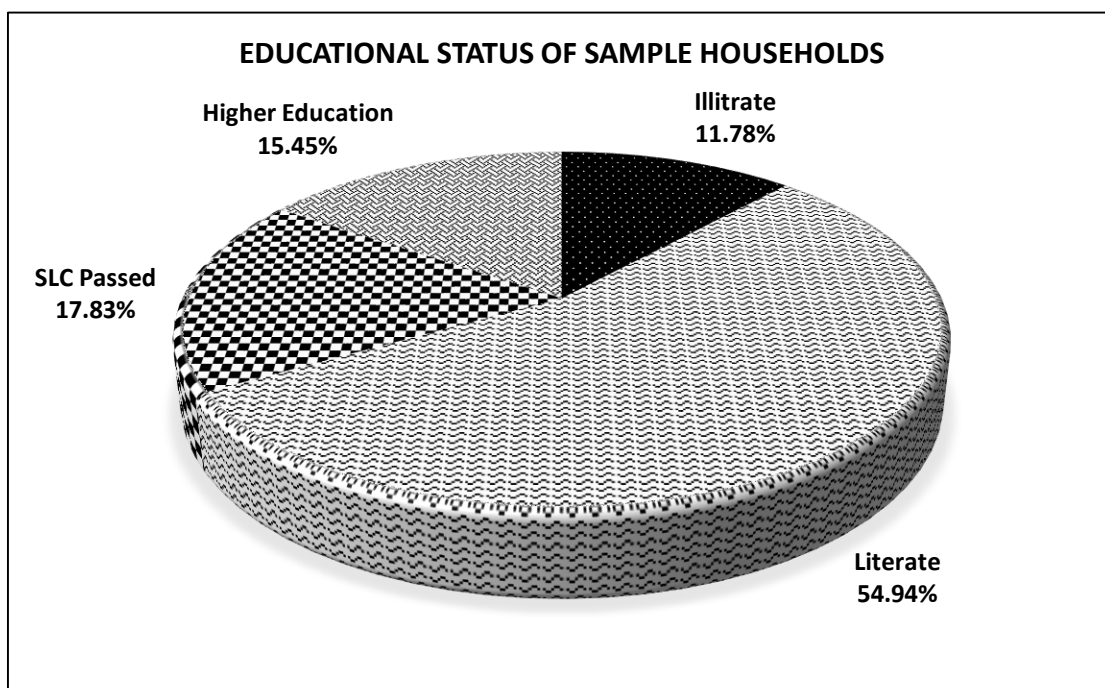


Figure 4.3

4.4. Family Size

Family size of the study area is also categorized into four groups. Small family size of 2 to 4 members is in one group. Similarly, 4 to 6 members, 6 to 8 members are in another groups and the largest family size above 8 members are in the last group.

Table: 4.5 Family Size of Sample Households		
S N	Family size (members)	No of households
1	2-4	32
2	4-6	47
3	6-8	36
4	Above 8	21
	Total	136

Source: Field Survey, 2073

Table 4.4 shows the size of family members in the study area. 32 households have 2 to 4 members, 47 households have 4 to 6 members which is the highest number of family size of the households. Similarly 36 households have 6 to 8 members and 21 households have still more than 8 family members as large family size. The family sizes of sample households are shown in the following bar diagram.

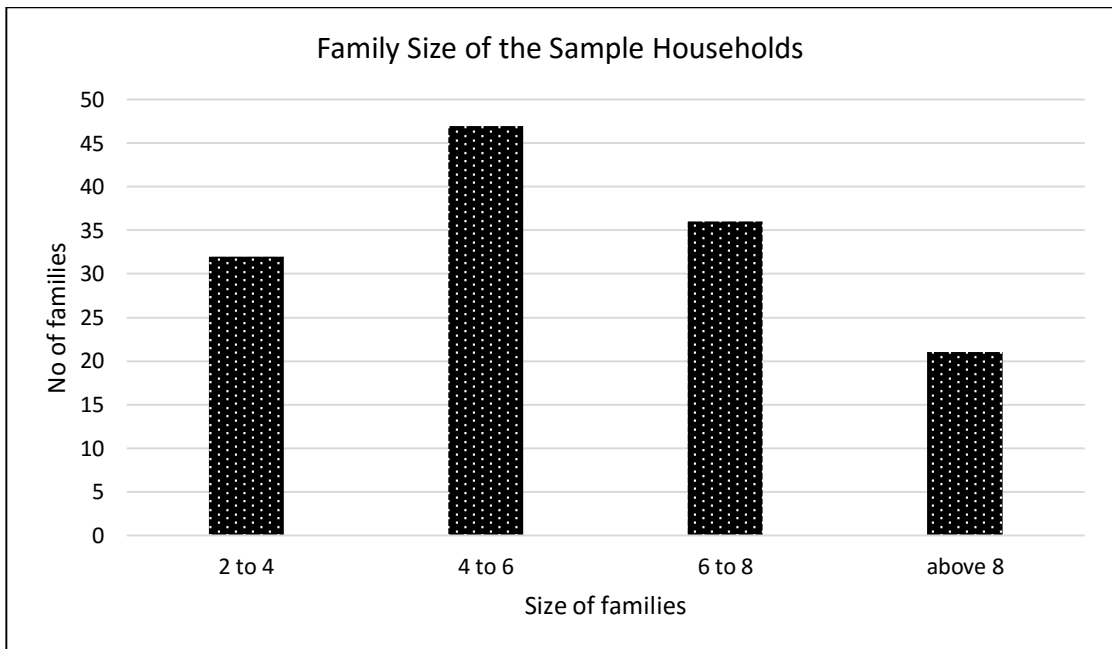


Figure 4.4

4.5. Housing Status

There are different housing types in the study area. Some of them are made with cement, iron, and rod. They are categorized as concrete. The second type is made with stone, cement and Jasta pata. The third one is made with stone mud and jasta pata/stone roof. The last type of house is made with stone mud and khar (dry grass).

Table:4.5 Housing Status of Sample Households			
S N	Housing status	No of families	Percentage (%)
1	Concrete	11	8.09
2	Made with stone, cement and jasta pata	44	32.35
3	Made with mud, stone and jasta pata	78	57.35
4	Made with mud stone and khar (dry grass)	3	2.21
	Total	136	100.00

Source: Field Survey, 2073

Table 4.5 shows that most of the houses were made with mud, stone and jasta pata which is 78 that is 57.35 percentage. Few houses were made with mud, stone and khar (dry grass) that is 3 houses only. These types of houses are rarely found in the study area because most of the remittance receiving houses are changed their roof khar (dry grass) to jasta pata. 11 houses were made with concrete and 44 houses were made with stone, cement and jasta pata.

The housing status of the sample households are shown in the given Pie diagram.

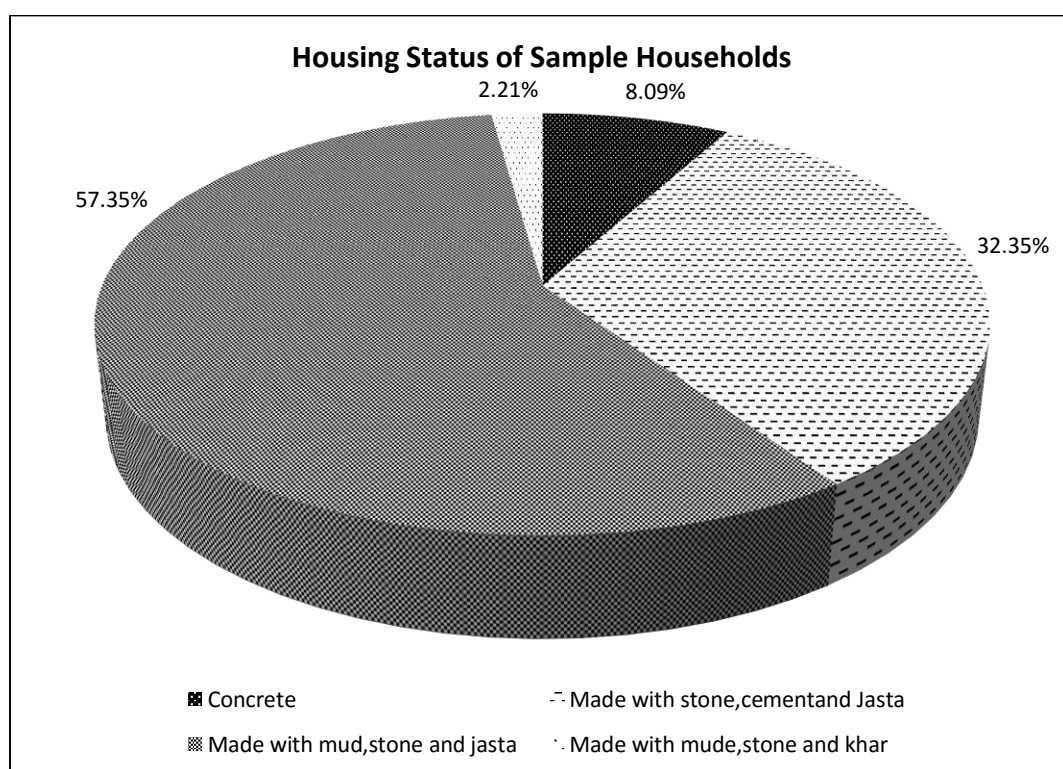


Figure 4.5

4.6. Size of Land Holding

The size of land varies from one family to others. Some of them have only ghaderi, some has ghaderi as well as khet, bari, pakho etc. Some of the households found that they have all types of land. The status of land is categorized into khet, bari, ghaderi, pakho, and others.

Table: 4.6 Size of Land Holding of Sample Households		
SN	Status of land	No of households*
1	Khet	56
2	Bari	72
3	Ghaderi for housing	133
4	Pakho (bhiralo)	41
5	Others (bandaki land, etc.)	16
	All of the above	89
Source: Field Survey, 2073 * households have more than one category		

Table 4.6 shows that 56 of household have Khet, 72 of them have Bari, 133 have Ghaderi, 41 have Pakho, 16 have others (land having Bandaki) and 89 of them have all types of land. Khet, bari and bandaki land were used for the agricultural production, ghaderi is used for housing and pakho (bhiralo) land is used for growing plants and grass for the livestock. The above data is presented in the following graphs.

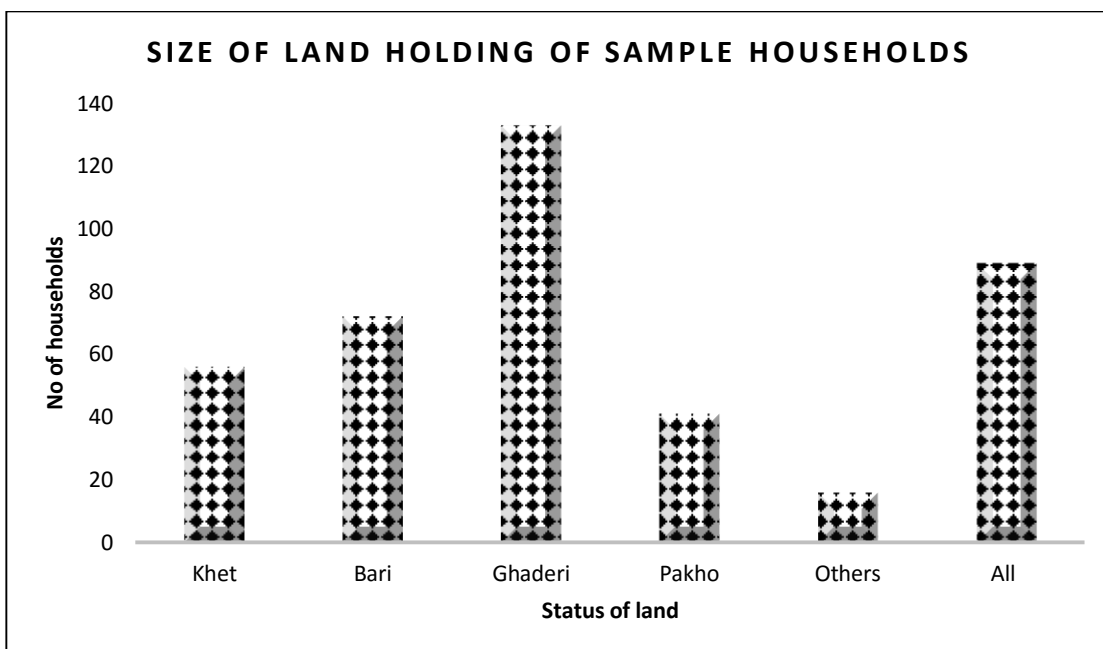


Figure 4.6

4.7. Occupational Status

Occupational status of the sample households are categorized in to two parts agriculture and non-agriculture. Most of the households are found having their main occupation agriculture and rest them are involved in totally different than that, non-agriculture. The people who have been involved in other nonagricultural activities also have not been left the agricultural work. Due to this reason the number of households who have been using agriculture is seen more in the study area.

S N	Main Occupation	No of households	Percentage (%)
1	Agriculture	111	81.62
2	Non Agriculture	25	18.38
	Total	136	100.00
Source: Field Survey, 2073			

Table 4.7 shows the occupational status of sample households. Out of 136 households, 81.62% households had their occupation agriculture and rests 18.38% had non-agriculture. This shows that the main occupation of the study was agriculture and less involved in other occupation.

4.8. Country wise Foreign Employment Situation

After opening the door of international labor market many Nepali youths have been migrated to abroad in search of work leaving their home countries. People from the study area have been to different countries of the world and some of them have already worked and returned in to home country. There were more than one members of same family who have been to abroad to do work. The lists of countries and number of persons have been to abroad area presented in the table below.

SN	Country	No of people	Percentage (%)
1	Malaysia	42	20.09
2	Saudi	26	12.44
3	Qatar	32	15.31
4	India	21	10.05
5	Japan	10	4.71
6	Korea	13	6.22
7	Australia	9	4.31
8	Europe	7	3.35
9	USA	12	5.74
10	UK	19	9.09
10	Others	18	8.61
	Total	209	100.00

Source: Field Survey, 2073

Table 4.8 shows that most of the people in the study area have been working in Malaysia which is 20.09%. Similarly the second destination is Qatar which is 15.31%. Likewise Saudi is 12.44%, India is 10.05%, Japan is 4.71%, Korea is 6.22%, Australia is 4.31%, Europe is 3.35%, USA is 5.74%, and UK is 9.09 and others is 8.61%. This shows that the largest numbers of people were migrated to Malaysia after that Saudi and Qatar.

4.9. Situation of Remitted Money by Foreign Employees.

Nepali workers working in abroad were sending money to the home country according to their earnings. Some of the migrants sent below 10,000 rupees and some between 10,000 to one lakhs and few of them sent above one lakh.

Money (in Rs)	No of households	Percentage	Average remitted money per month
Below 10,000	29	21.32	Rs.33897.05
10,000-20,000	43	31.62	
20,000-50,000	35	25.73	
50,000-1,00,000	18	13.24	
Above 1,00,000	11	8.09	
Total	136	100	

Source: Field Survey, 2073

It is seen from the table 4.9 that 29 households are getting below 10,000 rupees per month from foreign remittance. This is shown in the table 4.9. Similarly 43 households are getting 10,000-20,000 rupees which is the highest number of household, 35 households are getting 20,000-50,000 rupees, 18 households are getting 50,000 to 1,00,000 rupees and remaining 11 households are getting highest income that is above one lakhs. The average remitted per month is Rs.33897.05. The above data is presented in the graph below.

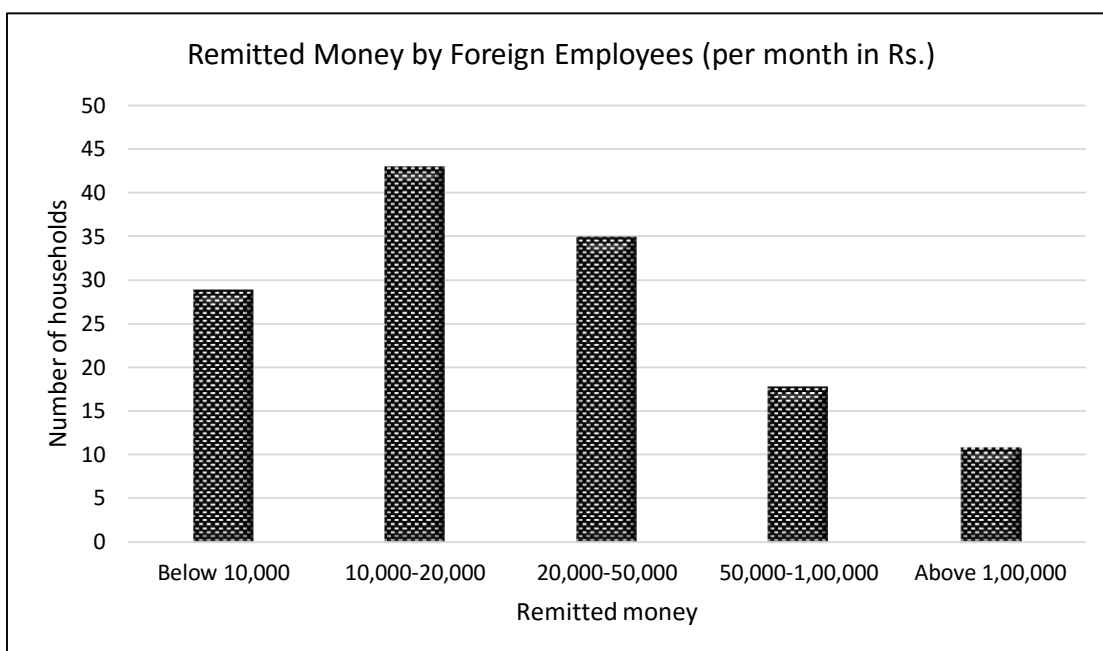


Figure 4.9

4.10. Sources of Households Income

It was seen that the main occupation of sample household was agriculture. But most of the youths are not in village and have been to abroad in search of job. So to full fill their household expenses, they are getting household income from different sources. The source of household income of sample households are; agriculture, business, job, foreign employment pension and others.

S. N.	Source	No. of households	Percentage
1	Agriculture	44	32.35
2	Business	20	14.71
3	Jobs	12	8.82
4	Foreign employment	46	33.82
5	Pension	10	7.35
6	Others	4	2.94

Source: Field Survey, 2073 * Others refer Transports, brokers, etc.

Table 4.10 shows that main income of sample household is foreign employment. It seems that most of the youths are not in the village and have been to abroad for seeking

job. Out of 136 households 46 of them have their household income is foreign employments and second is agriculture. Agriculture is the main occupation but it is the second household income of the people in the study area. That is 44 households have their households income from agriculture. Similarly 20 households have their income from business, 12 from jobs, 10 from pensions and 4 households are getting their income from other sectors.

The above data is presented in the given Pie diagram below.

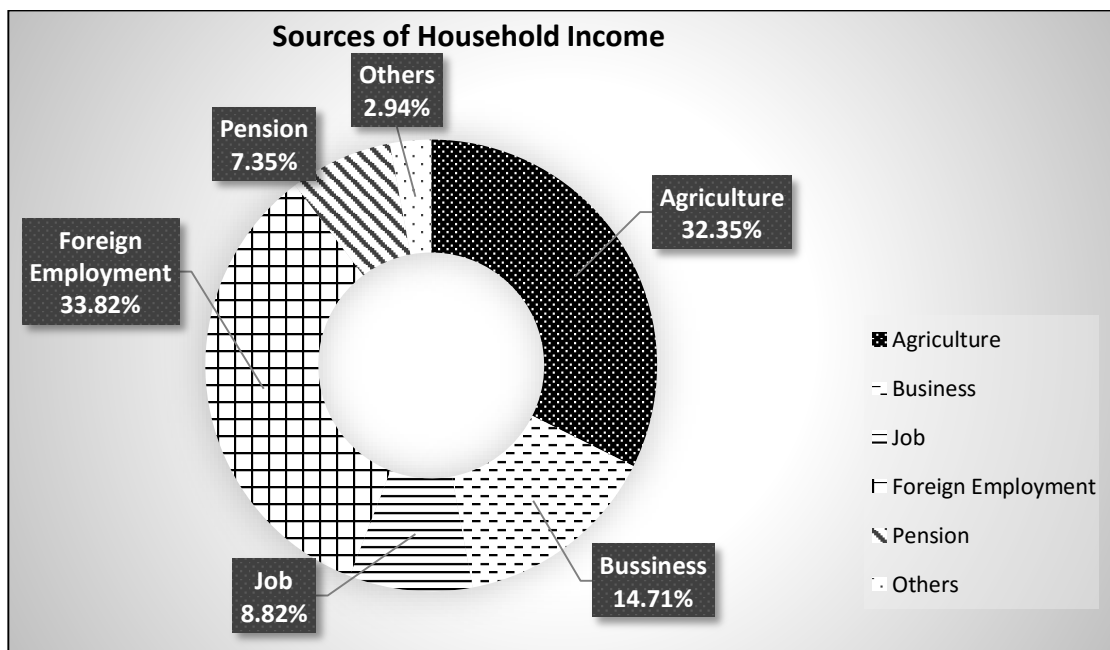


Figure 4.10

4.11. Economic Status of Families Receiving Remittance

To measure the economic status of sample households, housing, drinking water, electricity, cooking fuel, sanitation, and assets ownership were the indicators. Conditions of above six indicators were measure before and after getting of sample households.

Table:4.11 Economic Status of Families Receiving Remittance					
S N	Indicators	Before receiving remittance		After receiving remittance	
		Yes	No	Yes	No
1	Housing	12	123	55	81
2	Drinking water	38	98	116	20
3	Electricity	57	79	101	35
4	Cooking Fuel	6	130	36	100
5	Sanitation	11	125	63	73
6	Assets ownership (TV, radio, camera, mobile, etc.)	28	112	131	5
Source: Field Survey, 2073					

Table 4.11 shows that change economic status of sample households before receiving remittance to after receiving remittance. Condition of house was improved from 12 households to 55, condition of drinking water facility is also increased from 38 household to 116, and electricity facility is increased 57 households to 101. Now, it is under process in some households and 35 households are not till now. Similarly, 6 households used to cook food without firewood or coal that is they used gas, now it is increased to 36. Likewise their sanitation is also improved from 11 household to 63. The assets ownership has increased rapidly after receiving remittance. Most of the households were spending their remitted money to buy such things. It is increased from 28 to 131 households. This shows that the economic condition of sample household is increased.

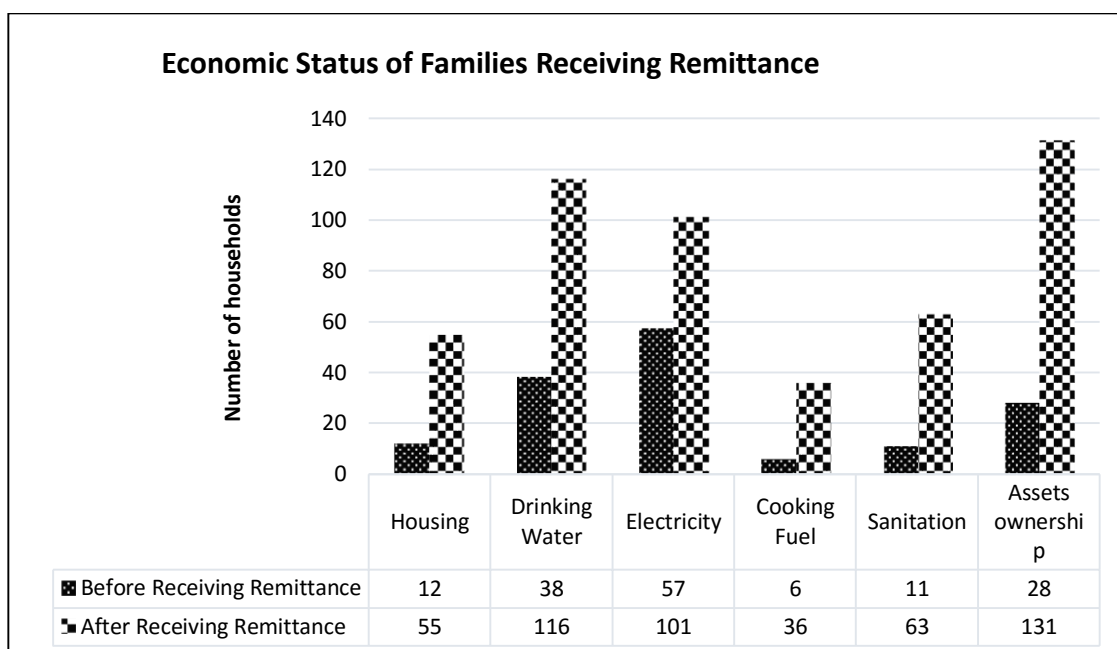


Figure 4.11

4.12. Change in Households Economy due to Foreign Employment

No doubt remittance has great roll in Nepali economy, however, it has significance in household activities. Remittance played vital role and changed the household economy under the indicators like; earning, spending, saving, cash available, health services and education of sample household in the study area.

Table: 4.12 Change in Household Economy due to Foreign Employment				
Indicators	Increased (%)	No change (%)	Decreased (%)	Total
Earning	115 (84.56%)	15(11.03%)	6 (4.41%)	100%
Spending	104(76.47%)	12 (8.82%)	20 (14.71%)	100%
Savings	89 (65.44%)	24 (17.65%)	23 (16.91%)	100%
Cash available	82 (60.29%)	36 (26.47%)	18 (13.24%)	100%
Health services	75 (55.15%)	37 (27.21%)	24 (17.64%)	100%
Education	99 (72.80%)	21 (15.44%)	16 (11.76%)	100%
Source: Field Survey, 2073				

Table 4.12 Shows that 84.56% of the households increased their earning due to foreign remittance, 11.03% of households have their earning same that is no change after the foreign remittance and 4.41% of the households earning is decreased. Likewise 76.47% of households expenses also increased, 8.82% households expenses no change and 14.72% said expenses are decreased. 65.44% of the households' saving increased, 17.65% remained same and 16.91% decreased. Similarly, 60.29% of the households said their cash available is increased, 26.47% said remained same as before remittance and 13.24% of them said their cash available is decreased. 55.15% of the of the sample households' health services had increased, 27.21% households' remained same and 17.64% of the households' condition is decreased. Finally, 72.80% of the sample household's educational status has been increased, 15.44% households educational status is not changed and 11.76% of the households' status is decreased. It is seen that overall household economy of sample households were increased.

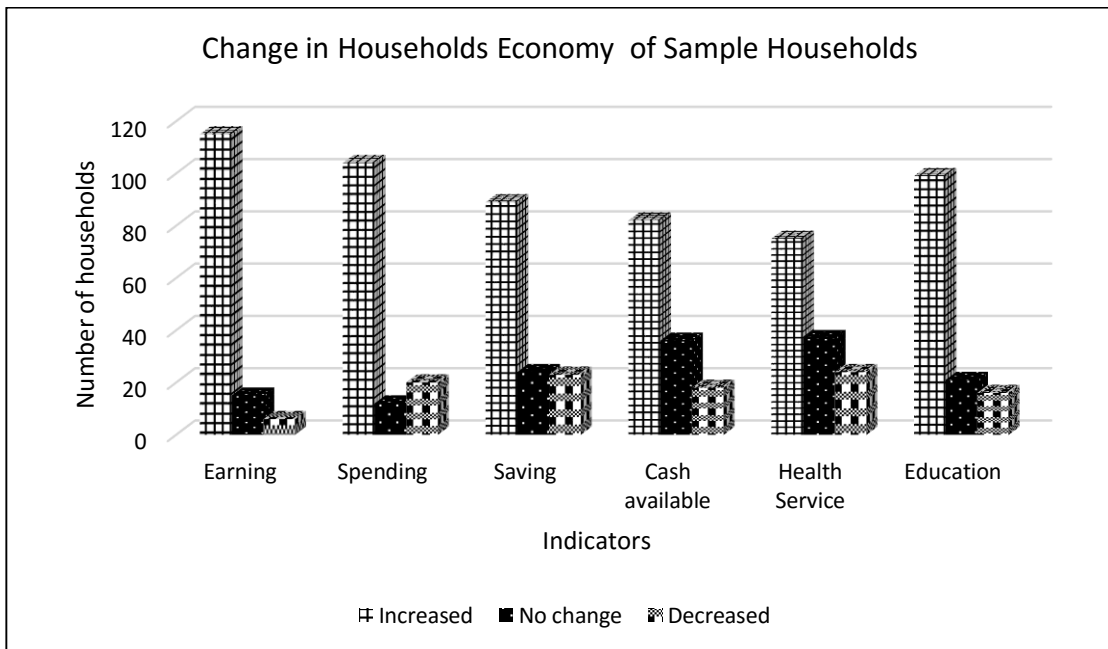


Figure 4.12

4.13. Use of Foreign Skill in Households Productive Sector

Many of Nepali youth have been to abroad and they are learning new skills and technology. During the work they had sent money as remittance and when they return home country, they bring their skills and knowledge to the home country. Some of them are using their skills and knowledge in household productive sector by doing

different activities like bee keeping, cow farming goat farming, buffalo farming, other constructional work and business.

Table: 4.13 Use of Foreign Skill in Household Productive Sector		
Use of skills	Yes	No
No of households	39	97
Percentage (%)	28.68%	71.32%
Source: Field Survey, 2073		

Table 4.13 shows that out of 136 households 28.68% were using foreign skills in their household productive sector whereas remaining 71.32% were not using these skills because they come for 2 or 3 months and return to abroad to continue the work. It is good for the economy of Mijuredanda VDC of foreign skills is used by the foreign migrants in productive sector.

4.14. Uses of Foreign Remittance in Productive Sector

Remittance in millions is being received every years in Nepal. But where is it spent? The question comes to us. The remitted money is being spent in productive as well as unproductive sector. During the sample survey it was found that most of the households were found spending their money under the productive sector like; to buy agriculture land, for the production of cash crops, business and industry, some lent for earning interest, livestock and others.

Table: 4.14 Use of Foreign Remittance in Productive Sector				
S N	Headings	No of households	Percentage	Overall percentage
1	To buy agricultural land	32	23.52	47.82%
2	Cash crops	61	44.85	
3	Business and industry	12	8.82	
4	To lend for earning interest	52	38.24	
5	Livestock	62	45.59	
6	Others	11	8.09	
Source: Field Survey, 2073				

Table 4.14 shows that out of 136 households, 23.52% are using their remitted money to buy agricultural land, 44.85% of the households are investing their remitted money for the production of cash crops, 8.82% of the households are investing in business and industry, 38.24% of the households are lending their remitted money to bank and to individual for earning interest, 45.59% of the households were spending for livestock and remaining 8.09% to other activities. Thus overall 47.82% sample households were spending their remitted money in productive sector. This shows that less sample households had invested their remitted money in productive sector.

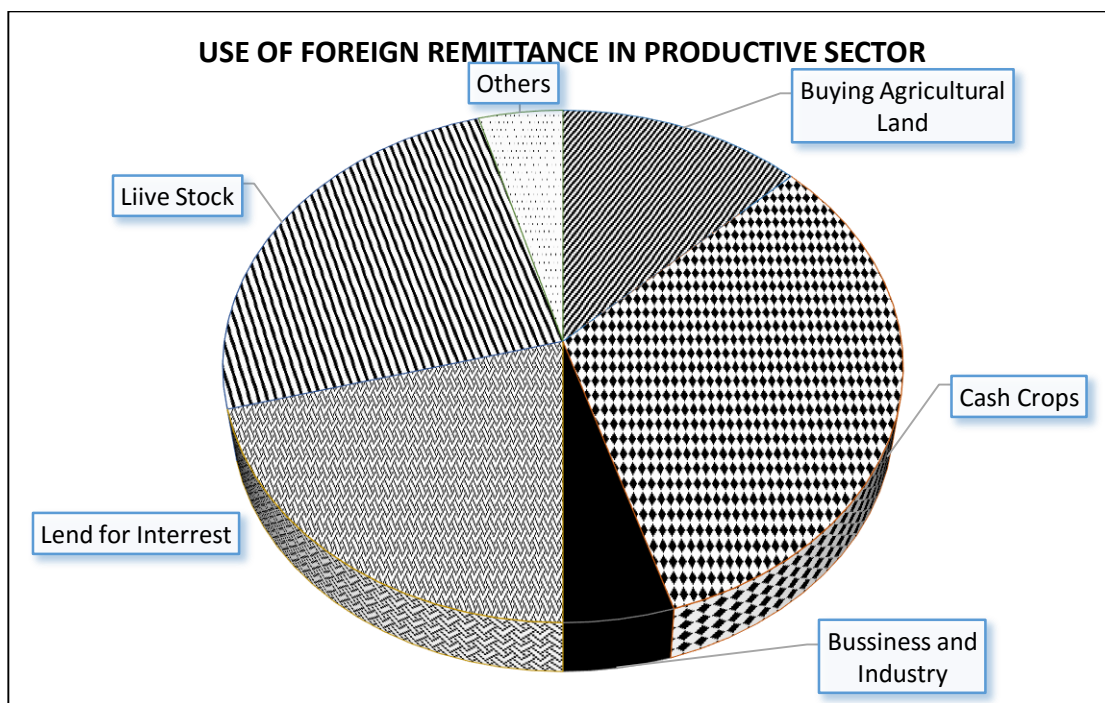


Figure 4.14

4.15. Uses of Foreign Remittance in Nonproductive Sector

The remittance received by the sample households was found to have been spent in different unproductive sectors which is not good from economic aspect. Most of the households in the study area were spending remitted money for family expenditure, fooding, construction and repairing their houses. Some part of it was spent in buying ghaderi in the city. Expenses on festivals, and others (to buy mobile, laptop, camera, TV, etc.) can also be included in the expenditure.

Table: 4.15 Use of Foreign Remittance in Non-productive Sector				
S N	Headings	No of households	Percent	Overall %
1	Family expenditure (Clothing Jewelries,etc)	42	30.88	52.18%
2	Fooding	63	46.32	
3	Construction of house	47	34.56	
4	Buying land(ghaderi)	78	57.35	
5	Expences in festival,marriage,etc	14	10.27	
6	Others (TV, mobile, Camera,etc.)	7	5.15	
Source: Field Survey, 2073				

Table 4.15 shows that 30.88% of the households were spending the remittance as family expenditure like clothing and jewelries. 42.32% of them were spending on food, 34.56 households were spending for the construction of house, most of the households 57.35% households were spent their remitted money to buy Ghaderi at the city, 10.27% of the household were spent on the occasion of festivals, marriage, etc. and rest of them 5.15% are using to buy mobile, Laptop and camera. Now in overall 52.18 households were spending their remitted money in non-productive sector. This shows that maximum number of sample households invested the remitted money in non-productive sector.

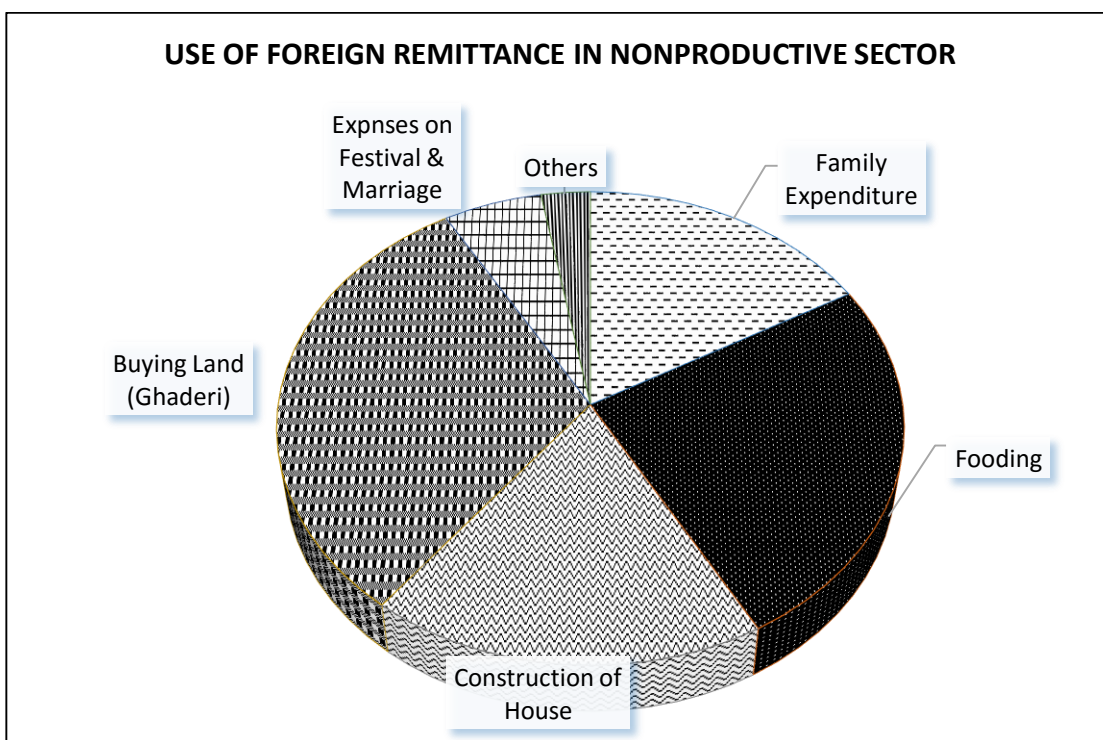


Figure 4.15

4.16. Problem Associated with the Foreign Remittance

During the work in the abroad, Nepali youths have been facing many problems. According to them and their families, many obstacles are aroused during the working period. Some of them were facing racial discrimination due to caste and religion. Similarly, the other problems were; migrants were not getting regular payment and even not in time. They have done difficult, dangerous and dirty works. They have been

cheated by Nepali man power, getting low level of income. There were problems on sending money for those who have been working illegally, home sick, leave problem and so on. The main problems which have been faced by the Nepali workers in the abroad are mentioned below.

S N	Problems	Persons	Percentage
1	Racial Discrimination	8	3.83
2	Irregular Payment	22	10.53
3	Dangerous, difficult and dirty work	38	18.18
4	Cheated by Nepali manpower	45	21.53
5	Low level of income	22	10.52
6	Problem on sending money	7	3.35
7	Homesick	23	11.01
8	Leave problem	31	14.83
9	Others (family disagreement, climate, etc.)	13	6.22
	Total	209	100

Source: Field Survey, 2073

Table 4.16 shows the problems associated with the Nepali workers who have been working in abroad during work. If they face the problem it decrease their income and affects the households economy. Out of 209 workers 21.53% cheated by Nepali man power, 18.18% have been doing difficult, danger and dirty work, 14.83 have faced leave problem to come in Nepal, 11.01% were homesick, 10.52% have low level of income, 10.53% are not getting their salaries in time, 6.22% were facing others problems such as family disagreement, family conflict, etc., 3.83 were facing racial discrimination and rest 3.35 have faced to send money to their families. Thus the workers had faced many problems during the work in abroad.

4.17. Major Findings of the Study

Following are the major findings of the study

1. The major caste structure of the sample households in the study area included Bramin, Chhetri and Thakuri. There are under upper caste group, Gurung, Tamang and Ghatri are under ethnic caste group and rest Kami, Damai and Sarki were under lower caste group.
2. There were 47.13% population out of 696, were male and the rest 52.87% were female. 9.77% of the population were below 5 years, 19.11% in between 5-15 years, 63.07% in between 15 -60 years and rest 8.05% were above 60 years.
3. Among the 625 population except those below 5 years, 11.78% were illiterate, 54.94% were literate, 17.83% were SLC passed and 15.45% had passed higher education. This shows that few population are illiterate and more population are literate.
4. Out of 136 sample households, 32 households had 2-4 family members, 47 households had 4-6 family members, 36 households had 6-8 members and the rest 21 had more than 8 family members.
5. 57.35% of the sample households had their houses made with mud, stone and Jasta pata, 32.35% of the houses were made by stone, cement and Jasta pata, 8.09% of the houses were concrete and rest 2.21% households were made with stone, mud and khar (dry grass).
6. Out of 136 sample households, 133 had Ghaderi (for housing), 56 had Khet, 72 have Bari, 41 have Pakho (Bhiralo land), and 16 had others like Bandaki lands.
7. The main occupation of the sample households was agriculture which is of 111 households and rest of them was non agriculture.
8. 20.09% Nepali youths from the study area have been to Malaysia for the employment. Similarly, 15.31% have been to Qatar, 12.44% to Saudi, 10.05% to India. Likewise the rest of them have been to different countries such as Japan, Korea, Australia, Europe, UK, USA and to other countries.
9. 21.32% of the sample households received less than Rs.10,000 per month as remittance, 31.62% of them received in between Rs.10,000-Rs.20,000, 25.73% households received in between Rs.20,000 - Rs.50,000, 13.24% households received Rs.50,000 - one lakhs and rest 8.09% households received more than

one lakhs. Thus in average per household received Rs.33879.05 per month as foreign remittance.

10. Under the sources of household income, 32.35% household's income comes from agriculture, 14.71% of their income comes from business, and 33.82% 's comes from foreign remittance which was the major source for household income. 7.35%'s comes from pension and rest 2.9% households come from other sectors like broker, transportations.
11. Economic status of sample households was increased after receiving remittance. Condition of housing increased from 12 to 55, drinking water facility was increases from 38 to 116 households, and electricity facility was increased from 57 to 101 households. Similarly sanitation part was also increased from 6 to 36 households and assets ownership increased from 28 to 131 households. This shows that the economic condition of sample households is increased.
12. The economic activities in the study area was increased. 84.56% households increased their earning, 74.47% households increased their expenditure, 65.44% increased their saving, and 60.29% household increased their cash in hand whenever they need, 55.15% households increased their health services and 72.80% households improved their education of their children.
13. Out of 136 sample households 28.68% had used foreign skills in their household productive sector.
14. Under the investment of foreign remittance in productive sector of sample households,44.85% households invested on production of cash crops, 45.59% households invested on livestock, 38.24% households lent their money for earning interest, 23.52% households had bought agricultural land, 8.82% of them invested on business, and 8.09% household invested on other productive sectors. In total 47.82% of sample households had invested their remittance in productive sector.
15. Sample households had invested the remitted money on non-productive sectors. 57.35% of the households invested to buy land (Ghaderi) in the market, 46.32% invested on food, 34.56% invested on building and repairing their houses, 30.88% households spent on clothing, jewelries, etc., 10.27% households spent on festivals, and 5.15% spent to buy TV, mobile, radio, laptop, etc. Thus in total 52.18% households had invested in non-productive sector.

16. There were several problems associated with the foreign remittance which directly affects the income of workers. 21.53% workers were cheated by Nepali man power, and 18.18% of them were involving difficult, dander and dirty works. Similarly 14.83% of them had leave problems, 11.01% had homesick, 10.53% migrants were not got salary on time, 10.52% had low level of income and 6.22% had others like family disagreement and climate problem. Remaining 3.83% and 3.35% workers had racial discrimination and problem on sending money respectively.

Chapter– 5

Summary, Conclusion and Suggestions

5.1 Summary

This study is carried out to find the impact of foreign remittance on household economy of Mijuredanda VDC, Kaski District. This is descriptive as well as analytic type of study. It is based on primary data. Data were collected by primary survey.

In chapter one, discussed about introduction, in which general background, present situation of remittance in Nepal, statements of the problem, significance of the study, objectives of the study, limitations of the study, organization of the study and Description of the study area. Similarly, chapter in two, theoretical part was reviewed and several researches done by former researchers have been reviewed. In chapter three methodologies were presented in which research design, sources of data, data collection procedure and data processing procedure were discussed.

Chapter four was the main part of the study where collected data was presented and analyzed by different headings and shown in charts, table, maps and diagrams. In which caste structure, demographic structure, educational status, family size, housing status, size of land holding, occupational status of sample households were presented and analyzed. Similarly, country wise foreign employment situation, situation of remitted money by foreign employees, sources of households income, economic condition of remittance receiving families, change in household economy due to foreign employment, use of foreign remittance in productive and unproductive sector, problems associated with foreign remittance are also presented and analyzed. At the end of this chapter major findings were stated. In chapter five, summary of the study, conclusion of the study and several suggestions were discussed. Finally, bibliography, and appendix were at the end of the study.

From the study, it is found that remittance has a played vital and positive role on household economy. Furthermore, economic status of remittance receiving households was increased after receiving remittance. Also their economic activities like earning, saving, expenditure, and cash in hand, health facilities and education of their children also increased. Similarly, a few households invested the remitted money in productive

sector and more households invested the remitted money in non-productive sector. There were several problems like cheating by Nepali manpower, involving in difficult, dangerous and dirty work, leave problem etc. were faced by migrant people.

Hence, the foreign remittance increased the economic status as well as economic activities of study area. Also the positive impact is seen on household economy like saving, spending, investment, cash available, health services and education.

5.2 Conclusion

This study is a micro level of study about the impact of foreign remittance of household economy (a case study of Mijuredanda VDC of Kaski district). It is found that the economic status of the people was improved due to foreign remittance. The condition of housing was increased by 31.62%, drinking water facility was increased by 57.35%, and electricity facility was also increased by 47.79%, uses of cooking fuel increased by 22.05%, sanitation maintained 38.24% and assets ownership also increased by 75.74%. Similarly in the economic activities, 65.44% households increased their saving, 84.45% households increased their earning, 76.47% households increased their spending, and 60.29% households increased their cash available, 72.80% of households increased education of children and 55.15% households increased their health services. Several skills learnt from abroad were used in the village in agricultural production. It has given positive impact for farmers to use modern technology in agriculture. 47.82% households invested the remitted money in productive sector such as to buy agricultural land, cash crops, business and industry, lent for interest, livestock, etc. But more households invested the remitted money in non-productive sector like on clothing, fooding, construction of house, to buy ghaderi (for housing), expenses on festivals and marriage, and to buy TV, mobile, camera, etc. This is not good for the national economy. However, remittance contributed as a primary source of household economy of the study area. Also there were found several problems like; cheated by Nepali manpower, involved in difficult, dirty, and danger work and also had leave problem as well family conflicts.

Finally, the economic condition and economic activities of households of Mijuredanda VDC has increased due to foreign remittance. Hence the overall impact of foreign remittance in household economy is significant.

5.3 Suggestions

The following are the suggestions are given for the concerned so that people may know what actually remittance is and what use it can have.

- Most of the people in the study area have gone to abroad without any technical knowledge. So they were getting low level of salary. They were employed in difficult, dirty and dangerous work. So they need technical education and government or local authorities should provide skill through technical education to the people.
- Many of the workers were cheated by Nepali Manpower and Broker (Dalal). Especial orientation should be given to the migrant before applying for job.
- Only few households were had the foreign skills in productive sector, other households should be encouraged to use these skills in household productive sector.
- Remittance has been given positive impact on household economic indicators but maximum part of remittance has been used in household expenses and unproductive sector. Government should make proper policy make the remittance receivers utilize and invest in productive sector.
- It is seen from the study area that remitted money used to buy Ghaderi (Plotted land) in the market and migrating to the market. The government should pay attention for the development of villages so that the migration rate would be stopped and their remitted money would also be used in the development of the village.
- Free visa- Free ticket system should be strictly implemented so that it would be beneficial for the poor and unemployed youth.
- Illegal channels should be stopped to send workers in abroad so that the migrants would not get any trouble in work.

- Nepal's economy has received large amount of remittances but remittance are still being transferred through informal channels. Formal channels should be promoted and informal channels should be discouraged.
- The government should generate alternative employment situation within the country so that Nepali youths would get employment within the country and can generate employment to others too. Only they would invest, generate and engage within the country and the economic aids well as social problems related to foreign remittance would be solved.

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Appendix-A

Prithivi Narayan Campus

Department of Economics, Pokhara

Questionnaire for households survey

Mijuredanda V.D.C., Ward No..... Kaski

1. Name of respondent:

i. Sex: ii) Age

iii) Occupation: Agriculture.....Non agriculture

iv) Caste: v) Number of family members.....

2. Educational status:

Illiterate..... Literate.....

SLC.....Higher Education.....

3. What types of land do your family have?

i) Khet ii)Bari..... iii) Ghaderi.....

iv) Pakho..... v) Others.....v) All.....

4. What types of house do you have?

i) Concrete ii) Made with stone, cement and Jasta(tin)

iii) Made with mud, stone and Jasta iv) Made with mud, stone and Khar

5. Which country is your family members has been working?

Number of family members...

6. What amount of money he/she earn in a month?

i) Below Rs.10,000 ii) Rs. 10,000 - Rs.20,000

iii) Rs.20,000-Rs.50,000 iv.)Rs.50,000-Rs1,00,000

v) More than Rs.1,00,000

7. What is the income source of your family?

a)Agriculture b)Business c)Jobs

d)Foreign employment e)Pension f) Others

8. Do your family members has been using foreign skills in productive sector?

a)Yes

b) No.....

9. Do you think your household economy under the following topics Increased, decreased or remain same after foreign employment?

Indicator	Increased	Remained same	Decreased
Earning			
Spending			
Saving			
Cash available			
Health Service			
Education of your family			

10. Your economic status under the following topics before and after foreign employment.

Indicators	Before receiving remittance		After receiving remittance	
	Yes	No	Yes	No
Housing				
Drinking water				
Electricity				
Cooking fuel				
Sanitation				
Assets ownership (Mobile, TV, Radio, etc)				

11. In which sector do your family member invested your remitted money?

a	Productive Sector	
i	To buy agricultural land	
ii	Cash crops	
Iii	Business and industry	
Iv	To lend for interest income	
v	For livestock	
vi	Others	
b	Nonproductive sector	
I	Family expenditure (Clothing, Jewelries, etc)	
Ii	Expenses on food item	
Iii	Construction of house	
Iv	Buying land	
v	Expanses of festivals, marriage, etc.	
vi	Others	

12 What problems do your family members faced during the work in abroad?

a	Racial discrimination	
b	Irregular payment	
c	Danger, difficult and dirty work	
d	Cheated by Nepali manpower	
E	Low level of income	
F	Problem on sending money	
g.	Home sick	
h.	Leave problem	
i	Others	

Thank you!

Appendix-B

Sample structure of households											
Caste Group	Caste/Ward	1	2	3	4	5	6	7	8	9	Total
Upper	Bramin	3	4	3	6		3	8	2	1	30
	Chhetri	2	5	7	4		3	4	3	1	29
	Thakuri			3		4				3	10
Ethnic	Gurung	2	8	6	3	8	1		3	5	36
	Tamang	5									5
	Ghatri							2			2
Dalit	Kami	1	2	3				1	1	1	9
	Damai	3	1				2	3			9
	Sarki	2		2			1		1		6
Sampled households		18	20	24	13	12	10	18	10	11	136
Total Households		68	106	123	165	109	73	69	122	70	905

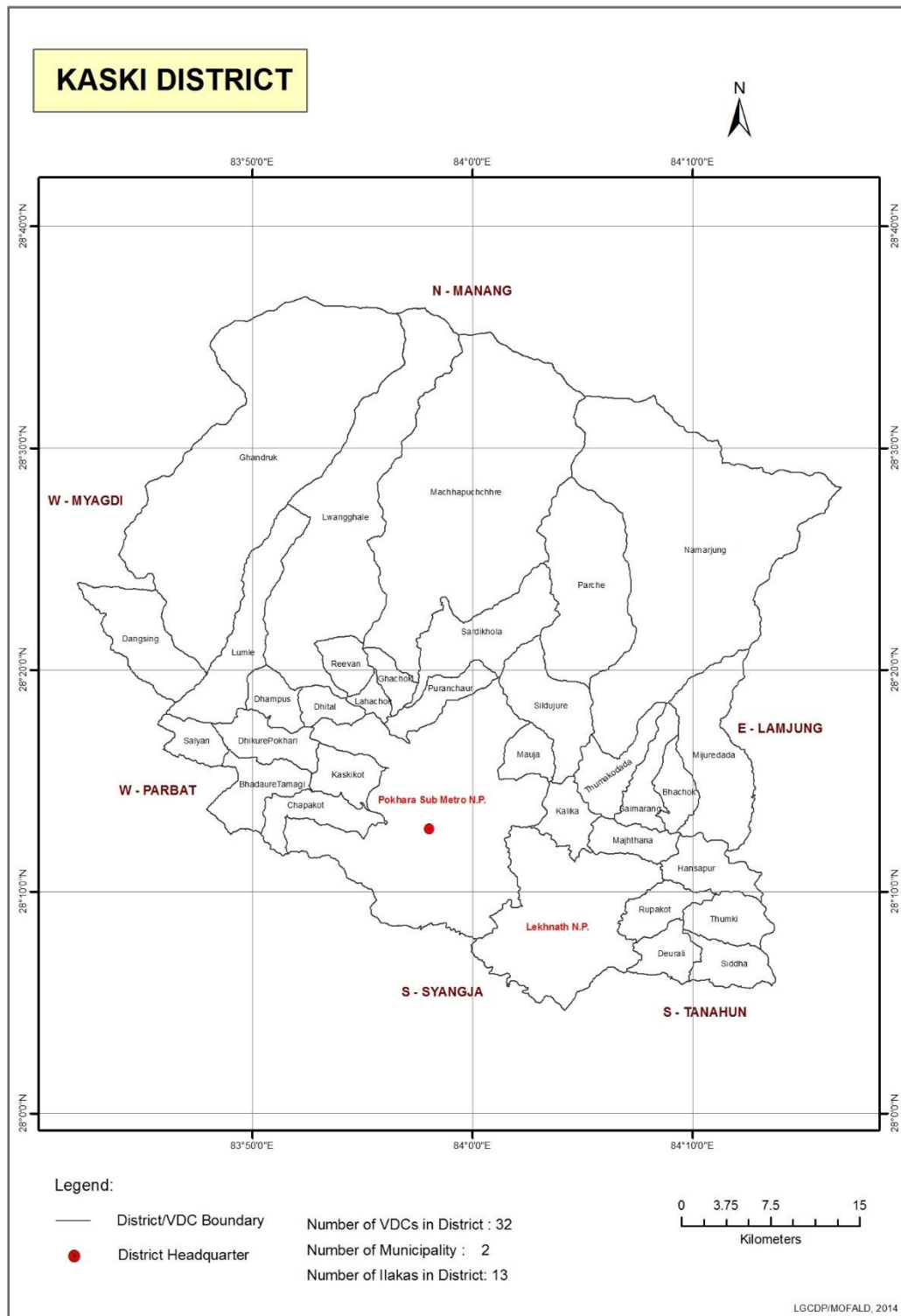
Appendix-C

Indicators and Measurement

The following six indicators were used to calculate to measure the economic condition of sample households.

- Housing (Floor): Deprived (No) if the house hold has a dirt, sand or dung floor
- Drinking water: Deprive if the household does not have access to safe drinking water or safe drinking water is more than 30-minute walk from home roundtrip.
- Electricity: Deprived if the household has no electricity
- Cooking fuel: Deprived if the household cooks with the dung, wood or charcoal
- Sanitation: Deprived if the household's sanitation facility is not improved(according to The Millennium Development Goals MDG) or it is improved but share with other households
- Assets ownership: deprived if the household does not have own more than a radio, TV, telephone, refrigerator, etc.

Appendix-D



Map of Kaski district including study area (Mijuredanda VDC)