

CHAPTER - I

INTRODUCTION

1.1 General Background

Nepal, a landlocked country, lies between two giant economies, China and India. It is a Himalayan country. It has an extended rectangular shape with roughly north-west to south-west orientation. For political and administrative region, Nepal is structural along hierarchical lines. Looking through the overall macroeconomic indicators, it is well known fact that Nepal is an under developed country. There are prominent problems such as trade deficit, mass poverty, unemployment, instability, lower economic growth, subsistence agriculture, geographical constraint, infrastructural constraints and under exploitation of natural resources.

In Nepal, foreign employment is not a new business. Initially, it was in the form of 'Lahure' tradition. Nepalese youth were engaged in British and India Army after Sugauli Sandhi in 1815. At this time, Nepal was able to inflow the remittance. But it was used in consumption and spent on unproductive activities. As a result, its scope and contribution to national economy was very insignificant. Human resources are the main resources for development of Nepalese economy. But due to growing population and the globalization paves the way to Nepalese manpower for their betterment of life standard people starts to move from one place to another place. The living the migrated people of rural areas are migrated to India and other countries for work (Bista.2008).

Remittance can be defined as sum of money that a migrant worker sends back to his or her country of origin. Remittance transfers are crucial sources of income of developing economies like our country Nepal and people as well. At a present context, with the rapid globalization a lot of good opportunities are creating in the world. Global opportunity and liberal economic and social policy have now explored the queues for easy flow of workers into the most countries that has contributed a lot to the home countries to reduce the unemployment problem and helped in maintaining favorable current account balance.

The increased global integration and the enhancement in communication technology have facilitated the movement of labour from one country to another and, as a result the flow of remittances started growing at a higher pace. While there is a moderate rise in remittances transmitted to developed countries, the remittances sent by migrants to developing countries has witnessed dramatic surge recently. This happened precisely after 1990s when the migration from developed countries in the North accepted many migrant workers from the poor south (NRB, 2006).

Living standard of people in Nepal is very low. So, for mention their standard Nepalese people are migrated and remittance is becoming the instrumental factors for survival. In the present condition most of means the transferring money or kind from one place to another place. Remittance business is created by foreign employment vol. Iii, remittance is defined as a transfer in cash or kind sent or received by a household over the last 12 months preceding the interview. In the context of Nepal the contribution of remittance income is increasing year by year. The total contribution of remittance income is 17.2 percent in the FY 2068/069 which was only 12.3 percent in the past year. NLSS 2010/11 concluded that 56% of the total households were receiving remittance from their family member. Each household receives an average remittance of Rs. 80436 per year of the total remittance flow. 19.6 percent comes from within the country. India 11.3 percent and from other remaining countries remittance contribution is 69.1 percent of total remittance flow (CBS, 2011).

The government has also tried to organize foreign employment by introducing the foreign employment act in 1999. At present time, because of the insufficient employment opportunities, the large number of Nepalese are going abroad for employment have been going year by year. Remittance is established as a major source of income of the people. It helps to economic development of the developing countries like Nepal. Nepal received Rs. 253.55 billion in FY 2010/11 (MOF, 2011).

Nepal has also the long tradition of foreign employment which started particularly after the people started migrating to neighboring Indian cities. The trend now however has shifted and the overseas employment has become one of the attractive options for many leaving the country to work abroad. The argument for the people's interest for foreign Jobs is it in neighboring country or overseas, is attributed to low absorptive capacity of domestic economy caused by the sluggish performance of manufacture

and non manufacture sectors, rapid growth of population and labour force, prolonged political instability, changing attitude of the people in their livelihood and others (NRB, 2012).

Foreign labour migration and remittance has been made positive and negative impact on Nepalese economy. Due to foreign employment Nepal has been able to inflow the high amount of remittance which reduces the poverty in the rural areas of our country due to emigration of stream somehow the people have been able to fulfill their basic needs, number of people living in their own home comedown while those living in rented house have gone up. Due to portion of remittance used for only consumption and repayment loan. Therefore, the challenges are how to mobilize it is to the productive sector. Its utilization in production growth will help. Neutralize the loose on production due to migration (www.ekantipur.com).

This study aims to evaluate the social cost and economic benefit of remittance in Beltar VDC of Udayapur District. This study is an important on rural areas as well as urban areas of the country.

1.2 Statement of the Problem

Remittance is an important contributor to Nepalese economy. Large scale of remittance is entering in the national economy over last few years and demand for middle level manpower is very high in international labour market.

Since many years foreign employment rate is increasing, but most of unskilled labours have been going to foreign land. Nepalese labour force seeking foreign employment has very low level of technical education and formal training. They are compelled to take danger, difficulty and dirty job in foreign country. Slowly training institute are being established in Nepal to develop skills on individuals who are seeking foreign employment so, earning capacity of the employed and competitiveness in labour market can be increased. But these institutes are in infancy. Individuals seeking foreign employment have spent large amount of money as a cost for employment. Remittances may help improve economic growth remittances generate multiple effects in the economy. In many other countries a large part of remittances are invested in real estate reflecting both a desire of migrants to provide

housing to family left behind and a lack of other investment instruments in the recipient community (WB, 2005).

There are numerous causes for the external movement of people; the reason may vary from political instability, lack of employment opportunities, population pressure and so on. With the passage of time the cost of living standard has really gone up, everything is expensive namely education, housing, food and fuel, survival and maintaining a decent lifestyle is a big challenges in the present age. To meet this problem foreign employment is the alternative option to raise the living standard or fulfill the basic needs. So, since many years, foreign employment rate has been increasing rapidly but most of the unskilled labour has gone to foreign land. Nepalese labour seeking foreign employment having very low level of technical education and formal training. They are compelled to take risky; training institute is being established in Nepal to develop skills on individuals who are seeking foreign employment. So, that earning capacity of employed can be increased. But their institutions are in fancy and limited only on city. Similarly, the cost includes passport \fees, medical charges, visa fee, air fare and the commission to the employment agency. Bank and Financial institutions do not provide loan easily. So, they manage funds from the sales of fixed assets, borrowing from relatives, borrowing from money lenders etc. So, there is difficult to arrange the funds needed to foreign employment by people coming from lower income class.

Basically, the following problems have been studied in the study area:

1. What is the trend of migration and remittance?
2. What are the causes of labour migration in rural areas of Nepal?
3. What visible socio-economic changes are brought by foreign employment in rural areas?
4. What are the social cost and benefit of labour migration and remittance in rural areas of Nepal?

1.3 Objectives of the Study

The general objective of this study is to focus on the social cost and benefit of remittance in-flow in Nepal with special reference to Beltar VDC of Udayapur district. The specific objectives of this study are as follows:

- a. To find out the trend of migration and remittance collection.
- b. To identify whether migrant workers use their earnings in productive or non-productive area.
- c. To examine the impact of remittance income in the household economy.
- d. To clarify the sources of finance and cost of foreign employment.
- e. To make relevant recommendations to policy maker.

1.4 Significance of the Study

Remittance income from abroad is rising year by year. It is a good indicator for the economy. Remittances are playing a vital role to contribute in the GDP of Nepal when other sectors of the economy are failed to come.

The remittance is coming from all over the world in Nepal where the Nepalese people are migrated. Certainly, that amount of remittance is helping Nepalese economy to reduce the poverty and raising the living standard of people. Migrated people are feeling very comfortable to fulfill their basic needs for existence.

But most of the remittance income is used in the unproductive fields like house building, land purchasing and consumption etc. In other words, in these days the remittance income is using in the advantage of the migrated people and their families only. If the income is invested in productive sector, only the effect of that remittance income can be felt by other citizens of Nepal.

Therefore, it is expected that this study will assist in formulating an appropriate policy, rule and laws to make foreign labour migration fruitful. The present study aims to analyze the social cost and economic benefit of remittance in Beltar VDC.

1.5 Limitations of the Study

No research can be conducted without limitation and this study is not an exception.

The study has following limitations:

-) Due to shortage of time and resources this study is restricted only to Beltar VDC of Udayapur District.
-) Conclusion or generalization of this study may or may not be applicable in other part of nation.
-) Simple statistical tools are used to analyze the data.

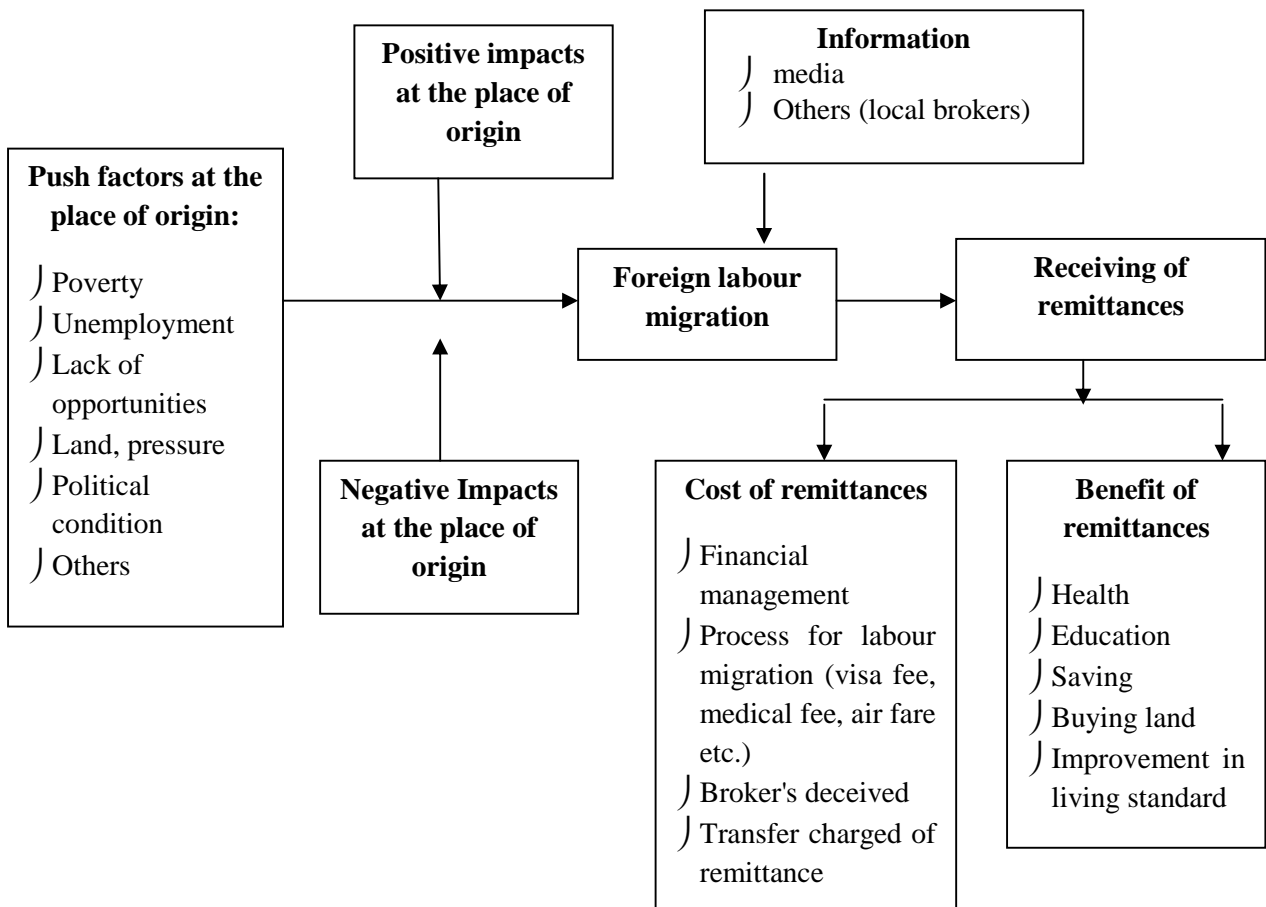
1.6 Organization of the Study

This thesis is divided into seven chapters. The first chapter highlights the introduction of study with background, problems, objectives, importance and limitation of the study. In second chapter, review of literatures on related with remittance and empirical studies related with the remittance of household has been provided. Chapter three presents research methodology applied in the thesis with expanding methods of data collection, tools of data analysis. The fourth chapter deals with historical review of foreign labour migration and remittance pattern in Nepal. The fifth chapter brings the light of policies and strategies for labour migration and remittance in Nepal. Chapter six has analyzed the related labour migration and remittance pattern in the study area. And finally, the summary, conclusion and recommendation are presented in chapter seven. Appendices and bibliography are shed light at the end of this thesis.

1.7 Conceptual Framework

This study cannot cover all the aspect of the foreign labour migration and remittance because of the limit time and resources. Therefore, this study has mainly focused on the specific topic which includes to the cause and impacts of labour migration and social cost and benefit of remittance. The following conceptual framework is designed:

Chart No. 1.7 Conceptual Framework



CHAPTER - II

REVIEW OF LITERATURE

2.1 Theoretical Base of Labour Migration and Remittance at International Context

Ravenstein (1885) has explored the cause of migration and has emphasized that there are certain undesirable factors in the place of origin which stimulates or compels the individual to migrate to the other places in his theory. Likewise, there are certain desirable factors in the destination that attracts the migrants. In his words, the former factors are "push" factors and the later are "pull" factors causing the events of migration. Moreover, he has found the distance between the origins determines the volume of migration between place of origin and destination. Higher the distance lowers the value of migrations and vice-versa. He has said that migration occurs within streams and counter streams. He has not been sure to say that only the distance between the origin and destination determines the volume of migration.

Lucas and Stark (1985) have explored the determinations of remittance. They have studied and found that remittance on a household level determined by "Pure altruism", "Pure self-interest" and "tempered altruism" or "enlightened self-interest" in their paper. Moreover, remittance depends on the migrant's elasticity of demand. That is, if the migrants demand is elastic, fewer services will be demanded and remittance decreases, and also found that there is proportional relationship between migrant's income and remittances.

Lee (1966) has proposed the 'push-pull obstacles' model of the migration on the basis of Ravenstein theory. According to Lee, the decision to migrate and process of migration are determined by the following four factor which include: Factors associated with the area of origin (push), Factor associated with the area of destination (pull), intervening obstacles (distance cost or lack of transport and communication etc), and personal factors (age, sex, education and race).

Elbadwi and Rocha (1992) have synthesized the old researches in two categories: Endogenous migration and international worker's remittance. Their research have mainly concerned the income differential and wage rate between two place there is

'required' level of remittance which must be equal to average income of family and community which is suggested the volume of international worker. The volume of remittance is affected by relative rate of return of interest rate, foreign exchange, real estate values and rate of inflation and difference in the black market exchange rate and official exchange rate. The first approach considers income and demographic variables as the main determinates and economic policy influences less and so it is long run analysis, and second insists on macroeconomic policies, economic and social environment for higher remittance and short-run treatment. They found conduction research in six labour exporting countries of Africa and Europe: Algeria, Morocco, Portugal, Tunisia, Turkey, Yugoslavia in 1980s and found that the stock of worker abroad, level of income in the host country proxy for length of stay domestic inflation exchange rate premium in the parallel market, special incentive scheme designed to attract IWR (international workers Remittance) determine the volume of remittance of a country.

2.2 Empirical Base of Labour Migration and Remittance at International Context

Ratha (2005) has shown the need of remittance in developing countries for development. According to him, Remittance income in developing countries has become a lifeline for economic development. By remittance we mean sending income in terms of money or goods in home by the migrants or workers who have their earning outside their home country. Now a day, this source of foreign income has been growing rapidly in each year in developing countries. Since long time in Nepal, many migrants have been transferring their income through the unofficial channels. Today due to the establishment of different agencies like Western Union, 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 emergence of un official channels even though it has recorded in balance

Robinson (2007) has mainly focused on the migration of health professionals from East Southern Africa (ESA) countries to developed nations. He has used economic and non economic time series and panel data on costs and benefits. He has balanced conceptual framework and sounder analytical research techniques. He has used four

economic models to conceptualize and always the costs and benefits of migration of health professionals from the perspective of developing countries. He has found that the demand and supply factors are affecting the migration of ESA health professional to developed nations. There are financial and non-financial flows from developed to developing countries that are associated with this pattern of international migration, either through circular migration or transactional migration and finally, he has recommended the policy that should be taken into account in analysis of the costs and benefits of health worker migration, and the identification and description of cost/benefit research gaps relevant to policies for managing health professional migration from the ESA.

Goldberg and Levi (2008) have examined the economic implications of remittances and migration. They have used economic reasoning, data analysis and literature reviews in their study. They have found that the remittance has become more important than foreign direct investment (FDI) and Official Development Assistant (ODA) as a source of capital inflow for needy nations. The remittance has supported the poor financial market and spurs the economic growth. They also have found that remittance has improved the living standard of migrant's family, reducing poverty, and it has helped to increase the piece of goods and services which has made producer to encourage for producing more goods and services. Whereas, the range of remitting cost (transfer fees, flat fees, and other factors which reduces remittance income) has been going wider from 3% to 24% in the study area.

Rath (2009) has shown the impact of remittance in developing countries. The main objective of this article has to analyze the trend of remittance and its costs. He has found that the remittance has been sent home by migrants from developing countries reached from \$206 billion to \$193 billion in 2005 and more than double of 2001. The size of remittances is as larger as FDI and official aid. They have found the cost of sending remittance in three money transfers operate (western union, money gram and Dolex) has increased and the benefits of remittance has reduced the poverty. A strong flow of remittances has improved the receiving countries credit worthiness lowering cost of borrowing money in international market.

Farid, Mozumdar, Kabir and Hossain (2010) have depicted the trends of shifting flow of migrations from Bangladesh and to find out the remittance flows from

overseas migrations to Bangladesh. Their study have based on secondary data; they have used table and graph for analysis the data, in order to achieve the objectives of the study. They have found increasing trend of migrant's remittances and contribution of remittance on GDP. Comparatively, most of the Bangladeshi workers have migrated for Saudi Arabia and the unskilled labours have covered the large number of migration. They recommended that, the Government should be increased the employment opportunities in abroad and increased the flow of remittance but from the inexpensive sources and remittance should be turned into a major development process which could be reduced poverty and be an important livelihood strategy of the poor Bangladeshi.

2.3 Theoretical Base of Labour Migration and Remittance at National Context

Kansakar(1982) has shown the historical perspective of foreign employment in Nepal. He has found the origin of Nepalese emigration to be after the Anglo- Nepali war in 1814 and was not only open to Nepalese soldiers for recruitment but also managed for their permanent settlement. Then Prime Minister Bir smasher JBR encouraged the people to join the British recruitment. The Anglo-Nepal convention field on 15th May 1815 created alternative labour market to the Nepalese in India. The emigration to India accelerated because of disequilibria in labour growth and employment opportunity growth and miserable day to day life of Nepalese hilly region.

Shrestha (2006) has stated that remittance can generate a beneficial impact on the economy through various channels, such as saving, investment, growth on consumption and income distribution. The remittances has relaxed the foreign exchange constraints of the country and strengthened its balance of payment position.

2.4 Emperical Base of Labour Migration and Remittance at National Context

Kansakar (1974) has found that the main reason for migration is poor economic condition of the hill in comparison to the Terai. He has suggested the need for the development of the hill region and has found that the Terai is the destination of internal migration. .

Gaudel (2007) has shown the importance of remittance income in Nepal for economic development. He has found 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 Bops. 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 down side of remittances reflects the view that remaining young generation for long time outside without family may increase their vulnerability and ultimately they will have a tendency to leave their homeland. Thus, in order to recover the loss of economically active labour force to recover the loss of economically active labour force to the domestic economy, they should be encouraged to come back again with skilled knowledge for utilizing their savings and working experience for development to the productive areas in accordance with the priority of the national development plans.

NRB (2007) in its publication has pointed out an article of NRB that the Remittance has a direct impact on poverty reduction. Since they tend to flow directly to poor households they are used primarily for basic needs such as food, shelters, education and health care. Although remittances are often not used for production and investment, the poor household rationally gives priority to basic needs, which represents an investment in basic needs. And, also it has a multiple effects in the community.

Khadka (2011) has shown the impact of remittance in the economy in his theory. He has used primary as well as secondary data and used random sampling method to analyze the data. After analyzing the data, he has found that poverty level has decreased after receiving remittance income. An annual average educational expenditure of remittance receiving household has been greater than non – remittance receiving household.

Nepal (2012) has shown the trends, impacts, problems and issues of foreign employment in Nepal. He has found that there has been increasing trends of migration and remittance and has found that there is positive and negative impact of foreign employment. The migration of Nepal has determined by pull and push factors. He

also has raised some issues and given the way forward for plan, policy and programme.

Singh and Acharya (2012) have published in economic review of NRB. The main objective of this article has to analyze the effect of remittance on macro economic variables. They have used unit root test, least square regression analysis, and granger causality test. The empirical result of this article has suggested that remittance has more causality on the consumption pattern as well as the import pattern, and has less on investment. Furthermore, this paper has discussed the importance of channelizing the remittance funds into the productive capital, mainly the public infrastructure in consumption with the South Korean case study. They have found that South Korean has able to generate funds internally for further development, as well as their trade deficit has reduced. Essentially, South Korean has grown out of foreign funds dependency and grown self sufficient .whereas the Nepalese economy has suffered from unemployment and faced a downward pressure on the remittance inflow which can be troublesome given that the economy has grown in dependency. They have suggested making foreign employment fruitfulness the policy should be made to channelize the funds to infrastructure development.

Bhatta (2013) has focused on the long- run and short-run relationship between remittance and import and also remittance and trade deficit nexused by using co-integrating techniques and VECM (Vector Error Correction Model).The article has based on the monthly data of merchandise imports, workers remittance and trade deficit for ten years period. The Error Correction Model (ECM) has shown the positive relationship of remittance into the import and trade deficit in the long-run whereas, in the short –run remittance has used in purchasing land, house, repaying loan and in consumption.

Acharya (2013) has mainly concentrated on providing a comprehensive commentary of the diversified Nepalese foreign employment sector. The recent trend of foreign employment has been covering a wide space in the world. Especially, least developed countries like Nepal, it is not a new issue but foreign employment has been significantly contributing for transferring socio-economic transformation. He has found the foreign employment sector for Nepal has suffered from various challenges.

In such a situation, he has suggested the government of Nepal should be implemented proper policy to make this sector more beneficial.

2.5 Cost and Benefit Analysis at International Context

Little and Mirrlees (1969) proposed the social cost benefit analysis for developing countries. In their system all inputs and outputs are classified as either traded goods and services, non-traded goods and services or unskilled labour. Their evaluation system essentially prices every input and output in terms of foreign exchange based "Shadow Price". Although their proposals are directed primarily towards industrial projects, they feel their valuation system to be equally applicable to agriculture also. They considered it applicable, too, to power, transport and communication projects but suggest it may have less usefulness in sectors such as education and health.

Gittenger (1976) provided the social cost-benefit analysis, only concentrated on agricultural projects. This book has explained all probable costs and benefits, computation methods, sensitivity analysis in detail. This book also explored some related examples, especially Ivory Coast - Coca project. Gittenger produced social cost benefit analysis, only concentrated on agricultural project.

2.6 Cost and Benefit Analysis at National Context

Sapkota (2012), has mainly focused on discuss the prons and cons of remittances at household and national level in Nepal. It is based on two keys namely Nepal Living Standard Survey III and Nepal Migration Survey. Over the last six years, absolute poverty declined to 13 percent of total population, down from 31.5 percent in 2003/04 .An incredible 18 percentage point decline in poverty or three percentage point decline each year. Nominal average household income and nominal average per capital income have increased by 153 percent and 175 percent respectively. Furthermore, nominal per capital consumption of the poverty households has increased by 165 percent while that of richest households has increased by 66 percent only. Also, average household Income of the poorest and richest 20 percent households has increased by 297 percent and 133 percent respectively, measured by Gini coefficient to 0.35 from 0.41 recorded in the second NLSS. The average daily wage in agriculture sector has increased by 127 percent between two surveys, but that

of non agriculture sector by 98 percent only. His article has found that increasing remittances at the household level have led to high consumption demand, high imports and appreciation of exchange rate, resulting in the erosion of manufacturing sector and its competitiveness in Nepal.

Kshetry (2013) has shown the social cost and benefit of remittance in Nepal. According to him, Remittances are especially important for low-income countries. A remittance transaction is completed in three steps. In the first step, the sender pays the remittance to the sending agent or institution using cash, cheque or money order or debit card using e-commerce and so on. In second step the sending agency instructs its agent in the recipients' country to deliver the remittance. In the third step, the paying agent or union operator makes the payments beneficially. Formal remittances are periodically followed between sending agents and paying agents according to their agreed schedules. However, informal remittances are settled particularly through goods trade. The cost of remittance transaction includes a fee charged by the sending agent, who is paid by the sender and a currency conversion fee for delivery of local currency to the beneficiary in recipient country in such transaction, money transfer operates require the beneficiary to pay a fee to collect remittances. This fee may be charged to account for frequent exchange rate movements. Moreover, if remittances come through commercial banks or financial institutions. They may earn an indirect fee in the form of interest by investing funds before delivering the amount of beneficiary.

Conclusion

Different studies have been done in the national and international level regarding to remittance. Especially, in these studies only use of remittance is presented. Further researchers clearly can not mention the foreign employment problem because these things are not based on current data. So, here, I have studied by using current data to grab both cost and benefit of remittance.

CHAPTER - III

METHODOLOGY

3.1 Research Design

Beltar VDC of Udayapur District has been selected for study. This is analytical as well as descriptive type of research design. The data collection should be meeting the objectives of this study. Data have been taken from the primary and secondary sources. The sample has been selected on the basis of the family whose members are working in foreign employment.

3.2 Sources of Data

This study is conducted with primary as well as secondary data. The primary data is collected using the questionnaire methods. The survey is confined to the remittance households only. The collected data has processed according to the need of study. In the context of secondary data, available sources like policy document, article, books, unpublished thesis and internet have been also used, which efforts are already done in the past.

3.2.1 Primary Data Collection

All the selected respondents interviewed and relevant information is collected through the medium of structured questionnaire. Questionnaire has been prepared including various segments related with the employment and remittance. The set of questionnaire is included with household composition of migration, occupation, education, various sources of income and consumption expenditure. The questionnaire is included open and close ended questions, cross check, editing and indirect questions also put some time when the answer is through to be unrealistic and irrelevant. The format of interview schedule has been provided in Appendix.

3.2.2 Secondary Data Collection

Except primary data some other related secondary data has been collected from the secondary sources which can be officials as well as unofficial. The relevant data has been compiled from publication of the national planning commission, central bureau

of statistics (CBS), budget, economy survey, Nepal Living Standard Survey, economic reports of NRB, magazines like WB, ADB, and VDC report of labour migration.

3.3 Sampling Design

The total number of households of the study area is 984 and total population is 6799 as recorded in VDC profile 2013. Among these households, 456 households are receiving remittance. Out of these households only 90 households are selected by using simple random sampling method.

3.4 Data Processing

After the data collection, all information of the questionnaire have been checked and verified. Then the data is tabulated in row and column in different categories such as education, income, occupation and family size to analyze the different categories to solve the problem. The data has been entered on excel 2010 of Microsoft.

3.5 Data Analysis

After collecting data, all information of the questionnaire have been classified and tabulated to meet the needs of the study. Data analysis has been done with the help of required tools and techniques. In data analysis simple techniques have been used to analyze the result.

CHAPTER - IV

HISTORICAL REVIEW OF FOREIGN LABOUR MIGRATION AND REMITTANCE PATTERN IN NEPAL

4.1 Definition of Remittance

A remittance is a transfer of money by a foreign worker to his or her home country. Money, sent home by migrants, constitutes the second largest financial in flow to many developing countries, exceeding international aid in 2012. According to the World Bank report, \$401 billion new remittance record went to developing countries. Remittances contribute to economic growth and to the livelihoods of people worldwide. Moreover, remittance transfers can also promote access to financial services for the sender and recipients, thereby increasing financial and social inclusion. (From Wikipedia, the free encyclopedia)

Remittances are an important source of income for households, in particular in developing countries. The flow of remittances is least influenced by economic down turn and remains a stable source of income. Remittances have been identified as the third pillar of development as their volume is second official development assistance. Analytical studies have shown that remittance contribute to poverty reduction in home country.

Remittance is defined as a transfer in cash or kind sent or received by a household over the last 12 months preceding the interview. Remittances flow in and out of the country and both have been taken into account in the survey. The transfer in cash or kind from a single source (individual/household/institution) is counted as one remittance (NLSS, vol.III).

Thus, remittance is a transfer of money or kind sent or received by a foreign worker to his or her home country.

4.2 Overview of Migrants and Remittance in the World

As per worldwide data, income generated through foreign employment is approximately \$53131 million by global economy in 2011. The worldwide

contribution of remittance income to GDP is 0.7 percent. Official records show that remittances flow to developing countries are estimated to grow by 6.5 percent over \$351 billion in 2011, with India again topping the chart with \$58 billion, followed by china \$57 billion, Mexico \$24 billion and Philippines \$23 billion. Similarly, other large recipients are Nigeria, Egypt, Pakistan, Bangladesh and so on. In its report, the World Bank notes that the size of remittance flows including unrecorded flows through formal and informal channels (WB 2012).

As a percentage of GDP, the top recipients of remittance in 2011 were Tajikistan (47%), Liberia (31%), Kyrgyz Republic (29%), Lesotho (27%), Moldova (23%), Nepal (22%) and Samoa (21%). Worldwide remittances including those to high income countries are estimated to grow to \$685 billion in 2015. According to World Bank, remittances to developing countries are expected to rise 8% in 2013 and 10% in 2014 to reach \$534 billion in 2015. For South Asia, remittances in 2012 are expected to total \$509 billion an increase of 12.5% overall 2011. East Asia and Pacific region is estimated to attract \$114 billion, an increase of 7.2 percent over 2011, while Middle East and North Africa is expected to receive \$47 billion and increase of 8.4% over the previous year (WB 2012).

4.3 Overview of Migration and Remittance in Nepal

Historically, both internal and international migrations are not new for Nepali society. Probably the First migration of Nepalese people in large groups started during unification process of Nepal. This was in 1744-1769 AD during the process of Nepal. This was in 1744-1769 AD during the rule of Prithivi Narayan Shah and after his death his successors continued the process and migration persisted.

The second stage of migration started when malaria was eradicated in Terai, which led to "North-South" migration or from mountain and hill to Terai. The population pressure in hills and decreasing food production are also reasons for "North-South" migration. This was mostly during 1960-1980 BC.

The third stage of Nepali migration on a large scale began mostly to Gulf countries and Malaysia after 1980. When the globalization movement started, there was an oil boom in gulf countries and shortage of unskilled and semi skilled human resources in

the destination countries. This was accelerated by unemployment and high under unemployment and later conflict in Nepal 1996-2006 AD.

At present as of this year (January and February 2013) 1200 to 1500 people, mostly rural youths are going to the Gulf and Malaysia everyday through the 788 recruiting agencies located in Kathmandu Valley. Because of such large migration for employment, Nepal received 20 billion rupees in 2008/09, 231 billion in 2009/10, 253 billion rupees in 2010/11 and 359 billion rupees in 2011/12 (www.migrationinformation.org.np).

Initially, Nepalese labours work hard in abroad at low wage rate, their collective money sent to the house through legal and illegal channels in general, it is because of lack of productive scheme in traditional period. There was not fact data of remittance in flow in Nepal. However, the significant portion of remittance was used on unproductive sector. Especially, they were used for consumption, buying land and feast and famine.

According to the Central Bureau of Statistic, 58.8 percent of household received remittance in Nepal, as compared to 31.9% in 2003-04. Central Bureau of statistic shows that a large amount received as remittance is not being utilized in productive sector; rather it is being utilized in consumption. 79 percent of the total remittance is being used for daily consumption where as 7 percent is being used for loan repayment and only 2 percent is used for capital formation (NLSS, Vol. III).

4.4 Growth Pattern of Nepalese Labour Migration

At present time, Nepalese labour migration has been increasing rapidly over a decade. The government of Nepal, Foreign Employment Department has opened various countries where Nepalese labour can go for employment purpose. Nepalese workers are working most of the world including Gulf, South Korea, Europe, America, Australia, Japan, SAARC and ASIAN countries and many more. The labour migration grow rate is presented, in below, based on a decade data.

Table No. 4.4
Number of Nepalese Migrant Workers Employed in Different Part of the World
2002/03-2011/12

Fiscal Year	Arabian Countries	East Asia	Other Asian Countries	Other	Total	Growth Rate
2002/03	59314	43812	692	1225	105043	0.29
2003/04	58069	45760	1096	1735	106660	1.52
2004/05	71956	6691	633	838	80118	-23.66
2005/06	89106	75526	309	311	165252	15.45
2006/07	128711	74029	1707	96	204543	19.21
2007/08	182980	50571	7190	8310	249051	17.88
2008/09	172888	35154	10756	1158	219965	-13.22
2009/010	168618	114019	8335	3122	294094	25.21
2010/011	190767	145961	6410	2578	345716	14.93
2011/012	204341	170711	5947	3666	384665	10.13
Total	1420202	826466	44097	23039	2314857	-

Source: Department of Foreign Employment, 2011 /12.

Table No. 4.4 shows that the growth trend of Nepalese labour migrant worker has been growing trend during period a decade except Fiscal year 2004/2005 and 2008/09. With increasing labour migration data clears that it is fluctuating rapidly. The main destination of Nepalese worker is Arabian Countries and East Asia including 1420202 and 826466 worker respectively. In F.Y. 2011/12. Nepalese labour migration has increased by 10.13 percent. It clears that more and more Nepalese labour forces are going different countries for searching Job opportunities.

4.5 Status of Foreign Employment by Country of Destination

Nepalese migrant worker has gone different countries for job opportunities. For Nepalese worker Arabian and Malaysia are easiest countries to go because of cost. On the other hand they are unskilled and semi skilled workers. Data of different fiscal years are given in the following table country wisely.

Table No. 4.5
Status of Foreign Employment by Country of Destination

Countries	2002/03	2002/03	2002/03	2002/03	2002/03	2002/03	2002/03	2002/03	2002/03	2002/03
Fiscal Year										
Malaysia	43812	45760	66291	75526	74029	50554	578292	105906	98367	1173607
Qatar	26850	24128	42394	55892	59705	85442	483651	102966	105681	1062884
Saudi Arabia	17990	16875	13366	15813	39279	42394	359780	71116	80455	705817
UAE	12650	12760	12726	15317	25172	45342	216629	44464	54482	471230
Kuwait	907	3194	1789	640	2441	1967	24452	15187	24575	77443
Bahrain	818	606	536	540	1200	5099	19533	4647	5865	45204
Oman	44	73	330	28	509	2626	11502	2442	3163	24964
South Korea	0	0	0	0	765	146	12007	3728	5627	25182
Other Countries	1972	3264	2286	1496	1433	15481	47976	4260	6450	86094
Total	105043	106660	139718	165252	204533	249051	1753822	354716	384665	3683425

Source: Department of Foreign Employment, 2011 /12.

Table no. 4.5 shows that Malaysia is the most favor country for Nepalese workers where largest members of workers have gone and followed by Qatar and Saudi Arabia respectively. On the other hand, Oman is the country where only 24964 Nepalese workers have gone and followed by South Korea 25182 workers.

4.6 Growth of Remittance

At present time, remittance income of Nepal is increasing day by day and providing significant portion on GDP. The growth of remittance depends on the numbers of migrant's workers and their wage rate. The government of Nepal has tried to solve labour wage problem in different countries. The increasing trend of remittance is shown in table below.

Table No. 4.6
Growth of Remittance

Fiscal Year	Remittance Income (Rs. in billions)	% change in Remittance Income	Contribution of Remittance on GDP(%)
2002/03	54.2	4.4	11
2003/04	58.6	6.9	10.9
2004/05	65.5	11.9	11.1
2005/06	97.7	32.2	14.9
2006/07	100.1	2.5	13.8
2007/08	142.68	42.5	17.5
2008/09	209.70	47.0	21.2
2009/10	231.7	10.5	19.4
2010/11	253.5	9.4	18.5
2011/12	359.56	29.5	22

Source: Economic Survey, 2011/12

Table No. 4.6 shows that the remittance from Rs.54.2 billion in FY 2002/03 to Rs. 359.56 billion in FY 2011/12. It is approximately 5.2 times more within eight years. After analyzing the data, remittance is the most important source of income in our country. Because it covers 22 percent of GDP in FY 2011/12.

4.7 Remittance and Economic Growth

Basically, remittances are private funds that should be treated like other sources of household's income. In terms of asset formulation, large numbers of remittance receivers use their funds to purchase land or building in town areas. Some purchase means of transportation as a part of their investment. Very small rate is found in promoting agriculture and truism. In shorts, it could be asserted that the productive use of remittance income is yet to be sought thought it forms a significant part of GDP. Furthermore, in order to channel remittance in productive areas for economic growth, the government should offer incentive to increase remittance flows. Tax incentives like rebates concession may attract remittances, but they may also encourage tax erosion. The government has to assess prospective growth rates,

potential for exports, revenue elasticity and composition of existing debt. Besides, the government may choose to increase either external borrowing or to raise remittances for economic growth (Heller, 2005, quoted by Dahal in 2012).

If we observe the economic growth rates of some SAARC countries in 2006, we find the highest growth rate 8.2 percent of India and lowest growth rate 1.9 percent of Nepal (Annapurna Post; Dec. 15, 2006).

This is published in Republica April 13, 2013; it discusses the pros and cons of remittances at household and national level in Nepal. Over the last 6 years absolute poverty declined to 13 percent of total population, down from 31.5 percent in 2003/04 an incredible 18 percent point decline in poverty or three percentage point decline each year. Nominal average household income and nominal average per capital income have increased by 153 percent and 175 percent respected. Furthermore, nominal per capital consumption of in poorest households has increased by 165 percent while that of richest households by 66 percent only. Also average household income of the poorest and richest 20 percent households has increased by 297 percent 133 percent respectively. The share of remittance to GDP was found 13.8 percent in 2006/07. This share increased sharply (19.4%) after the period of mid July 2008 and eventually reached to 22% in 2012. Similarly, remittance share is increasing trend in Investment. Thus, remittance income and economic growth has proportional relationship that is economic growth is increasing with the increasing in remittance income in Nepal (Republica; 13 April, 2013).

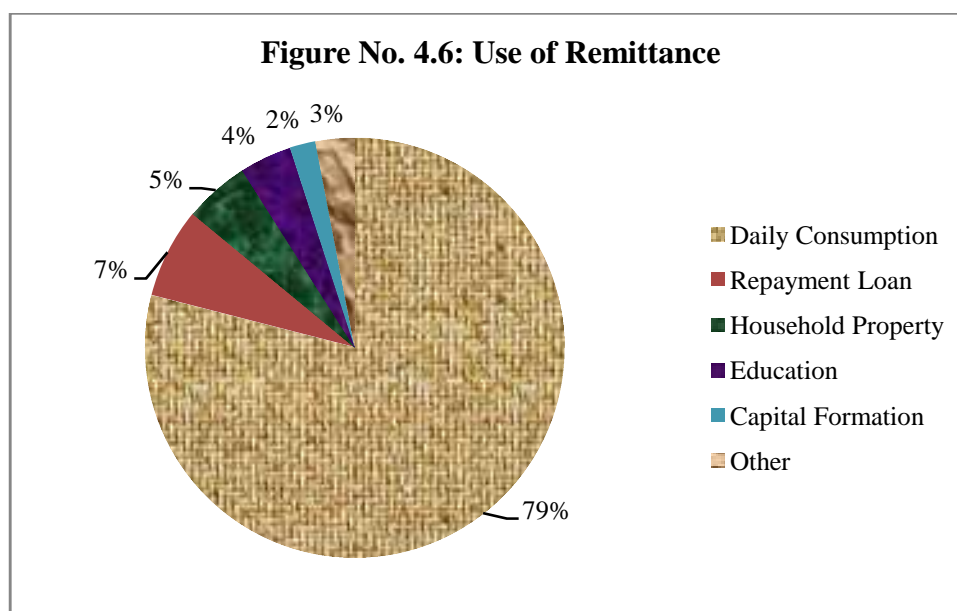
4.8 Use of Remittance

According to CBS (NLSS 2010/11), 58.8 percent of households received remittance in Nepal, as compared to 31.9 in 2003/04 and 23.4 in 1995/96. Similarly, on average Rs. 80436 is received per annum by a household, where as in 2003/04 it was Rs 34698 and 15160 in 1995/69 remittance has been one of the biggest contributors to Nepal's poverty reduction, especially the reduction from 41 percent of the population below poverty line to 31 percent to 25 percent. However, the Nepal living standard survey of 2010/11 by central Bureau of statics showed that a large amount received as remittance is not being utilized in the production sector; rather it is being utilized in consumption. Utilization of remittances have been presented in the table below.

Table No. 4.8
Use of Remittance

Remittance Used Field	Percent
Daily Consumption	79
Repayment Loan	7
Household Property	5
Education	4
Capital Formation	2
Other	3
Total	100

Source: NLSS 2011/012



Above table and figure shows that 79 percentage of remittance has used for unproductive sector. Furthermore, remittance is personal money and migrants have their own needs, money and choices. The government cannot force them to use this money in any sector, rather this is their personal choice and it largely depends on their needs and interests.

4.9 Contribution of Remittances in Poverty Alleviation and Employment

Comparable data on the relationship between migrant remittance and poverty alleviation for Southern Asia are not available, but the World Bank Global Economic

Perspective Report, 2006 Points out that remittance inflow has made it possible to cut poverty level by 6 percent in Bangladesh. In Nepal, official statistic shows that migrant remittances contributed to 11% for poverty reduction in the impact of remittance on poverty reduction in a small country like Nepal can be higher than the average impact for 74 countries indicated by the UNFPA study. These are two reasons first the country is poor and the per capita income is low and the second is less productivity of labour. A study has done by NLSS III to show the contribution of remittances in reducing poverty from 1995/96 to 2010/11 has been 23%. The other contribution of remittance are as increase in agricultural wage, Increase in non-farming activities and decline in dependency ratio, in the same period, all households receiving remittances have increased from 23.4% to 55.8%, and the share of remittances in the household Income have increased from 26.6% to 30.9% during the same period (CBS, 2010/11).

The country has achieved a low level of unemployment rate that has been 2.2% in 2010/11. Three factors account of this: the higher level of economic activities, lower inflows to the labour force owing to the declining population rate and the out migration of workers. Foreign employment has been a continued source of employment from 1814A.D.-2013A.D. to the country's labours force and a significant proportion that is 235871 of the labour force is working abroad. This has contributed to reduce unemployment rate and poverty of the country and also increased wages of skilled and on skilled workers.

4.10 Impact on Health and Education

An important revelation in the study is the mixed effects on health and education of the migrant households. The study observes: On the one hand, migration leads to greater investments in education and health due to increase wealth and better health knowledge. However, the health and education outcomes of households of migrants are mixed and are dependent on both the characteristics of the migrant and their household. On the other hand, provide better education and health opportunities to household members. However, migration of parents can leave families of young children with inadequate guidance and an additional burden of household responsibilities which can lead to higher school absenteeism, school dropouts, poor

nutrition and health care of children especially younger children and substance abuse especially older children (<http://www.worldbank.org>).

Thus, Remittances have increased the demand for health and education services. In communities there are high concentrations of migrant, better investments in health have increased demand for health and education services, thereby increasing Investment in high and private sector health and education facilities. On average investment on health and education are higher for migrant households.

4.11 Social Cost and Economic Benefit of Remittances

There are a number of costs associated with foreign employment. The lack of protection and welfare for workers and the social and psychological costs associated with migration has been of concern for policy makers for long. This is of special concern to housemaids and low skilled migrants with low education attainments. There are numerous instances where these workers have been sexually and physically abused and not properly paid for their services.

Families receiving remittances invest more in housing, education, and healthcare, but there are also social costs including child abuse school dropouts and family break ups as a result of family separation. A large proportion of the migrants are women domestic workers who have been vulnerable in the countries they work. Therefore, although out migration has economic benefits to the country and families of workers, there are also serious social costs of out migration.

Remittances, on one hand, provide better education and health opportunities to household members. However, migration of parents can leave families of young children with inadequate guidance and an additional burden of household responsibilities which can lead to higher school absenteeism, school drop outs, poor nutrition and health care of children especially younger children, and substance abuse especially older children (<http://www.worldbank.org>).

However, there are both benefits and cost of out migration and remittance in the economy. The main benefits are that the remittances strengthen the balance of payments and contribute to GDP. They have also contributed to the living standard

and their livelihood. It has helped to reduce the poverty level and enhanced income of the poor especially those in rural areas. No doubt, the poor have improved their living conditions owing to remittances from migration. However, there are several problems encountered by the migrants working abroad. There are also social costs associated with the migration of wives and others, such as the breakup of families, domestic violence, and neglect of children. These social concerns must be addressed to minimize the ill effects of out migration.

CHAPTER - V

POLICY AND STRATEGY

5. Policy and Strategy for Labour Migration at International Context

5.1 International Labour Organization

For foreign workers, International Labour Organization (ILO) has fixed some general standard through different acts such as inspection of immigrants convention 1926, migration for employment (Revised) convention 1949, protection of migrants workers (under developed countries recommendation 1955, migrants workers (supplementary provision) convention 1975, migrants workers Recommendation 1975. About from ILO, United Nations has passed the charter related to labor rights in 1990 AD.

The standard fixed by ILO has included almost all the details such as appointment of labour, selection process, information assistance, educational and vocational training, management of transportation, tour and medical expenses, accommodation and other conditions should be clearly mentioned while appointing worker. Similarly, workers are entitled to get legal treatment in case of dispute, equality of treatment, social security, Job security, avoidance of double taxation and many more rights are included in the general standard i.e. fixed by ILO. Guarantee of basic human rights for the workers, free from discrimination, right to form trade union, cultural rights and personal as well as communal rights are also guaranteed (<http://www.worldbank.org>).

5.2 United Nations

United Nations general assembly on December 18th in 1990 has passed the charter which contains 93 sections and covers adequate legal rights for the workers. This is of the international legal documents, which has been designed to covers the rights of the workers but has not been implemented by all the member of country. So these rights given by UN charter cannot be legally enforceable. Some major provisions of the UN charter are as follows.

- i) Foreign workers are entitled to get the rights of life; workers cannot be forced to coercive slavery to any foreign workers. Any inhuman behaviors, insult and torture are strictly prohibited by the international labour law.
- ii) There is a provision of freedom of awareness rights of religion, no interference in the private life and security of earned legal money.
- iii) Foreign workers are subjected to live their life with dignity. (<http://www.worldbank.org>).

5.3 Policies and Strategies for Labour Migration at National Context

5.3.1 National Labour Policy 2065

Social and economic development of whole people of the country is essential for the overall development of a nation. For this purpose, it is necessary to improve the life standard of mass population and mobilize hidden talent and energy in the working field by evoking them, in developing country like Nepal, National labour policy should be concentrated into the mobilization of scarce means and resource tactfully making its maximum utilization into production sector for the development of human resources.

Thus, in the highly competitive era of entering into twenty first century announcing open market economic, liberalization and privatization for complete development of country is necessary to be activated the Government and NGOs in a planned way as a complement of each other to develop warm relationship between capital and labour section which is essential and fundamental element by maintaining working unity between the government, management and labour in addition to face the obstacles of development of productive capacity as a key element of developing labour force (National Labour Policy Act, 2065).

5.3.2 Responsibilities of the MLTM

The responsibilities carried out by the ministry of labour and transport management are as follows:

- i) Promoting, supply and organize vocational trainings.
- ii) Training on child, women and disabled labours.

- iii) Trade unions for social safety of labour.
- iv) Permission for foreign employees
- v) Manage Organize Transportation policies and planning, regulations and work completions.
- vi) Relationship between transportation with other related and managed international corporations (Ministry of Labour Transport and Management Office, 2066).

5.3.3 Three Years Interim Plan (2067/68 to 2069/70)

Three years interim plan can be held as an employment oriented plan because this plan has taken the objective of reducing poverty by means of employment oriented participation and the equality economic growth policy and programme of making manage secure and systematic to the increasing number of foreign employment have been included in the plan. There are some policies and strategies for foreign employment as follows:

- i) The special way has been managed in or out foreign labour migrants in international Airport.
- ii) Labour treaties with other countries has made for secure and manage the foreign employment of Nepalese workers.
- iii) Co-operation with financial institution has been managed to loan to the people who want to go for foreign employment and self employment.
- iv) Effective package for remittance and producer usages with promoting the remittance collection institution have been implemented.
- v) Unemployment and poverty have been reduced increasing self employment and employment by investing the remittance in the productive areas.
- vi) Authorities have been providing in the process of poverty alliteration and development for the promotion with taking the means of entering the new skill and technology to the labour immigrants.(Three years Interim Plan (2067/68 to 2069/70)).

CHAPTER - VI

SOCIAL COST AND BENEFIT OF REMITTANCE IN THE STUDY AREA

6.1 Socio-economic Status of Sampled Household

Socio-economic status reflects the economic social well being. So, their socio-economic profile is reported below which is found in the study area.

6.1.1 Introduction to the Study Area

Beltar is a village development committee in Udayapur District of the Sagarmatha Zone which situated south eastern Nepal. It covers 31.81sq.km that lies at the altitude between 720 to 3000 meter high from the sea level. Especially, the VDC is located between the longitudes of 26.81⁰ North and 86.90⁰ East.

The total population of this VDC is 6799. Its total literacy rate is 86.04% among them 39.74% and 46.70% are literate male and female respectively. Hindu, Buddha, Kirat and Christian are the religious of this VDC. In terms of race there are Brahman, Kshetri, Rai, Newar, Limbu, Tamang, Sherpa, Bishwakarma and Mukhiya. All of them have different languages such as Nepali, Rai, Limbu and Tamang. Farming and livestock are the main occupation of the people. They are framing potatoes, corn, paddy, ginger, vegetables and fruits (VDC Office of Beltar, 2013).

6.1.2 Gender Description of Migrant Workers

Only 90 sample households are taken from 456 households for data collection. The total foreign migrated population of Beltar VDC is 450. Out of them 209 are male it is 45.83 percent of total population. Moreover, Female population is 247. It is 54.17 percent of total population. It shows that female Population is more than male population but there is not large difference between them. It has been shown in the following table 6.1.2.

Table No: 6.1.2
Gender Description of Migrant Workers

Sex	Population	Percentage
Male	209	45.83
Female	247	54.17
Total	456	100.00

Sources: Field Survey, 2013

The table no. 6.1.2 shows that out of total population, 209 are male. It is 45.83 percent of total population. Female population is 247. It is 54.17 percent of total population. It shows that female population is more than male population but there is not large difference between them.

6.1.3 Marital Status of Migrant Workers

The population is divided into different four categories. They are married, unmarried, widow and divorce respectively. It is shown in the following table below:

Table No: 6.1.3
Marital Status of the Migrant Workers

S.N.	Marital Status	No. of HHs	Percentage
1	Married	253	55.49
2	Unmarried	184	40.35
3	Widow	19	4.16
4	Divorce	-	-
Total		456	100.00

Sources: Field Survey, 2013

The table no. 6.1.2 shows that 55.49 percent populations are married and 40.35 percent are unmarried. The unmarried population is less than married but there is no great difference between them. Moreover, 4.16 percent populations are widow. It is clear that most of the couples are living together than separated.

6.1.4 Household Size of Sampled Households

The main determinant of going foreign employment is household size and it is presented in the following table, which is found in the study area:

Table No. 6.1.4
Household Size of Sampled Households

Family Size	Sampled Households	Percentage
1-2	13	14.44
3-4	9	10.00
5-6	31	34.44
7-8	20	22.23
8+	17	18.89
Total	90	100.00

Sources: Field Survey, 2013

The household size has been shown in table no 5.3.1 which has been found in the study area. There is no household with a single member. About 34.44 percent households have 5-6 members that is the highest of total households and only 10 percent of households have with 3-4 family members. It is the lowest family sizes found in the study area.

6.1.5 Age Structure of Migrant Workers

For the simplicity, total population has been divided into 6 sections which have based on age. Here, age groups are; less than 14, 14 to 29, 30 to 44, 45 to 59, 60 to 74 and above 75. The age group has been shown in table no. 6.1.5.

Table No. 6.1.5
Age Structure of Migrant Workers

Age	Population	Percentage
Less than 14	70	15.35
15-29	177	38.81
30-44	75	16.45
45-59	81	17.77
60-74	31	6.80
75+	22	4.82
Total	456	100.00

Sources: Field Survey, 2013

Table no 6.1.5 shows that 15-29 age group has the highest population with 38.81 percent. Whereas above 75age group has the lowest population with 4.82 percent. Economically active age group (15-59) is far less than the economically inactive group(less than 14-above 75). It has indicated that most of the active male of the study area have been migrated for foreign employed.

6.1.6. Literacy Status of Foreign Migrant Workers

Educational status refers to their living standard. Educational status is determined by occupation, income and consumption of the people. Literacy statuses of foreign migrant workers are presented in the following table below

Table No. 6.1.6
Literacy Status of Foreign Migrant Workers

Education	Population	Percentage
Illiterate	149	32.68
Primary	45	9.87
Secondary	47	10.31
More than Secondary	215	47.14
Total	456	100.00

Sources: Field Survey, 2013

Table no. 6.1.6 shows that 32.68 percent of total population are illiterate, 9.87 percent population are having primary education, 10.31 percent are having secondary level and remaining 47.14 percent are having more than secondary level education. From the table the literacy rate is approximately 68 percent. It is more than national literacy percentage of Nepal.

6.2 Living Standard

6.2.1 Housing Condition of Migrant Households

The study area is situated on inner Terai side. Therefore, most of the houses have been constructed with wooden houses, but few houses are Packki, an Ardha packki. Following table shows the housing condition of migrants' households.

Table No. 6.2.1

Housing Condition of migrant households

S.N.	Type of House	No. of HHs	Percentage
1.	Packki(cemented)	5	5.55
2.	ArdhaPackki(inside mud &stone and outside cemented)	25	27.77
3.	Kachhi (wood, mud & roof of tin or khar)	60	66.68
	Total	90	100.00

Source: Field Survey, 2013

Table no. 6.2.1 shows that most of the households 66.68 percent have kachhi and is followed by Packki with 5.55 percent and Ardha packki with 27.77 percent. It has observed that the main reason behind most of people living kachhi house in poor condition but some packki and Ardha packki house is made the remittance sent by the migrants who are abroad.

6.2.2 Occupation of Migrant Households

Occupation is an important for the people because their income and consumption depends on their income. The data of the field survey indicates that the family members of the household are engaged in various sectors like private sector, public

sector, foreign employment, petty traders and so on. Occupation of migrants household is presented in the following table.

Table No. 6.2.2
Occupation of Migrant Households

Occupation	No. of HHs	Percentage
Agriculture	65	72.22
Government Service	9	10.00
Private sector	2	2.22
Foreign Employment	9	10.00
Petty Trade	3	3.34
Wage Labour	2	2.22
Total	90	100.00

Sources: Field Survey, 2013

Table no. 6.2.2 shows that only 9 households are involved in government sector and it is covered 10 percent of total. Only 2 households are worked in private sector. It clears that their access of public sector is very low in the selected sample, 9 households have engaged in foreign employment. Besides this 65 households are worked in agriculture. It shows that agriculture is the main occupation of the study area.

6.3 Cause of Foreign Employment

There may be various reasons behind migration. Because of the social and economic compulsion, self-motivation and individual decision, people are migrated abroad for temporarily and permanently, that is for short or long duration. Moreover, people from the study area have been migrating abroad to improve their economic condition since last two decades, and there are other individual reasons behind migration. The cause of foreign employment in the study area shows in the table no. 6.3.

Table No. 6.3
Cause of Foreign Employment

Causes	No. of HHs	Percentage
Lack of Opportunity	25	27.78
Political Conflict	21	23.33
Family Pressure	9	10.00
For Better Job Opportunities	23	25.56
To Increase the Economic Status	12	13.33
Total	90	100.00

Sources: Field Survey, 2013

Table no. 6.3 shows that about 27.78 percent workers have gone foreign employment because of lack of opportunities in the country. 25.56 percent workers have gone for better job opportunities. 23.33 percent workers have gone because of political instability in the country. Similarly, 10% workers have migrated in foreign labour market because of family pressure and 13.33 percent workers have gone in foreign labour market to increase their economic status.

6.4 Employee Situation

At present context of Nepal, Nepalese workers are going foreign employment. It is increasing day by day because of lack of job opportunities in the country. With the increment of Nepalese worker in foreign job market, the amount of remittance is increasing. Income of the worker is determined by employee situation, training, company and so on.

6.4.1 Destination of Foreign Employment

The number of Nepali workers working abroad is very high. Moreover, Nepali migrants are scattered to the different parts of the earth. The volume and direction of the migrants of Beltar VDC is shown in table No. 6.4.1.

Table No. 6.4.1
Destination of Foreign Employment

Country	No. of HHs	Percentage
Gulf	45	50.00
Malaysia	13	14.45
Indian Army	12	13.33
British Army	6	6.66
Singapore Police	6	6.67
Hong Kong	2	2.22
South Korea	2	2.22
Others Countries	4	4.44
Total	90	100.00

Sources: Field Survey, 2013

Table no. 6.4.1 shows that 50 percent of workers are in gulf and they are unskilled labour. 14.45 percent workers are in Malaysia, 13.33 percent workers are in India Army, 6.66 percent are in British Army, South Korea and Honkong covers the same percentage of employee where only 2.22 percent Nepalese workers are working there.

6.4.2 Training Situation

Training is the most essential factor for higher income. But in case of Nepalese worker, most of the workers are unskilled and they have no training before going foreign employment.

Table No. 6.4.2
Training Before Going Foreign Employment

Training	Yes	No	Total
	17	73	90
Percentage	18.89	81.11	100.00

Sources: Field Survey, 2013

Table no. 6.4.2 shows that only 18.89 percent Nepalese worker have trained before going foreign employment. In this study area, 81.11 percent workers have gone to foreign employment without training and skill. As a result, their wage rate is low and they are unable to change their economic status rapidly.

6.5 Utilization of Remittance after Migration

It is not important that how many labour forces are migrated in different countries. But it is important that how much remittance they enter in the country and how they utilize their remittance income.

6.5.1 Remittance Income

In our country Nepal, remittance income receiving household is increasing day by day. In case of Beltar VDC of Udayapur District, different households are receiving different amount of remittance income which is shown as below.

Table No. 6.5.1
Remittance Income

Remittance, Income Annually(Rs.000)	No. of HHs	Percentage
60-80	7	7.78
81-100	36	40.00
101-150	20	22.22
151-200	11	12.22
More than 200	16	17.78
Total	90	100.00

Sources: Field Survey, 2013

Table no. 6.5.1 shows that 40 percent household receives Rs.81 to Rs.100 thousand remittances. Only 7.78 percent households receives Rs.60 to Rs.80 thousand and 17.78 percent household receives more than Rs. 200 thousand as a remittance income. Amount of remittance income depends on wage rate, skill, and country.

6.5.2 Transfer Mechanism of Remittance

There are different mediums available to receive remittance. Nepalese migrant workers have sent their income in different medium which is based on country and development of financial institution. In this study, sample households are receiving their remittance in the following medium.

Table No. 6.5.2
Transfer Mechanism of Remittance

Description	No. of HHs	Percentage
From Bank	8	8.89
From Money Transfer	48	53.33
From Hundi	5	5.56
Friends	11	12.22
Self	18	20.00
Total	90	100.00

Sources: Field Survey, 2013

Table no. 6.5.2 shows that 53.33 percent households are receiving their remittance income through money transfer and it is the highest percentage. Only 5.56 percent households receive remittance from Hundi. Most of the Western and South Korean employee are sending their money from Hundi, Gulf and Malaysian employee are sending from money transfer. In case of Bank, only 8.89 percent households are receiving remittance from bank. It is because of lack of banking habits and absent of banking system in the study area and rural area of Nepal.

6.5.3 Utilization of Remittance

Utilization of remittance in the study area is explained in this section. This is very important to understand, how much remittance is used in productive sector like, business, trade, agriculture and how much remittance is used in non productive sector like, consumption, loan repayment etc.

Table No. 6.5.3
Utilization of Remittance

Use of Remittance (annually)	No. of Household	Percentage
Household Consumption	20	22.22
Education	8	8.88
Debt Repayment	22	24.44
Buying land	24	26.66
Investment in Agriculture and livestock	10	11.11
Others	6	6.66
Total	90	100.00

Sources: Field Survey, 2013

Table No. 6.5.3 shows that the top priority is given of remittance in the study area for buying land. That is 24 households are using their remittance income for buying land. 22 households are used remittances for debt repayment, 20 households are used in household consumption, 10 households are used in agriculture and livestock. Only 8 households are used their remittance in education and 6 households are used for other purposes.

6.6 Social Benefit of Remittances

In the study area, there are modern facilities like furniture, gas, stoves, television electricity and vehicles. The living standard of some household is like those of the urban areas. The living standards of the households have changed dramatically after the involvement of their family members in the foreign employment. Remittances have numerous social benefits which are analyzed below:

6.6.1 Comparison of Fuel Users Before and After Receiving Remittance

Fuel is the most important for cooking in every house. After receiving remittance, members of sampled household have increased to use Biogas, LP gas, and other fuel for cooking. This indicates that remittances have positive impact on use of fuel. The findings of fuel users before and after receiving remittance income in the study area are as follows:

Table No. 6.6.1

Fuel

Fuel	No. of HHs.	
	Before	After
Firewood	90	80
Bio gas	0	5
LP Gas	0	5
Others	0	0
Total	90	90

Sources: Field Survey, 2013

Table No. 6.6.1 shows that 90 households were used firewood for cooking before they go to foreign employment and after receiving remittance fire wood users reduces from 90 to 80 household and increases of Biogas and LpGas users. Thus, foreign employment has positive impact on use of fuel.

6.6.2 Comparison of Toilet Users Before and After Receiving Remittance

Toilet users are increasing with the increase in education and economic improvement. It has shown their awareness about health. Toilet users is presented below which is found in the study area.

Table No. 6.6.2

Toilet

Toilet	No. of HHs	
	Before	After
Household Flush	0	5
Household non Flush	69	82
Have not Toilet	21	3
Total	90	90

Sources: Field Survey, 2013

Table 6.6.2 shows the use of toilet facility. Before going foreign employment 69 household were used non flush toilet and 21 household did not have any toilet. But after going foreign employment and receiving remittance it increases from 69 to 82 household who are using non flush toilet and 5 household are using flush toilet. At present time, there are 3 household have no toilet until now. It shows that there are increasing trend of using toilet it is because foreign employment awareness education, health and economic conditions.

6.6.3 Comparison of Education Before and After Receiving Remittance

Education is the most important to increase the living standard of the people. Therefore, the household's educational attainment has shown in the following talbe.

Table No.6.6.3

School

School	No. of HHs	
	Before	After
Government	90	66
Private/Boarding	0	24
Total	90	90

Sources: Field Survey, 2013

Table No. 6.6.3 shows that before going foreign employment all 90 households had gone to government school but after receiving remittance income it has reduced at 66 households and 24 households have gone to private school. It clears that remittance income determines household education.

6.6.4 Hostel

Education and hostel of children depend on household income level. In the study area there is no any change in hostel system before and after receiving remittance income.

Table No. 6.6.4

Hostel

Hostel	No. of HHs	
	Before	After
Yes	0	0
No	90	90
Total	90	90

Sources: Field Survey, 2013

Table No 6.6.4 shows that all 90 households' children live in their own house instead of hostel. It is because there are no hostel facilities in school in their village. Most of the schools are government and there is no hostel system.

6.6.5 Comparison of Electricity Before and After Receiving Remittance

Nepal is the second wealthiest country in water resource with 83000 MW capacities to produce electricity. Even though most of the rural area of Nepal is still beyond electrification but in case of the study area most of the households are using electricity which are shown in the following table.

Table No. 6.6.5

Electricity

No. of Household	Before	After
Used	24	90
Do not Used	66	0
Total	90	90

Sources: Field Survey, 2013

Table no. 6.6.5 shows that 24 households were used electricity before they go to foreign employment but after receiving remittance income of all households are using electricity.

6.6.6 Comparison of Housing Condition Before and After Receiving Remittance

Housing condition represents the household economic status. People have changed their housing structure and roof with the increase in remittance income. Following housing condition is found in the study area:

Table No. 6.6.6
Housing Condition

No. of HHs	Before	After
Khar	58	46
Tin (Jasta)	22	44
Total	90	90

Sources: Field Survey, 2013

Table no. 6.6.6 shows that 58 households used Khar roof and 22 households used tin before receiving remittance but when they are started to receive remittance, they have changed their roof, after receiving remittance 46 households are used khar roof and 44 household are used Tin (jasta). It shows that after receiving remittance people have used Jasta and little bit Khar.

6.6.7 Comparison of Drinking Water Before and After Receiving Remittance

In case of drinking water facilities, different sources are used in the study area. They are presented in table below:

Table No. 6.6.7
Drinking Water

Drinking Water	No. of HHs	
	Before	After
Well (Kuwa)	40	22
Tap (Public)	45	64
Tap (Private)	5	14
Total	90	90

Sources: Field Survey, 2013

40 households were used well as a source of drinking water before they go to foreign employment but after receiving remittance it reduces at 22 households. It is not only cause of remittance but also government project and VDC projects. After going foreign employment tap used households have increased from 45 to 64 households. Similarly, 5 households were used private tap but after receiving remittance. It has reached 14 households. It clears that remittance income and drinking water facility is positively related.

6.6.8 Comparison of Communication and Entertainment Before and After Receiving Remittance

Radio, mobile, and TV are the main means of communication in the study area. Most of the people have used mobile, TV and Radio. The data is presented in table no. 6.6.8.

Table No. 6.6.8
Communication and Entertainment

Items	No. of HHs	
	Before	After
Radio	50	25
Telephone (landline)	4	8
Mobile Phone	26	37
Television	6	12
DVD/VCD player	4	8
Total	90	90

Sources: Field Survey, 2013

Table no. 6.6.8 shows that, after receiving remittance radio users have decreased from 50 households to 25 households. But telephone, mobile, television, DVD player users have increased from 4 households to 8 households, 26 households to 37 households, 6 households to 12 households and 4 households to 8 households respectively. It clears that information access have increased with the increase in remittance in each household.

6.7 Cost of Remittance

Cost of remittance is included the process of labour migration fees and sending charge of remittance which depreciate the remittance income of workers.

6.7.1 Amount of Cheated Money in the Process

In the study area, many youths have also lost the big amount of money in the context of giving money to the brokers for foreign employment and not getting the promised salary agreed with Manpower Company abroad which has to be provided by the company they have worked. Following table shows the deceived amount of money from the migrants of the study area.

Table No. 6.7.1
Amount of Money Deceived (Cheated) in Rupees

Amount (in 000 Rs)	Households	Percentage
0-20	20	22.22
20-40	40	44.44
40-60	12	13.33
60-80	8	8.88
80-100	5	5.55
100-120	3	3.33
120 above	2	2.22
Total	90	100.00

Source: Field Survey, 2013

Table no. 6.7.1 shows that highest percentages of household (44.44%) have been deceived between Rs. 20000 to Rs. 40000. This type of deceiving includes the ones done by the brokers. 80 percent of the household have been deceived between Rs. 1000 to 60000 who are mostly deceived by the broker and the manpower agencies. The number of the migrant's deceived between Rs. 60000 to Rs. 120000 and above accounts for only 18 percent. This type of deceiving includes those migrants who were deceived mostly local broker and recruiting agency (manpower).

6.7.2 Involvement Process for Labour Migration

No doubt it is because of various factors that compel an individual to go for foreign employment. However, there are processes involve that assist labour migration. At present time, large numbers of Nepalese worker are going to foreign employment in different countries through different medium. Foreign employment is a legal process and it has to undergo through certain criteria. Table No. 6.7.2 show that process involves for labour migration.

Table No. 6.7.2
Involvement Process for Labour Migration

S.N.	Agent	No. of HHs	Percent
1	Manpower Agency	47	52.22
2	Government Quota	24	26.67
3	Relatives/Friends	13	14.44
4	Advertisement	6	6.67
Total		90	100.00

Sources: Field Survey, 2013

Chart No. 6.7.2 Involvement Process for Labour Migration

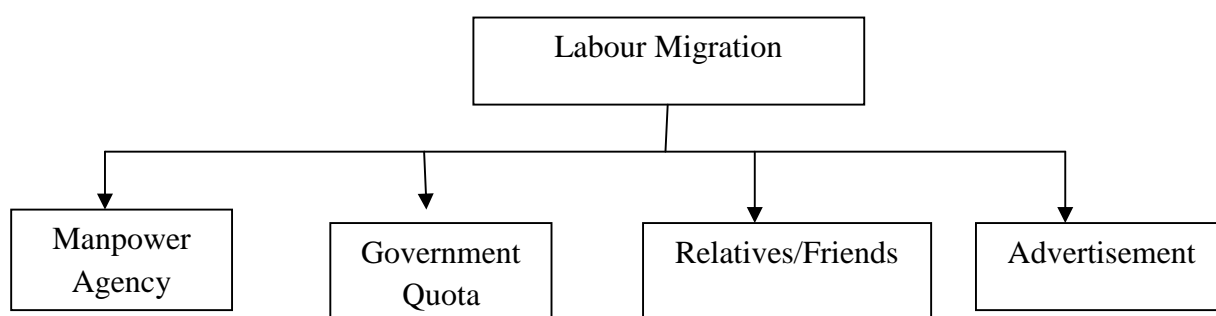


Figure 6.7.2 and table 6.7.2 clearly shows the process involve for international labour migration. Most of the emigrant tends to go abroad by manpower agency. Through this process 52.22 percent migrant workers have gone. The number of migrant who directly approach the Government Quota occupy the next position with 24 HHs and

its share of percent is 26.67 percent and followed by 13 percent worker have gone through relatives and 6 percent worker have gone through advertisement. It clears that Nepalese migrant workers used different medium to go foreign employment.

6.7.3 Financial Management for Foreign Employment

Finance is an essential factor for going abroad to work. Without cost paying, workers cannot go for work. The worker should collect money from different sources because of their low economic status. The sources of finance are presented in table below.

Table No. 6.7.3
Sources of Financing

Source	No. of HHs	Percentage
From Own Income	12	13.33
Loan From Financial Institutions	2	2.22
Loan From Merchant	53	58.89
Loan From Relatives	9	10.00
Others	14	15.56
Total	90	100.00

Sources: Field Survey, 2013

Table no. 6.7.3 shows that 58.89 percent foreign employee have borrowed loan from merchant to pay the cost of foreign employment and it is the highest percent as well. Only 2.22 percent workers have gone to financial institution. It is because lack of financial institution and habit of banking.

6.7.4 Expenses Pertaining to Foreign Employment

The expenditure of foreign employment status from obtaining a passport fee, medical check, manpower agency, Visa processing air fare and cost of travelling time to time from home to Kathmandu. Expenditure of going foreign employment depends on manpower agency and type of work and country. The expenditure of foreign employment in the study area is as follows:

Table No. 6.7.4
Expenditure on Going Foreign Employment

Amount (In 000 Rs.)	No. of HHs	Percentage
Less than 80	27	30.00
81 to 100	35	38.89
More than 100	28	31.11
Total	90	100.00

Sources: Field Survey, 2013

Table 6.6 shows that 30 percent foreign employees have paid less than 80 thousand to go foreign employment and 31.11 percent workers have paid more than 100 thousand. On the other hand 38.89 percent employees have paid between 80 to 100 thousand which is highest percentage of total. It clears that an average cost of going foreign employment is around one lakh.

CHAPTER - VII

SUMMARY, CONCLUSION AND RECOMMENDATION

7.1 Summary of the Findings

The main objective of this study is to identify the social cost and economic benefit of foreign employment and remittance in the study area. Moreover, the study has tried to identify the past trend of foreign employment and remittance of Nepal, socio-economic characters of foreign employees, source of financing and cost of foreign employment and uses of remittance.

To fulfill the objectives of the present study, Beltar VDC of Udaypur district was selected and sample survey was conducted on may 2013. The sample size was 90 households were chosen by simple random sampling method and data were collected through questionnaire method. Some secondary data were used to compare the composition of foreign employment and remittance. The summary of the study are as follows:

-) In the field survey, the sample population of male is 45.83 percent and female is 54.17 percent.
-) Based on marital status, 55.49 percent of total populations are married, 40.35 percent are unmarried and 4.16 percent are widowed.
-) The average family size of household is approximately with 5 members.
-) In the study area, 32.68 percent population is illiterate, 9.87 percent is having primary education, 10.31 percent have got the secondary level and 47.14 percent populations have more than higher level of education.
-) 15-29 age group known as economically active age group which is far less than the economically inactive age group (less than 14- above 75).
-) In the study area, 32.68 households are illiterate, 9.87 percent have primary education, 10.31 percent have got the secondary level and 47.14 percent have more than higher level of education.
-) 66.88 percent migrants have lived in Kachhi house\ . It is the highest percentage because the condition of migrants are economically poor.

-) 65 households are worked in agriculture sector and only 2 households are worked in private sector.
-) 27.78 percent, 23.33 percent, 10 percent, 25.56 percent and 13.33 percent workers have gone foreign employment because of lack of opportunities, political conflict, family pressure, for better job opportunities, to increase economic status respectively.
-) Gulf countries are the main destination of Nepalese workers, in gulf countries 50 percent workers have migrated out of total migrates and followed by Malaysia with 14.45 percent.
-) Nepalese workers have no sufficient skill and training. Out of total migrate workers, 81.11 percent have no training and skill.
-) 40 percent households receive Rs. 81 to Rs. 100 thousand remittances and only 7.78 percent households receive Rs. 60 to Rs. 80 thousand as a remittance income.
-) Out of total Nepalese migrant workers 53.33 percent have used money transfer to sent their money and 8.89 percent have used bank. It is because lack of banking habit.
-) 26.66 percent migrants have used remittance income for buying land, 24.44 migrants have used for debt repayment, 22.22 percent have used for household consumption, 11.11 percent have used in agriculture and livestock, 8.86 percent, 11.11 percent and 6.66 percent migrants have used their remittance income in education, agriculture and for other purposes respectively.
-) Fire wood users reduce with the increase in remittance. But LP gas and Bio gas users' increases from 5 or 5 households.
-) On the case of non flush toilet, it increases from 69 to 82 households and all households were not using flush toilet before receiving remittance but after it increases in 5 households.
-) Before going foreign employment all 90 households had gone to government school. But after receiving remittance income it reduces at 66 households and 24 households have gone to private school.
-) Before going foreign employment, 66 households did not have electricity, but after receiving remittance all of households are using electricity.

-) 58 households used khar roof and 22 households used tin roof but after receiving remittance 46 households are used khar roof and 44 households are used tin roof.
-) Before they go to foreign employment 40 households were used well for drinking water, 45 households were used public tap and 5 households were used private tap. But after inflow of remittance well users decreases from 40 to 22 households and public tap users increases at 64 households and private tap users also increases at 14 households.
-) After receiving remittance there is increasing trend of using communication and entertainment in the study area.
-) The highest percentage, 44.44 percent workers have been deceived between Rs. 20,000 to Rs. 40,000.
-) 52.22 percent, 26.67 percent, 14.44 percent and 6.67 percent migrant workers have gone abroad through manpower agency, government abroad through manpower agency, government quota, relatives and advertisement respectively.
-) Only 2.22 percent workers have taken loan from financial institution. Due to lack of financial institutions and banking habit.
-) 30 percent, 38.89 percent and 31.11 percent foreign employees have paid less than 89 thousand, 81 thousand to 100 thousand and more than 100 thousand respectively to go foreign employment.

7.2 Conclusion

Remittance income is emerging as one of the most significant and reliable sources of external finance for many developing countries. Not only in the macro level, but also the contribution of remittance has a direct and sizable in remittance recipient households in micro level as well. A significant number of people in developing country are expensing their remittance in home consumption, children education and so on.

From this study, it is concluded that, economic condition, political instability, unemployment, and lack of opportunities in home nation are the main cause of labour migration. Most of the migrant workers are in poor economic condition. Therefore,

they have gone to the foreign country through loan, and most of the people spend their earning in repayment of debt. Because of being uneducated and unskilled manpower, they are facing many kinds of problem. Gulf countries are the main destination of Nepales worker and the main job sector is in construction where the wage rate is very low.

Most of employers are not used money transfer to send their money until now. It is because lack of financial institution and lack of banking habit.

The use of remittance depends on the priority placed by the individuals of different uses, the size of remittance, opportunity for investment and several other factors. The proper utilization of remittance has not been yet done due to lack of appropriate policy and environment.

There are some social and financial cost of labour migration and remittance. The living standards of migrated households have increased with the increase in remittance. But due to cost of labour migration, the large portion of their remittance income is used in unproductive areas. So, to make remittance income fruitfulness, Government should make appropriate policy to utilize the remittance income in productive areas.

7.3 Recommendations

Nepalese economy is based on remittance and it has become the backbone of the economy. Based on the above analysis, the following recommendations are forwarded for the policy prescriptions.

-) Most of households are involved in agriculture sector and their economic condition is very poor. To increase their economic status, government should invest in infrastructure to supply their product and create job opportunities.
-) Most of the respondents of rural areas come from lower income groups and based on agricultural occupation. So, they cannot easily afford foreign employment. If they go foreign countries for employment, they should borrow loan in high cost. So, the policy should be made to give more opportunities to

poor people of rural areas as well as facilitated to them from funds for foreign employment.

-) Most of the respondents of these VDC have gone in unskilled condition. They cannot earn more income than skilled workers. So, technical training institution should be established in rural areas and a person who wants to go foreign employment should be given training before going foreign employment to related work.
-) The bilateral agreement should be done from the ministry level with all labour importing country related with labour problem and wage.
-) The expenditure pattern of sample households indicate that remittance earnings are mostly being used for non-productive areas such as in purchasing land and household consumption. This study revealed that there is no significant impact of remittance in the establishment of business and saving in bank by employee households. This trend needs immediate action by policy maker to encourage remittance in productive areas.

Finally, this study is mainly concentrated to use of remittance in Nepal with special reference to Beltar VDC, which is very important current issue of Nepales economy. Therefore, this study can be considered as significant, while the study is conducted in small size and may be sufficient to make general conclusion for the whole nation.

REFERENCES

- Acharya, S. (2013). An Empirical Analysis of Remittance in Flow: A Case of Nepal. Remittance Report in Nepal, NRB Annual Economic Publication, *Economic Review*. Kathmandu: NRB, Vol.20.
- Bhatta, G.R. (2013). Remittance and Trade Defect Nexus in Nepal: A VECM Approach. NRB Annual Publication, *Economic Review* Kathmandu: NRB, Vol. 25.
- Bista, R. (2008). *Human Resources, Labour Market, Labour Outflow and Remittance Economy*. Nepalese Economy and Development, Patan Dhoka, Lalitpur: Prativa Prakashan.
- CBS (2010/011). *Nepal Living Standard Survey*, 2011.
- Elbadwi and Rocha (1992). Determination of Expatriate Worker's Remittances in North African and Europe Country Economic Development, *WB Working Paper*. Washington D.C.
- K.S. Farid, L. Mozumdar, M.S. Kabir and K.B. Hossain (2010). Trends in International Migration and Remittance Flows: A Case of Bangladesh. *International Migration and Remittance Report in Bangladesh*. Bangladesh: Spotlight Publication.
- Gandel, S.Y. (2007). Remittance Income in Nepal: Need for Economic Development. The Journal of Nepalese Business Studies, NRB Annual Publication, *Economic Review*. Kathmandu: NRB Vol. 19, No. 1.
- Gittenger, J. P. (1976). *Economic Analysis of Agricultural Projects*. Washington D.C.: World Bank Publication.
- Goldberg, A. Michael and Levi, D. Maurice (2008). The Impact of Remittances on Economic Growth. *A Working paper Submitted to IMF*. London.
- Heller, P. (2005). Fiscal Space: *What It Is and How to Get It?* Finance and Development 42M32-33.
- Kansakar, V.B.S. (1982). *Population Change in Nepal: A Study of Mobility During 1911-1961* (PhD) Dissertation, Patna University, Patna.

- Kansakar, V.B.S. (1974). *Migration, Remittance and Rural Development*. Kathmandu: CEDA, T U.
- Khadka, U. (2011). *Contribution of Remittance in Rural Poverty Reduction*. A Case Study of Okhre VDC, Terhathum District Nepal. Unpublished M.A. Thesis in Economics, CEDECON, TU, Kirtipur.
- Kshetry, D.B. (2013). Remittances: Costs and Benefits. *Nepal Rastra Bank Samachar*, NRB Annual Publication, Kathmandu: NRB, Pp. 9-12.
- Lee, K. (1966). *The Law of Migration*. Asian Pacific Migration Journal, Vol .20, No. 2, pp. 139-191.
- Little, L. M. D. and Mirrlees, J. A. (1969). *Project Appraisal and planning for Developing Countries*. Oxford & IBH publishing co., New York.
- Lucas and Stark (1985). *Motivations to Remit: Evidence from Botswana*. A Working Paper Submitted to WB, 1985.
- MLTM (2008). *Foreign Employment Act, Foreign Rule and Regulations*. Ministry of Labour Transport and Management Office. Kathmandu.
- MOF (2010/011). *Economic Survey of Nepal 2010/011*. Kathmandu:MOF/N.
- MOF (2013). *Economic Survey of Nepal 2012/013*. Kathmandu:MOF/N.
- National Labour Policy* (2065).
- NPC(2068). *Three Years Interim Plan (2067/68 to 069/070)*. Kathmandu:Nepal Planning Commission,GoN.
- Nepal, C. (2012). Economic Growth and Remittance in Case of Nepal. NRB Annual Publication, *Economic Review*. Kathmandu: NRB, Vol. 18.
- NRB (2006). *Nepal Rastra Bank Samachar*. Various Issues. Nepal Rastra Bank, Kathmandu.
- NRB (2007). *Mirmire Monthly*. Various Issues. Nepal Rastra Bank, Kathmandu.
- NRB (2012). *Mirmire Monthly*. Various Issues. Nepal Rastra Bank, Kathmandu.
- Rath, D. (2009). *Remittances Impact all Development Future Prospective*. A Working Paper Submitted to World Bank.

- Ratna, D. (2005). *Remittances: A Lifeline for Development*. Finance and Development 42:42:45. Washington D.C.
- Ravenstein, E.G. (1885). *The law of Migration*. Journal of Royal Statistic Society Vol. 48, No.2.
- Robinson, R. (2007). *The Costs and Benefits of Health Worker Migration From East and Southern Africa*. A Literature Review, London.
- Sanderatna, N. (2013). *Economic Benefits and Social Cost of Migration: A Case Study of Sri Lanka*. Srilanka University, Srilanka.
- Sapkota, C. (2012). Costs and Benefits of Remittances in Nepal: Findings from Two Household Surveys. *Economic Review*. NRB Annual Publication, Kathmandu: NRB.
- Shrestha, B. (2007). *Foreign Employment, Remittance and Pattern of Consumption*. A Case Study of Jhapa District Nepal: Unpublished M.A.Thesis in Economics, CEDECEN, TU. Kirtipur, Kathmandu.
- Shrestha, S.R. (2006). Foreign Remittance: A Panacea for Nepalese Economy. NRB Annually Publication, *Nepal Rastra Bank Samachar*. Kathmandu: NRB.
- Singh, K. and Acharya, S. (2012). An Empirical Analysis of Remittance in flow: A Case of Nepal. Remittance Report in Nepal, *Economic Review*. NRB Annual Publication, Kathmandu: NRB, Vol.21.
- Sunstein, Cass, R. (2013). *Cognition and Cost Benefit Analysis*. The journal of legal studies, Vol. 29, No. 2, Pp. 1059-1103.
- VDC, Beltar (2013). *Village Profile of Beltar VDC*. Village Development Committee, Beltar, Udayapur..
- Annapurna Post, 15 Dec. 2006.
- Republica Daily, 13 April, 2013.
- WB (2005). *Migration and Remittance Fact Book 2005*. World Bank.
- WB (2012). *Migration and Remittances Fact book 2012*. World Bank.
- Wikipedia, Free Encyclopedia
- www. ekantipur.com

QUESTIONNAIRE

This is a research study of social cost and Benefit of Remittance in Beltar VDC of Udayapur District" being conducted by Bimal Katwal for his M.A thesis in Economics. I would appreciate it very much if you help me by answering the questions asked in this questionnaire.

SECTION I: SURVEY INFORMATION

Date of Interview...../...../...../

Serial No:

Respondent's Name:

Household head:

No. of Family members:

Ward No:

SECTION II: HOUSEHOLD INFORMATION

Q.N. 2.1	Q.N. 2.2	Q.N. 2.3	Q.N. 2.4	Q.N. 2.5
Members	Sex 1= Male 2= Female	Age	Material status 1= Unmarried 2= Married 3= Divorced/ Separated 4= Widowed	Education 1 to 12 13= Bechelor 14= Masters 15= above Masters 16= Literate 17= Illiterate
01				
02				
03				
04				
05				
06				
07				
08				
09				
10				

Q.N.	Question	Coding
2.5	What is the main occupation of the household head?	1=Government Service 2= Agriculture 3=Waged labor 4=Foreign employment 5=Petty trader 6= Enterprises 7= Others

SECTION III: QUESTIONNAIRE RELATED TO FOREIGN EMPLOYMENT

Q.N.	Questions	Coding
3.1	Which Country have/has you/he/she gone?	1=Gulf (specify) 2= Malaysia 3= South Korea 4= Indian Army 5=British Army 6= Singapore Police 7= Others
3.2	Why did you he/she go over there?	1= Lack of opportunity in the country 2= Political conflict 3= Family pressure 4= For better job opportunity 5= To increase the economic status 6= To pay family debt 7= Others
3.3	Did you/he/she take any training before going foreign employment?	1= yes 2= No
3.4	By which process did you/he/she for foreign employment?	1= Manpower agency 2= Advertisement 3= Government quota 4= Relatives/Friends 5= Others
3.5	What does he/she do?	1= Plumbing 2= Electrician 3= Machinery 4= Carpenter 5= Driving 6= Army

		7= Police 8= Cook/Waiter 9= Constructions 10= Others	
--	--	---	--

SECTION IV: EXPENDITURE SECTORS FOR GOING FOREIGN EMPLOYMENT

Q.N. 4.1 What are the sectors that your family members spent money to go abroad?		
S.N.	Expenditure headings	Amount in Rs.
1	Passport	
2	Medical	
3	Visa	
4	Bus fare/air ticketing	
5	Lodging and fooding	
6	Man power company	
7	Others	
Q.N. 4.2 What are the main sources found, form which yours family members collected money to go foreign employment?		
Topic	Amount (Rs.)	Interest rate (per year)
1. Form own income		
2. Loan from financial institutions		
3. Loan from merchant		
4. Loan from relatives		
5. Others		

SECTION V: REMITTANCE INCOME AND ITS UTILIZATION

Q.N.	Questions	Amount (Rs.).coding
5.1	When had you/he/she gone?	
5.2	How much remittance have you/he/she sent annually?	
5.3	How much rupee have you got from remittance?	
5.4	Did you save?	Yes () No ()
5.5	If yes, how much?	
5.6	Whether you invested or not?	Yes () No ()
5.7	If yes, which area?	1= Land 2= Ornaments 3= Housing 4= Agriculture 5= Livestock 6= Business 7= Others
5.8	In which sector have you utilized your remittance income	

	Headings	An average amount annually (Rs. annually)
	Household consumption	
	Education	
	Debt repayment	
	To purchase land and real estate	
	Investment in agriculture and livestock	

SECTION VI: MEDIUM OF REMITTANCE

Q.N.	Questions	Coding
6.1	Which medium use yours family member to send remittance from abroad?	1= From bank 2= From money transfer 3= From hundi 4= from friends 5= Self 6= Other medium

SECTION VII: COMPARISON BEFORE AND AFTER RECEIVING REMITTANCE INCOME

Q.N.	Questions	Code	Before	After
7.1	What kind of fuel is most often used by your household used for cooking?	1= Firewood 2= LP gas 3= Bio gas 4= Other		
7.2	What type of stove does your household mainly use for cooking?	1= Open fire place 2= Mud stove 3= Smokeless stove 4= Kerosene/gas stove 5=Other		
7.3	What type of toilet is used your family?	1=Household flush (connected to septic tank) 2= Household non-flush 3= didn't use		
7.4	School	Code	Before	After
		1= Government 2= Private/boarding		
7.5	Hostel	1= yes, 2= No		
7.6	Electricity	1= yes, 2= No		
7.7	Roof	1=Thatch (khar) 2=Tin (jasta)		

7.8	Drinking water	1=Well (kuwa) 2= Tap (public) 3= Tap (Private)		
7.9	Does your household have the following items?	1= Yes 2= No		
		Before	Coding (Before)	Coding (After)
		Radio Telephone (landline) Mobile phone Television VCD/DVD Player		