**Role of Remittance in Socio-Economic Development of Rural Households**

**(A Case Study of Bhadrabas VDC, Kathmandu District, Nepal)**

A Thesis Submitted to

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in

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By

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# RECOMMENDATION LETTER

This thesis entitled **Role of Remittance in Socio-Economic Development of Rural Households: A Case Study of Bhadrabas VDC Kathmandu** has been prepared by **LaxmiNeupane** under my guidance and supervision. I hereby forward this thesis to the evaluation committee for final evaluation and approval.

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Thesis Supervisor

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# APPROVAL LETTER

The thesis entitled **Role of Remittance in Socio-Economic Development of Rural Households: A case study of Bhadrabas VDC Kathmandu** submitted by **LaxmiNeupane** in partial fulfillment of requirement for the Master's Degree (M.A.) in Rural Development has been approved by the evaluation committee.

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# DECLARATION

I hereby declare that the thesis entitled “**Role of Remittance in Socio-Economic Development of Rural Households: A case study of Bhadrabas VDC Kathamndu”** submitted to the Department of Rural Development, Saptagandaki Multiple Campus, Bharatpur, Chitwan is entirely my original work prepared under the guidance and supervision of my supervisor. I have made due acknowledgements to all ideas and information borrowed from different sources in the course of preparing this thesis. The result of this thesis have not been presented or submitted anywhere else for the award of any degree or for any other purpose. I assure that no part of the content of this thesis has been published in any from before.

LaxmiNeupane

Bharatpur, Chitwan

April, 2015

# ACKNOWLEDGEMENTS

This thesis entitled **Role of Remittance in Socio-economic Development of Rural Households: A Case Study of Bhadrabas VDC, Kathmandu** has been prepared for partial fulfillment of the requirement for the Master's Degree in Rural Development. I am very pleased to take this opportunity to express my dense of gratitude to my thesis supervisor Mr. Ram Prasad Tiwari Lecturer and faculty member of the Department of Rural Development, Saptagandaki Multiple Campus for his valuable guidance, suggestion and encouragement without which this work would never have completed. I am highly indebted to my respected supervisor.

I am highly indebted to all the villagers of Bhadrabas VDC for their support and co-operation during the field study and I also like to express my gratitude to Bhadrabas VDC office for the information about study area

I would like to express my heartfelt thank to the entire persons who helped me from the different fields from where I received the data and real status of the study area while preparing this thesis. Along with I beg to offer my thankfulness to all the writers, researchers and organizations that made available the reference materials, ideas and reviews to exploit this thesis.

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LaxmiNeupane

Bharatpur, Chitwan

April, 2015

# ABSTRACT

This study entitled **Role of Remittance in Socio-economic Development of Rural Households: A Case Study of Bhadrabas VDC, Kathamndu** was conducted with the objectives of analyze the impact of remittance in rural households; access the contribution of remittance in socio-economic development of rural area.

The general objective of this study was to examine relationship between the socio-economic condition of the rural households before and after the remittances. However, the specific were to analyze the socio-economic conditions of rural households after remittance in the study area; to explore the trend of foreign employment in the study area and to examine the role of remittance in socio-economic development.

The data was collected from the respondent of the VDC. This is analytical as well as descriptive type of research Design. The available data from the various sources where collected, classified and tabulated to meet the needs of the study. Data processing is done with the help of a mathematical tools and technique. Hence, various methods of analysis such as graphical presentation, tabulation were made for the purpose of analysis. Data were studied comparatively to get required results about the socio-economic impact.

The total number of households of Bhadrabas VDC is 503 (CBS.2011). There are 131 emigrants household of this VDC. Among them 40 households were selected as sample for the study. Most of the households from the study area were receiving remittance. Foreign employment was main occupation of the study area. From the study area we can conclude that all the households who were receiving remittance are getting benefit. There access to education, health and socio-economic condition has increased. Likewise it also helps in net saving. The remittance is not using properly in productive sector if the households properly invest in productive sector it will help to develop rapidly in rural area. All households were positive towards remittance income. The living standard of people in study area is gradually changing .people are now getting the proper social and economical status is also gradually increasing. The income of the family has been raised up ultimately uplifting the living standard of the people under the poverty line. Some recommendation from our side like the income coming from remittance should be utilized in productive sector like business, Agriculture etc.

Major reasons to seek foreign employment include unemployment, family debt burden, conflict problems and to earn money then which they are earning in their own country. The means to get foreign employment of the most of the sample (85 percent) respondents were Manpower Agencies. Other went either through unregistered agents or personal initiative. Majority of the foreign job seekers (83 percent) didn’t have any skill and took unskilled labor jobs in industries. The respondents of this VDC said that remittances have increases their household economic and social indicators after returning from foreign employment. Around 81.73 percent respondents said that remittance have increased their economic status, 54.8 percent of respondents said that remittance income have increased their standard of living, around 59 percent of the respondents social attitude have increased with the remittance income.

As a summary, we can say that the remittance income earned from foreign employment is helping the household of the study area in fulfilling their basic needs as well as fulfillment of other social economic aspect of their life. In another aspect of this survey we can say that the remittance earned by the foreign labor have benefited other members of his family than the employed himself. Therefore it is clear that the remittance is playing very positive role to the respondents and their family to reduce their level of poverty of the study area and help to rural development.

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# LIST OF ACRONYMS/ABBREVIATIONS

ADB : Asian Development Bank

BOP : Balance of Payment

CBS : Central Bureau of Statistics

CEF : Convertible Foreign Exchange

DFID : Departmental for International Development

FDI : Foreign Direct Investment

FY : Fiscal Year

GDP : Gross National Products

GNI : Gross National Income

GON : Government of Nepal

HDR : Human Development Report

IA : Intermediate of Arts

ILO : International Labor Organization

IMF : International Monetary Fund

KSA : Kingdom of Saudi Arabia

MOF : Ministry of Finance

NLSS : Nepal Living Standard Survey

NPC : Nepal Planning Commission

NRB : Nepal Rastra Bank

SAARC : South Asia Association for Regional Cooperation

SLC : School Leaving Certificate

UNDP : United Nations Development Program

UAE : United Arab Emirates

UK : United Kingdom

USA : United State of America

US$ : United State Dollar

VDC : Village Development Committee

WB : World Bank

WDR : World Development Report