

CHAPTER I

INTRODUCTION

1.1 General Background

Poverty is the major burning problem of both developing as well as underdeveloped countries in this present world, only the difference is its magnitude and type of poverty. It is a worldwide phenomenon and, however it differs in its magnitude from one country to another.

In case of Nepal, which is a small landlocked and agricultural country, suffers from the problem of mass poverty and unemployment. High population growth rate and increasing dependency on the backward agriculture may be attributed for its slow growth rate. Among them mass poverty is the main characteristic. In Nepali context, poverty can be discussed in two aspects, one is based on per capita income and another is basic needs approach. Defining poverty with the per capita income approach, Nepal's GNI per capita is US\$ 510 as FY 2010/11 (CBS-2011) among them the population receiving less than 1\$ per day was estimated to be 30.8% (WDR2011). According to the NPC survey (1978) the minimum subsistence level of income was NRS 2 per day at 1976/77, price as the absolute poverty line. This clearly shows that poverty is in large magnitude in Nepal.

On another approach: Basic needs approach, Poverty is defined as the unavailability of basic requirements like clothes, shelter and food. As for example: a person needs average daily intake of 2256 calories and value of the lowest actual daily consumption of other basic necessities. If any person can't get that required amount of calories, he can be rated as poor. Due to the very high level of poverty, the Social Index of Nepal is also very low in comparison to the world level. Although the foreign investment is the main source of development of any economy, because of the lack of sufficient policies and infrastructures the foreign investment in Nepal is not satisfactory.

Total foreign Direct Investment (FDI) during 2000/01-2011/12 marked Rs.22.6 billion. Foreign exchange earning from tourism declined from 3.6 percent in 1998/99 and 1.2 percent contribution to GDP in 2011/12. Trade deficit was as high as Rs. 82 billion during the period 2011/12 and currently estimated to be high as more than 100 billion dollar (more than 22% of total GDP). Fiscal deficit is estimate to be 8.9 percent of GDP as overall budget deficit is around 5.2 percent of GDP in 2012. Although open unemployment is relatively low, underemployment or disguised unemployment is as high as 50 percent.(Dahal,2012)

Tourism is important sector of Nepalese economy. Continuously it has helped Nepalese economy to increase employment, to earn foreign currency and it has also helped to improve regional imbalance. Highest snow peak mountains, lush evergreen forests of Terai, socio and cultural diversity of Nepal etc. attracts tourists from the other countries every year. Because of lack of industrial areas tourism has become a very prominent sector to provide employment and income.

Human resource is another main resource of Nepal; Due to the high population growth rate of Nepal the population of Nepal is increasing day by day therefore its role in the development of all sectors is becoming very important in recent years. But due to the lack of opportunities in our country to get employment and earning money skilled, semi-skilled and unskilled all types of people have shown inclined to the foreign employment which have resulted in substantial growth of remittance economy. In the current situation the magnitude of remittance is estimated to exceed Rs. 100 billion which is coming through the registered sources, if all the unregistered sources (illegal sources and with their friends also) has to be counted it is estimated to exceed Rs. 125 billion (www.ekantipur.com). If this present trend continues, it is speculated that remittance economy will substitute many other sectors of the economy in coming new years.

Although foreign employment for Nepalese people has a long history, foreign labor migration and remittance have emerged over the last two decades as a prominent feature of the Nepalese economy. It was started before early nineteenth century when the first Nepalese traveled to Lahore to join army of Sikh Ruler Ranjit Singh. Formally it was started after Anglo-Nepal friendship treaty of 1816 that recruited 3000 Nepalese soldiers in British Gorkha Regiment. (Dahal, ibid)

The contribution of remittance income is increasing year by year. The total contribution of remittance income in total is 16% of total GDP (Gross Domestic Product) now. According to NRB, due to increasing trend in foreign employment and the decreasing trend of export the contribution of remittance is increasing. The contribution of remittance income is 16.8% in the fiscal year 2062/63, which was only 11% in the past year.

According to NRB the total of Rs.100 million is entered from the formal medium of money transfer last year. In the first seven months of year 2063/64, about 56 million rupees is entered into the country as a remittance income which is larger than the same time limit of the previous year. Now there are 36 companies working under the legal boundary to transfer money from the foreign countries. Except those companies, some of the commercial banks also working as money transfer.

Remittance is established as a major source of economic development of the developing countries. According to the data of the last year, about 3300 billion U.S. dollar is entering to the developing countries. The remittance income is increased by 50% in the developing countries like India, China, and Mexico. The remittance flow is double than that of Foreign Aid and Foreign Direct Investment from developed countries to under developed countries.

Most of the migrated people are from the rural sector of Nepal but due to the lack of the banking facilities in the rural areas, they are sending their earnings from the informal mediums up to now. In this present condition most of the migrated people of rural areas are migrated to India for work.

In this present situation remittance is playing very vital role to reduce poverty level of Nepal to the downward ranges, especially in rural areas where there is no other opportunities to earn and get employment without agricultural sector. But due to the lack of proper government policy to encourage the remittance income in the productive sectors; almost 80 percent of the remittance money is used in the unproductive sectors like house building, land buying and other luxurious goods. The people are migrated to other countries for work and earn money, which certainly helps to reduce poverty level of rural areas.

1.2 Statement of the Problem

In this twenty first century, the age of globalization remittance has become a cornerstone of development for any developing country. The magnitude may differ but the role of the remittance to the development can't be denied. The developing countries in this age can't even take a foot path ahead without external assistance like remittance and the foreign aid. In case of Nepal, in this present situation of post war the one and only source of economic stabilization and growth rate maintenance is remittance income. According to CBS Nepal's per capita income is increased to US \$ 311 from US \$ 240, which is only due to the increasing trend of remittance income.

If we concentrate on the poverty situation of our country, its magnitude is very large especially in the rural areas most of the people are migrated to the other countries for work and earn only for the existence of their family. In rural areas we can find that most of the lower and middle class families are drowned in debt. If any member of that family is migrated to other countries its debt is comparatively less than other families. So, remittance income is playing very vital role in the rural economic situation. (Karna, 2004)

The population census of 2011 A.D. reported that 785890 persons were out of the country to foreign employment. According to the NRB in the year 2011/12 remittance accounting Rs. 58 billion were received in Nepal which is 40-50 percent of all foreign currency earnings. The major factor attributing to large demand labor employment from Nepal are related to higher rate of

unemployment, limited employment opportunities, low salary structure in the economy, insecurity in the rural areas because of insurgency and so on. Other main reason is the willingness and enthusiasm of Nepal youth to visit and work in the foreign country.

Since many years, foreign employment rate is increasing, but most of unskilled labor had gone to foreign land. Nepalese labor forces seeking foreign employment having very low level of technical education and formal training. They are compelled to take risky, difficult and dirty work in foreign country. Slowly, training institute are being established in Nepal to develop skills on individuals who are seeking foreign employment so that earning capacity of the employed can be increased and competitiveness in the labor 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. The cost includes passport fee, medical charge, visa fee air fare and commission to the employment agency. To finance the employment individuals have to dependent on several sources of funds which included internal saving, borrowing from the relatives, funds received from the sales of fixed assets like land and animals, borrowing from money lenders etc. Formal financial institution like banks, cooperatives and finance companies do not provide loan easily. It is very difficult to arrange the funds needed to foreign employment by people coming from lower income class. (Karki, 2006).

Other problems are mal practice and fraud activities of the Manpower Agencies and employment agent and employer of the destination countries. The agreement between the migrant workers and Manpower Agencies are often violated. The government hasn't been able to regulate them. The rights of the migrant workers cannot be insured inside Nepal and also in the labor importing countries. The per capita earning of the workers is very low.

While studying about the Role of Remittance in Poverty Reduction some research question have be raised as below:

- a) What is the poverty level of the study area?

- b) What is the nature and extent of remittance income of the study area?
- c) What is the impact of remittance on the poverty reduction of the study area?

1.3 Objectives of the Study

The main objective of the study is to analyze the role of remittance in rural poverty reduction of the study area. Besides this, the specific objectives of this study are as follows.

- a. To examine employment and the status of people in the study area.
- b. To analyze the nature and extent of remittance income in the study area.
- c. To analyze the impact of remittance for enhancing the level of people in study area.

1.4 Importance of the Study

Since the inception of the Eighth five year plan, alleviation of poverty has been accorded highest propriety. Likewise several short as well as long term programs have been launched in this related field but results are not so satisfactory. In this regard due to so many reasons like unemployment, insurgency, weak governance and faulty education system etc, large number of young manpower have migrated to foreign countries for work to the other countries like USA, UK, Australia , other European countries as well as to the Gulf countries like Saudi Arabia, Dubai, and Malaysia, Iraq etc. Due to this emigration of stream somehow the people have been able to fulfill their basic needs. Therefore, in this present time the remittance income is playing very important role to reduce the poverty in the rural areas of our country Nepal. Especially, in those areas of Nepal where there is no any job opportunities to earn money to fulfill their basic needs except the agricultural sector. But the productivity of the agricultural sector is very low. The people of the rural areas work for all the year but hardly get food even for six months. (Shrestha, 2006)

In the past, the kind of job of Nepalese workers used to get abroad was only the armed force. After the restoration of democracy, international job market was opened in the 40 countries. Thus in the new phenomenon of entering into the WTO, efficient and skilled labor force is required and diversification in the skill and destination. This study will also concentrate on the role of remittances in rural Nepal and guide to make it more helpful in eradicating rural poverty and increasing the capacity of the labor force. The economic indicators will help to plan rural area. (Gyawali, 2005)

If we try to analyze the present manpower of Nepal, about 70% of the educated manpower is migrated for work, some of them are coming back to Nepal and some of them are settling there forever, but all of them are sending money from there for their family and relatives. So, the remittance is coming for all over the world to Nepal where the Nepalese people are migrated. Certainly that amount of remittance is helping Nepalese economy to reduce the poverty level. When we compare the poverty level as well as the living standard of the migrated family and non migrated family, the migrated people's family is in high condition of living standard, or they are feeling very comfortable to fulfill their basic needs for their existence. (Shrestha , 2006)

But most of the remittance income is used in the unproductive fields like house building, land purchasing, purchasing of luxurious goods and consumption etc. therefore the remittance income is not playing it's actual role for the development of the country as well as the reduction of the poverty level of the entire country. In other words, in these days the remittance income is using in the advantage of the migrated people and their families only. If the remittance income is invested in the productive sectors like industries, development activities etc, then only the effect of that remittance income can be felt by other citizens of Nepal. (Dahal, 2004)

1.5 Limitation of the Study

The study has following limitations:

- i. The present analysis is concentrated in a particular area of Krishna Gandaki VDC, Syangja District to determine the magnitude of poverty as well as the amount of remittance income in micro level.
- ii. Price of all commodities is calculated on the current price.
- iii. Only economic variables such as income, income and wealth inequalities are analyzed.
- iv. The value of self produced goods consumption, rent of the self occupied households, working charge (labor charge) on their own land are ignored.

1.6 Organization of the Study

The study is on the following format: the first chapter is the introductory chapter. The study of theories of migration and the poverty with demography has been reviewed in the second chapter; which is presented under the title “Review of literature”. Nepalese study in the labor migration and remittance is another matter of review in the same chapter. The third chapter includes research methodology. The fourth chapter describes about the socio-economic profile of the study area. The fifth chapter includes flow of labor migration; it’s composition, diversification and its trend. This chapter also includes review of government policies about foreign employment and remittance. The sixth chapter deals about the poverty situation in the study area. The seventh chapter gives the data analysis of the study. The eighth paper, which is the last chapter of the study presents summary, conclusions and recommendations.

CHAPTER II

LITERATURE REVIEW

We have received several studies pertaining to emigration, its eco-consequences either they are in the form of books or articles. That means study about the matter by finding the books, articles newspaper, and thesis, report etc. that are published in the past. This chapter helps to take adequate feedback to broaden the information base and inputs to the study. Since there are not so much adequate study materials related with this topic published in Nepal.

This chapter tries to detail the conceptual theoretical concept regarding the definition of remittance as well as the term poverty.

2.1 Meaning of Remittance

Remittance means the transferring money from one place to another. Remittance is the amount transferred by workers abroad to support their families back home. Euphemistically, present day Nepalese economy is characterized by "Remittance Economy". Its genesis starts from right from the beginning of world war in which Nepalese fought not for the protection of their homeland but in course of fulfilling duty in which they are engaged. At the time of British rule in India, Those days when "Nawabs" of Lucknow were watching helplessly the loot of their huge wealth. The possessions thus received went to the treasury of the rulers but the salary of the soldiers received formed the part to support their families. Remittance business is created by the foreign employment that has the long experience in Nepal. For the foreign employment Nepalese people are engaged before some centuries. The Nepalese people were earned "Brave Soldier" in the history of world before some decades. Nepalese people are earned a name and fame for the fighting the victory in the war so that they are called as "Bir Gorkhali". Nepalese migrated people are called 'Lahure' because they employed and earned money in Lahore

which is in Pakistan now. Some of the Nepalese were earned money in Malaysia so they were called "Malayako Lahure".

According to Nepal Living Standard Survey (NLSS, 1996) 23 percent of all households surveyed received remittances. In the rural areas the proportion of households receiving remittances was 24 percent. Similarly, 38 percent of all remittances came from India. (33 percent from other rural areas within Nepal and 25 percent from urban areas within Nepal.) Remittances from the other countries other than India accounted for nearly 3 percent of all remittances. In the rural areas, 40 percent came from India, 3 percent from other countries and around 58 percent elsewhere in Nepal.

Besides traditional sources like salaries and pensions of Gurkha soldiers servicing in the British and Indian Army, thousands of Nepalese, Some of them engaged in three "D" jobs (that is Dangerous, Dirty and Difficult) are sending billions of rupees back home. (Source:www.nepalnews.com.np).

Poverty is the well known major problem of all over the world. Especially for the countries like Nepal it is the burning issue. Various economists and institutions in the context of the world had conducted many studies and researches but only few researches have conducted in the context of Nepal to fulfill the required amount of information about the role of remittance income to reduce the rural poverty in Nepal. In this sense we can address the rural poverty as the overall poverty of the country because most of the people of rural area are under the poverty line as already described and most of the people of urban areas like Kathmandu, Pokhara, and other major cities and other popular developed districts.

For this purpose first of all we have to define the word poverty. The word poverty is defined by so many economists in their own words like:

The first attempt to define and quantify the level of poverty of Nepal was made by National Planning Commission (NPC) in 1976-77 through a survey on Employment Income distribution and consumption Patterns, the minimum subsistence level of poverty line. An income of Rs. 2 per capita per day at

1976-77 prices was taken as the minimum subsistence level. This out off level was based on the expenditure required to buy food, giving average daily intake of 2256 calories and value of the lowest actual daily consumption of other basic necessities. This criterion at that time has given a poverty estimate of 40.3 percent (Meeting the challenge 1992). This emphasizes the existence of severe poverty in South Asia block. It has used various social indicators to analyze and compare the level of poverty in SAARC countries the major social indicators used for analysis are population, population education enrollment, income level, employment status, expenditure level etc.

The research report of NRB (2006) conducted by the Special Study Section Of NRB entitled "Foreign Employment, Remittance Economy and Nepal" states that the migration of Nepalese workers started after 1816's peace treaty between Nepal and Britain. Most of the people of that time are migrated to work in the British Regiments. This study examines about the historical perspectives, present condition, The trend and dimension of Remittance, the problems associated with the remittance and its measurements, the use of the gained money as well as the skills, the investment pattern of that remittance and also the employment condition of the people returned from the foreign employment. It also examines about the Nepalese foreign employment system and its objectives with other questions related with the remittance. This study concludes that apart from India, about 86percent of the people are migrated to Gulf Countries like Malaysia, Saudi Arab, Qatar, Dubai etc. Rest percent are migrated to the other countries of the World. This study examine about the role of manpower agencies in the field of foreign employment. This study concludes that even though the role of manpower agencies in obtaining Work Permit, Government acceptance letter, tickets etc is very helpful but most of the manpower agencies of Nepal are looting the people in the name of foreign employment.

The Three Year Interim Plan (GON, 2010) takes note of a number of achievements and progress made in relation to labour management and

employment promotion. These include the creation of Department of Foreign Employment, protection of workers' rights and fixation of minimum wage, establishment of Foreign Employment Promotion Board, rescue and relief operations for Nepali migrant workers facing difficult circumstances, establishment of Migration Resource Center, appointment of Labour Attaches in countries with large concentration of Nepali migrant workers, labour agreements with five different countries, establishment of Foreign Employment Court (Nyayadhikaran), formulation of the National Master Plan on Child Labour, commencement of the process of sending industrial apprentices to Japan, rescue of 16,000 child labourers from worst forms of child labour, prevention of additional 17,000 children from entering labour market, operation of Informal Education and Daycare Centers and investment made by non-government sector in alleviation of child labour.

However, major challenges remain. These include the inability of the national economy to grow at a faster pace in creating new employment opportunities, inadequacy of vocational and skill development training opportunities, inability to cater the needs of national and international labour markets for skilled human resources, severe constraints in curbing frauds and abuses related to foreign employment, widespread prevalence of child labour both in formal and informal sectors, and weak collaboration and coordination among national and international agencies in promoting employment opportunities. Despite the constraints and challenges, the demand for Nepali migrant workers in international labour market has remained strong. For the country, the remittance sent home by migrant workers is significant i.e. 23.6 percent of the GDP is received from remittance. One of the key challenges in the area of foreign employment would be to enhance the skill profile of human resources and explore new and lucrative market opportunities.

According to a study conducted by Prof. Seddon, Jagannath Adhikari and Ganesh Gurung entitled "Foreign Labor Migration and the Remittance Economy of Nepal" for DFID in the year 2005, nearly Rs.69 billion was

remitted by the Nepalese working in foreign countries in 1997. Of this, nearly 40 billion came from an estimated one million Nepalese working in India whereas the rest (nearly Rs.29 billion) came from people working in other parts of the world.

According to him, the recorded value of money sent back from abroad more than doubled, from 1974/75 (Rs.90.7 million) to 1980/81 (Rs.216.8 million). Over the next decade, the official value of foreign remittances increased three fold, to reach Rs. 676.8 million by 1989/90. By the middle of the 1990's, the value of officially recorded remittances from abroad was around Rs. 2.9 billion, of this, "Gurkha Remittances" accounted for between a quarter and a third. (Source: www.nepalnews.com.np/ntimes/issue169/economy)

From the past 14 years up to now, about 1.4 million people are migrated to other countries in the search of employment. Even though, the number of people migrated directly with the permission of government is one million but estimation of the same number of people are migrated from individual level and from the medium of other third countries.

According to the data provided by the Labor and Employment Promotion Department up to the date the total of 9 lakh 35 thousand three hundred and 41 people are migrated for work. According to the same data, about 2,96,032 people are migrated to Malaysia, about 2,04,486 people to Qatar, about 1,47,503 to Saudi Arabia, 80 thousand to UAE, 5 thousand and six hundred to South Korea, summing up all of them 7 lakh 33 thousand people are migrated to these countries for work. Rest of the people, are migrated to the other countries. The above data is from 2050 B.S. up to now. Even though before 2050 B.S. also Nepalese people were migrated to the other countries but the actual data of that period is not available to the government. Similarly, the data of the people migrated for their further studies but getting employment there and sending money and migrated with their own effort is not available with the Government.

According to the vice-president of Nepal Foreign Employment Association Mr. Madan Mahat; the total of about 1.8 million people from Nepal are migrated to the other countries for the search of the employment by both either through the formal or informal mediums. According to the Director General of Labor and Employment Promotion Department Mr. Keshar Bahadur Baniya; Nepalese people are migrated to other countries because they can get the desired work there and also they can earn more money than in the native country. According to the Government data, maximum of 1 lakh 65 thousand people are migrated in the year 2062/63. The number of people going to the foreign employment is not decreasing after the restoration of peace in Nepal also. In the period of one month (Jestha 2064), about 65 thousand people are migrated for the foreign employment. Generally semi-skilled people are migrating to the Gulf countries like Qatar, Malaysia, UAE etc and the literate and skilled labor are migrating to the countries like Korea, Israel, Cyprus, Hong-Kong etc. The Government of Nepal opened 107 countries for the foreign employment of Nepalese labors but the labor-contract was signed with Qatar only.

Poverty is the well known major problem of all over the world. Especially for the countries like Nepal it is the burning issue. Various economists and institutions in the context of the world had conducted many studies and researches but only few researches have conducted in the context of Nepal to fulfill the required amount of information about the role of remittance income to reduce the rural poverty in Nepal. In this sense we can address the rural poverty as the overall poverty of the country because most of the people of rural area are under the poverty line as already described and most of the people of urban areas like Kathmandu, Pokhara, and other major cities and other popular developed districts.

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According to the analysis of the data obtained from this research the main conclusions about the remittance income and its trend are as follows:

- (a) Most of the migrated people are from the agricultural sector and livestock sector (61.3 percent) where they can't get the required amount of money and food from their profession for their existence.
- (b) About 26.7 percent of the people are earning more than Rs.50,000 per year, about 28.8 percent people are getting from Rs.50,000 to Rs.1,00,000, about 12.5 percent people are getting from Rs.1,00,000 to Rs.15,00,000 and about 31.9 percent people are getting more than Rs.15,00,000 from abroad migration.
- (c) Among the migrated people most of the people are migrated to India (24 percent), Saudi Arabia 16.3 percent, Qatar 6.88 percent, United Arab Emirates 5.6 percent and only 1 percent to 5 percent people are migrated to the other developed countries like Japan, Germany, and America etc. Most of the migrated people are in the age of between 26 years to 40 years (60 percent), 20 percent people are above age 41 years and 16 percent are below 25 years. This clearly shows that, most of the migrated people are young.

- (d) About 80 percent of the migrated people are using their money for purchasing of house and land, for household expenses, for buying ornaments and other luxurious goods, education of their child etc. which is used in the unproductive sectors.
- (e) Most of the migrated people are getting the salary of Rs.10,000 to Rs.75,000 and some of them are also getting more than Rs.75,000. The study shows that about 49.9 percent people are getting up to Rs.10,000, about 20.6 percent of the people are getting from Rs.10,000 to Rs.25,000 ,about 13.8 percent of the migrated people are getting up to Rs.50,000, about 16.2 percent of the people are getting more than Rs.50,000.
- (f) While comparing the status of income and work of the migrated people to India with other countries it is clearly seen that, most of the people migrated to India are absolute poor, they are in the problem of fulfilling their basic needs, and they are uneducated and unskilled labor whose salary is relatively very low. Whereas the people migrated to the other countries are very much educated and their salary is relatively very high comparing to those people. In other words, the people who can't pay expenses for the other countries are going to India for work.

This research report also has some suggestions and recommendations for the improvement of the foreign employment sector as well as to raise the productivity of the remittance income. Which are like, the Government should be clear about the agendas related to the foreign employment, the line agencies of government, and other private sectors and Non-Government Organizations also should be clear about the foreign employment policy of Nepal. There should be a good cooperation between ministry of Finance, Nepal Rastra Bank, Department of Labor, Central bureau of statistics and department of tourism. There should be a strong policy to increase the investment form that remittance income in Nepal. The government should open the labor offices in the countries like Malaysia, Qatar, UAE etc, where more than 5000 Nepalese

people are migrated for work. The present system of Brokers in the foreign employment sector should be replaced. There should be strong observation to the foreign employment agencies about whether they are following all the rules and regulations of the Government as well as the "Foreign Employment act-1992" , which has fixed the minimum wage is US\$ 125. There should be foreign employment information centers in all the regions of the country to give actual suggestions and recommendations to the people who want to go for foreign employment.

2.2 Summary statistics of Remittance

Nepal Living Standard Survey (NLSS-2012/13) has defined remittance as a transfer income received by a household within last 12 months. All incomes transferred from a single source (individual/household) is counted as one remittance. According to the survey the following table is presented as a comparison of remittances between the years 2003/04 and the year 2012/13.

Table 2.1

Summary Statistics of Remittances

Description	Nepal Living Standard Survey	
	2003/04	2012/13
Percent of all households receiving remittances	23.4	31.9
Average amount of remittance per recipient household (nominal NRs.)	15,160	34,698
Share of remittances received by household from within Nepal	44.7	23.5
From India	32.9	23.2
From other countries	22.4	53.3

Share of remittances in total household income among recipients	26.6	35.4
Per capita remittance amount for all Nepal (nominal NRs.)	625	2,100
Total amount of remittance received (nominal NRs.)	12,957,840,907	46,365,466,726

(Source: NLSS, 2012/13 vol.2)

According to this table, the proportion of households receiving remittance has increased from 23 percent in 2003/04 to 32 percent in 2012/13. Average amount of transfer earnings per recipient household has more than doubled in nominal terms in the same period. Other significant change is in the share of these remittances by sources: within Nepal and from other countries including the Gulf account for more than half of the share. For those households with positive remittance earnings, their share in total income has increased from 27 to 35 percent. Overall, total amount of remittance received has increased from about 13 billion NRs. to more than 46 billion NRs. In nominal terms, while per capita remittance for the entire country has more than tripled in nominal terms between two rounds of NLSS.

Rural households have higher proportion of recipients relative to their urban counterparts. In particular, 40 percent of households in rural West Mountains/Hills receive transfer income. The average income transfer in the form of remittance is Rs. 34,698 (in current prices) per recipient household in 2012/13. Among development regions, the amount is the highest in the West (Rs.45,805) and the lowest in the Far-West (Rs.15,679). The difference between urban and rural is more than twice (Rs. 68,981 versus Rs. 29,530). The amount in Kathmandu valley urban is even higher (Rs. 118,998). Disparity among consumption groups is very severe: Rs.65,514 for the richest quintile versus Rs. 13,906 for the poorest quintile.

Per capita remittance- perhaps a better indicator for the whole population – stands at NRs. 2100. Urban areas have double the size of rural areas but the strongest association is seen with the level of household consumption. The poorest consumption quintile receives one-eighth of what the richest quintile receives in per capita terms.

Remittances flow from internal and external sources. According to the survey, majority of remittances come from within the country, followed by India and other countries. The Far-west and Mid-west have higher shares from India.

Perhaps a better indicator of source shares is by size of transfer incomes. The survey summarizes number, size and share of remittances by source also. NLSS II estimates that the total amount of remittance in the country is NRs 46 billion in nominal terms. India accounts for 23 percent, three Arab countries for 27 percent, other countries for 17 percent and internal sources for the remaining share. This is a large shift from eight years ago when internal sources and India accounted for more than three-fourth of the total amount. This is summarized in the following table.

Table 2.2

Share of remittances received by source

Source of remittance	Share of remittance amount received (%)
Internal	
Urban Nepal	12.4
Rural Nepal	11.1
External	
India	23.2
Malaysia	9.6
KSA, Qatar, UAE	26.5

Other country	17.1
Other	
Donor Agency	0.1
Nepal	100

(Source: NLSS, 2012/13 vol.2)

Majority of remittance-senders work as wage employees in non-agriculture sector (72 percent), specially among those abroad where the share is as high as 90 percent. The study also presents that the distribution of primary work activity of senders. Most of the senders in agriculture wage employment are from India, and the same is true for non-agriculture wage employment. The study also summarizes the donors' relationship with recipients by gender. 89 percent of donors are males while only 51 percent of recipients are males. Among donors, 50 percent are sons/daughters of recipients, 22 percent husbands/ wives and 11 percent fathers/mothers. This is summarized in the following table.

Table 2.3
Relationship of Donor and Recipient by gender

(Percent)

Relationship	Donor			Recipient		
	Total	Male	Female	Total	Male	Female
Husband/wife	22.5	97.1	2.9	22.5	2.5	97.5
Son/Daughter	49.8	89.6	10.5	10.7	51.8	48.2
Grandchild	0.2	57.5	42.5	0.0	0.0	0.0
Father/Mother	10.7	81.8	18.2	49.8	72.4	27.6
Brother/Sister	9.2	88.8	11.2	9.2	58.3	41.7

Nephew/Niece	0.6	80.8	19.2	0.0	0.0	0.0
Son/Daughter in law	1.7	72.2	27.8	0.8	85.2	14.8
Brother/Sister in law	2.1	65.6	34.4	2.1	48.3	51.7
Father/Mother in law	0.8	100.0	0.0	1.7	20.1	79.9
Other relative	1.8	79.4	20.6	2.5	51.6	48.5
Tenant/Tenant's relative	0.0	100.0	0.0	0.0	0.0	0.0
Other person non related	0.7	65.3	34.7	0.7	83.1	16.9
Total	100	89.2	10.8	100	51.5	48.5

(Source: NLSS, 2012/2013 vol. 2)

This survey also shows the contribution share of remittances in total household income. About 35 percent of all household income comes from remittances earnings in Nepal. Interestingly enough, there are quite small differences among the geographical groups and consumption quintiles. This is probably explained by the fact that these shares are for households with positive remittances only and they would differ across groups if the analysis is included all households.

As expected, majority of remittance senders are aged 15-44 but female senders tend to be younger than their male counterparts. The survey displays the number of remittances by means of transfer and origin. Of the total remittances, 78 percent of remittances are transferred by person, 6 percent via financial institutions and 2 percent via *Hundi* and 14 percent from other means. This pattern generally follows in most cases, except from Malaysia where majority of the remittances are send through financial institutions which is 55 percent. This trend is summarized below.

Table 2.4
Distribution of number of remittances by means of transfer
And origin of remittance

(Percent)

Source of Remittance	Means of Transfer				Total
	Financial Institution	Hundi	Person	Other	
Urban Nepal	0.3	0.5	74.3	24.9	100
Rural Nepal	1.3	0.1	80.7	17.9	100
India	0.8	0.0	92.0	7.3	100
Malaysia	54.8	13.9	31.3	0.0	100
KSA Qatar UAE	25.9	8.8	60.5	4.8	100
Other Country	29.3	13.1	49.2	8.5	100
Donor Agency	10.5	0.0	42.3	47.2	100
Nepal	6.0	1.9	78.4	13.8	100

(Source: NLSS, 2012/2013 vol.2)

2.3 Some studies on Remittance

Karki (2006), in his dissertation “Foreign Employment and Remittance Economy of Nepal: A Case Study of Dhuseni VDC, Illam District” has attempted to identify the impact of foreign employment and remittance in rural community in the study area. Moreover he also tried to identify the past trend of foreign employment and remittance of Nepal, socio-economic characters of foreign employees, sources of financing and cost for foreign employment, change brought by foreign employment and remittance in household economy and uses of remittance. His study is based on both the primary as well as the secondary data. Primary data were collected from the sampled households in

the study area and secondary data were collected from the publication of CBS, NPC, and WB etc for the purpose of comparison of the composition of foreign employment and remittance in his study. He has analyzed the collected data by using simple statistical tools like percentage and ratio.

E.G. Ravenstein, (1885) was the first person to attempt forming migration theory. Ravenstein's "laws of migration" is also known as, push-pull factors of migration; still predominates as framework of migration analysis. According to him, push factors are land tenure system, unfavorable form of trade, wide dispersion of poverty and income, pressure of rural poverty in income; pressure of rural poverty in general and so on. Pull factors are employment, education and other facilities are opportunities known as bright light of the towns. On the one hand push factors push the migrants from their place of birth and on the other hand pull factors pull the migration to the place of destination.

M.P. Todaro (1976) states that migration is stimulated primarily by rational economic consideration of relative benefit which are mostly financial. Decision to migrate is influenced by the difference between expected income between two places, the odds, probability of getting job in new area is inversely related to employment rate in the new area.

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two places, the odds, probability of getting job in new area is inversely related to employment rate in the new area.

The research report of NRB (2006) conducted by the Special Study Section Of NRB entitled "Foreign Employment, Remittance Economy and Nepal" states that the migration of Nepalese workers started after 1816's peace treaty between Nepal and Britain. Most of the people of that time are migrated to work in the British Regiments. This study examines about the historical perspectives, present condition, The trend and dimension of Remittance, the problems associated with the remittance and its measurements, the use of the gained money as well as the skills, the investment pattern of that remittance and also the employment condition of the people returned from the foreign employment. It also examines about the Nepalese foreign employment system and its objectives with other questions related with the remittance. This study concludes that apart from India, about 86percent of the people are migrated to Gulf Countries like Malaysia, Saudi Arab, Qatar, Dubai etc. Rest percent are migrated to the other countries of the World. This study examine about the role of manpower agencies in the field of foreign employment. This study concludes that even though the role of manpower agencies in obtaining Work Permit, Government acceptance letter, tickets etc is very helpful but most of the manpower agencies of Nepal are looting the people in the name of foreign employment.

This research report found in it's conclusion that the main problems of this Foreign employment are lack of Proper technical as well as the practical knowledge about the works which he/she had to perform in that countries, lack of required information and the help from the manpower agencies, problem of languages, culture and habitual activities, lack of the safe and reliable financial institutions to send money from abroad, lack of required social as well as economic equalities between the local workers and the Nepalese migrated workers, the problem of Capital loans and management of that capital which is required for the processing and the tickets for foreign employment apart from

those after reaching to the destination countries the Nepalese workers are facing so many problems like not getting that proper work which was promised in Nepal, retirements before the agreement time, not getting the salary in time, unnecessary reduce in the salary, not getting the minimum wage level also, not getting bonus and other facilities available from the company, extended work time without extra salary or over time salary etc.

According to Nepal Living Standard Survey (NLSS, 1996) 23 percent of all households surveyed received remittances. In the rural areas the proportion of households receiving remittances was 24 percent. Similarly, 38 percent of all remittances came from India. (33 percent from other rural areas within Nepal and 25 percent from urban areas within Nepal.) Remittances from the other countries other than India accounted for nearly 3 percent of all remittances. In the rural areas, 40 percent came from India, 3 percent from other countries and around 58 percent elsewhere in Nepal.

Besides traditional sources like salaries and pensions of Gurkha soldiers servicing in the British and Indian Army, thousands of Nepalese, Some of them engaged in three "D" jobs (that is Dangerous, Dirty and Difficult) are sending billions of rupees back home. This has emerged as a vibrant sector of the country's economy (Source: www.nepalnews.com.np/ntimes/issue169/economy).

The study has concluded that the main destinations of Nepalese workers are Gulf countries and Malaysia. Sixty percent of total workers are employed in Gulf countries. The main countries are Saudi-Arabia, Qatar, UAE and Malaysia etc. The remittance is increased in the year 2012/13 by 36 percent while base year was 2004/05. The contribution of remittance to GDP in 2003/04 was 11.44 percent and the share of remittance in convertible foreign exchange reverse was accounted by 46.9 percent in 2012/13. The average cost for foreign employment was Rs.93.99 thousand. It ranges between Rs.45 thousand minimum to Rs. 150 thousand maximum. Source of financing for foreign employment for 90.29 percent migrant worker was borrowings. The major sectors of employment for Nepalese workers were building construction

(41.66%) and industry (26.38%). The Nepalese worker's average stay duration was 2.99 years. Most of the respondents of that study area want to go again because of the unemployment (70.85%) and conflict (36.11%). Out of the causes maximum respondents of Brahmin/Chhetri were suffering from the conflict problem. The study summarizes that remittances have increased their household economic and social indicators after returning from foreign employment. Around 55 percent respondents said that remittances have changed their economic status and standard of living and around 72 percent said that increased their social attitude and around 90 percent respondent's skills. But around 36 percent respondents said that economic status has been same, 44 percent have remained same standard of living, 27 percent said that remained their social attitude same and 9 percent said that remained same level of skill after returning from the foreign employment. Around 77 percent respondents improve their condition of housing, 55 percent respondents improve their education of children, 44 percent improve their health of family members, 52 percent improve their clothing and 33 percent increased their cash available. But around 15 percent respondents have worsened their education of children, health of family members and cash available and around 36 percent respondents have same level of education of children and health of family members, around 47 to 50 percent have same level of clothing and cash available.

The study has some recommendations for the betterment of the foreign employment sector. These are : the policy should be made to solve the conflict situation, create good environment and provided sufficient technology as well as market, give more information to the respondents, technical training institutions should be established in rural areas, the required funds should be provided by the govt. sector for the people who can't afford foreign employment, the safe destinations for Nepalese people for foreign employment should be declared by the government etc.

2.4 Research Gap

Many studies have been done in the field of Remittance. Such as, Remittance income of Nepal, Contribution of Remittance income in national revenue, A study of Remittance and migration, Impact of Remittance in living standard of people, Impact and evaluation of Remittances etc. All the research studies mentioned above are concerned with the study of Remittance income, their impact on Economic sector, contribution of remittance in national economy. Nation wise study regarding the role or remittance have been studied but there is a lack of study on role of remittance in poverty reduction with respect to people of Shree Krishna Gandaki VDC, Syangja. There are large numbers of remittance holder in Nepal and they contribute large amount to the national economy. It is the duty of the government to utilize the remittance properly in financial sectors, mega project, productive sector and agricultural sector so that it can help also to solve the unemployment problems of Nation. It is found no more study have been done in the field of Role of remittance in poverty reduction. Although it is related to the remittance but this study is different from other studies because it focuses mainly on the role of remittance in poverty reduction among people of Shree Krishna Gandaki VDC, Syangja.

CHAPTER III

RESEARCH METHODOLOGY

3.1 Research Design

This study is a case study of Krishna Gandaki VDC. It is a micro level study. This is analytical as well as descriptive type of research design. The main objective is to review the role of remittance income, therefore the required data to meet the objectives of this study, are taken from the primary as well as secondary sources. The simple statistical tools are used to describe and analyze the results.

3.2 Nature and Sources of Data

The study entitled “Role of remittance in rural poverty Reduction” is the case study of Krishna Gandaki VDC of Syangja. Basically, the study is based on the primary data; it is also from the relatives of the migrated people in absence of the family of the migrated people. The required data is collected from the field study of the researcher himself as well as some data’s about remittance is taken from the secondary sources which are both published as well as unpublished,. The required data are collected by using the questionnaire method. The collected data are processed according to the need of the study.

3.3 Population and Sample

In Krishna Gandaki VDC, there are 797 households and total population is 4552. Among them the working age population is only 1999 (the populations aged between 19 yrs to 60 yrs are categorized into the working age population). Among the total no of households total of 24 households are migrated to another places in the year 2062/63 B.S. Among the total population about 36.6 percent of the people are migrated to another place. Among them about 36.3 percent of the people are migrated for their further studies and about 18.7 percent of the people are migrated for work. From the 797 total households in

the study area, 100 households were selected using proportional to size with random sampling method. In order to make the study meaningful as well as advanced, within the limited time period a larger sample size was not feasible. The sample is more than 12.5 percent of the total households, which can be considered to be representative of the universe of study. The strata are the nine wards of the VDC; the selection of sample households in each ward is made proportional to the size basis. The size is the total number of the households in each ward. This survey was conducted from June 2, 2007 to June 14, 2007 A.D. The selection of sample size is given in the following table.

Table 3.1

Sample size of respondents' household of Krishna Gandaki VDC

Ward No.	Total Number of Household	Number of sampled household
1	85	10
2	63	8
3	145	18
4	55	7
5	78	9
6	112	14
7	73	9
8	40	6
9	146	19
Total	797	100

(Source: field Survey, 2013)

3.4 Data Collection Procedure

3.4.1 Primary Data Collection

All the selected 100 household of returnees' respondents were interviewed and relevant information was collected through the medium of questionnaires. The questionnaires included open and close ended questions. Personal interview was taken by researcher and the questionnaires were filled. Cross checks, editing and indirect questions were also put sometimes when the answers were through to be unrealistic and irrelevant. The format of the questionnaire is given in the appendix.

3.4.2 Secondary Data Collection

Except Primary data some other data related to the study had been collected from the secondary sources also, which can be official as well as unofficial. The relevant data are compiled from publication of the National Planning Commission secretariat: Central Bureau of Statistics (CBS), Budget speeches of GON, Economic Surveys published by NRB, Nepal Living Standard Survey by CBS, Economic Reports by NRB, other quarterly and annual publications of NRB, different records of department of labor GON and other periodical, journals, books, magazines, seminar papers, reports of research centers data and information from donor agencies like WB, ADB, IMF, UNDP etc.

3.5 Data Analysis

While analyzing the data, the available data from the various sources is collected, classified and tabulated to meet the needs of the study. Data processing is done with the help of a scientific calculator and the computer. Data will be presented in percentage from when require, tables, graphs, diagram is used to meet the requirement of this study. Data is studied comparatively to get required results about the efficiency of that remittance income and the effect of that remittance income in the research area.

CHAPTER IV

DATA PRESENTATION AND ANALYSIS

This chapter is all about the description of the social characteristics of the respondents, status of economic condition, occupation causes to seek foreign employment, mediums used to obtain foreign employment, destination, duration of stay in abroad, income earned in abroad, system of transfer remittance income, uses of remittance income and the effect of the remittance in the poverty situation and change in the life status of the family of the migrated worker etc. In other words, this chapter deals with all the data related to the topic which are collected in the field survey.

4.1 Geographical Background

Syangja district lies in Gandaki Zone of western Nepal; it is one, out of six district of this zone. Syangja district is about 45 km far from zonal headquarter Pokhara. Its height ranges from the 366 m to 2515 m above the sea level.

Syangja is surrounded by five districts, there is Gulmi and Parbat district are in the west, Palpa district in the south, Kaski in the north. The total area of Syangja District is 1164 sq. km. This district covers about 0.79 percent of the total area of the country. Krishna Gandaki VDC is located in the western part of the Syangja District, Gandaki Zone, Nepal. The area of Syangja District is 1164 sq. km. There are sixty village development committees and two municipalities in Syangja district. According the population census 2013, the total population of the Syangja district is 3, 17,320, whereas the total population of the Krishna Gandaki VDC is 4552. The sex ratio of the Syangja District is 0.83. The population under the age of 14 years is about 40.5% and the population over the age of 60 years is about 9.2 % therefore the dependency ratio in this district is very high. The annual growth rate of Syangja District is quite low comparing with the national level; it is 0.77% whereas the whole national figure is about 2.4%. There are 64,746 households in Syangja District

whereas; the total no of household in this VDC is 972. The average household size in the Syangja district is about 4.90, which is quite high in this present situation. The population density of the Syangja district is 273. The literacy rate of the Syangja district is 66.32 which is comparatively high than the national figure. In Krishna Gandaki VDC, among the total population of 4552, the total population of male is 1981 and the population of female is 2571. Comparatively, the no of female are very high than the male population.

The Krishna Gandaki VDC is about 260 kilometer from the national headquarter Kathmandu and it is about 98 km from the zonal headquarter Pokhara. Krishna Gandaki VDC is about 59 kilometers from the district headquarter Putali- Bazzar. The total area of Krishna Gandaki VDC is 20.15 sq. km. The height of this VDC ranges from 1500 to 8000 ft. There is total of about 2025 hectare of land in which about only 859.49 hectares of land is agriculture land. Particularly among all the available land in this VDC about 42% of the land is only agriculture land, 30% is forest land and 28% others. The total length of this VDC is about 5km and width is about 4.5 km. It is located in the path-way of the Nepal's largest hydroelectricity project "Kaligandaki hydroelectricity Project". The east part of the VDC is bordered by Darsing Dahathum VDC, west by Dhapuk Simal Bhanjyang VDC, North by Arjunchupari VDC and south by Sorek VDC. This VDC has no any highways and no any parks. Near about 70 percent of the population of this VDC got electricity facilities and about 30 percent people of this VDC got mobile phone services. The ethnic groups of this VDC constitute Brahmin, Chhetri, Magar, Gurung, Kami, Damai, Sarki and Majhi etc according to the CBS census 2001. About 75 percent of the total population of this VDC are literate.

Here most of the people are engaged in the farming and rest are engaged on other occupation such as business, government jobs, foreign labor, local labor, student etc. which are categorized in non agriculture sector of occupation. Agriculture is the main occupation of the people of Krishna Gandaki VDC. The main crops are paddy, millet, wheat, maize, potatoes, and vegetables etc. and

the domestic animals on this VDC are Buffalo, cow, goat, sheep and poultry etc.

4.2 Demographic Background

4.2.1 Sex status

According to the CBS population census 2013, the total population of this VDC is 4552 out of which 1981 males and 2571 are females. The total households are 797. The following *table no. 6* gives the ward-wise and sex-wise distribution of population of the study area.

Table 4.1
Sex Status in Study Area

Ward No.	Total Households	Population		Total Population
		Male	Female	
1	85	188	269	457
2	63	166	216	382
3	145	340	458	798
4	55	141	181	322
5	78	225	267	492
6	112	293	323	616
7	73	187	256	443
8	40	94	129	223
9	146	347	472	819
Total	797	1981	2571	4552

(Source: Field Survey, 2013)

The above *table 4.1* shows that among the total population of 4552, in all the wards of the VDC, the sex ratio is higher i.e. the no of female population is

more than the no of male population according to the CBS census 2001. Among the wards the sex ratio is highest in ward no 1, which is 1.43 and lowest in ward no 6, which is 1.10. Taking average of the sex ratio is 1.3. Among all the 9 wards according to the demographic status ward no 9 is the biggest ward which has 146 households and total population of 819. Ward no 3 is also near by ward no 9, which has also 145 households. Among the wards ward no 8 is the smallest ward with 40 households and total population of 223.

4.2.2 Education Status

It is surely will not be the subject of debate that education is the main factor determining the foreign level employment and the earning from that foreign employment i.e. remittance. Besides that, education also helps to reduce the poverty because of educational employment in the home country also. Thus in the study area realizing the above fact that education is the prime factor for reduction of poverty, there are so many educational institutions. There are 1 public campus, 3 higher secondary schools, 4 secondary school, 1 lower secondary school 5 primary schools and two private boarding schools. The following table 10 gives us the information about the education status of the study area (sample households).

Table 4.2
Educational Status of Sample Households
(6 years of age and over)

Educational Status	Male		Female		Total Population	Total Percentage
	No.	%	No.	%		
Illiterate	38	16.66	67	22.94	105	20.19
Literate	52	22.82	112	38.36	164	31.54
Educated up to SLC Pass	95	41.66	91	31.17	186	35.77
Well Educated (Bachelor level and above)	43	18.86	22	7.53	65	12.5
Total	228	100	292	100	520	100

(Source: Field Survey, 2013)

The above **table 4.2** shows that out of 520 sample population 105 people are illiterate, 164 people are literate, 186 people are educated up to SLC level and 65 people are well educated (Bachelor level and above). In the above table it is clearly shown that the number of female illiterate is more than the no of male illiterate. Most of the male population is educated above SLC level but most of the female are only literate. In the sample area the literacy rate is quite high in comparison to the national index. The literacy rate in the sample area is 79.81.

4.2.3 Family Size

Table 4.3

Distribution of Sampled Household by Family Size

Family Size	No of Households	Cumulative
1-2	18	18
3-4	37	55
5-6	27	82
7-8	12	94
Above 8	6	100
Total	100	

(Source: Field Survey, 2013)

The above given **table 4.3** shows that, the highest no of family size is 3-4 member family household, which is 37 percent. In the same way the lowest number of family size is above 8 member family household which is only 6 percent in the total of 100 households. Nowadays the young and educated parents have not more than two children because of the family planning. But more households have more than two children because of their ignorance, the desire or emphasis on male child rather than the female child and child marriage etc. which is another major factor of poverty in the study area.

4.2.4 Age of the study area:

Table 4.4
Distribution of Population by age groups

Age Group	Male population	Female population	Total	Percent
Below 15 years	911	867	1778	39.06
15-29 years	377	713	1090	23.94
30-44 years	238	433	671	14.74
45-59 years	226	344	570	12.52
60-75 years	190	179	369	8.12
Above 75 years	39	35	74	1.62
Total	1981	2571	4552	100.00

(Source: Field Survey, 2013)

Table 4.4 shows that out of the total population of this VDC about 39.06 percent population belongs to the age below 15 years which means that the dependent population is very high in this VDC. The population of working age (age between 15 to 44 years) is only 38.68 percent. The population above 60 years is 9.74. If the population between the ages of 15-60 years regarded as economically active population than below 15 years and above 60 years are regarded as economically inactive or dependent population. Based on that above assumption, there is very high dependency ratio, which is 48.8 percent. This high dependency rate is also one of the major causes of high poverty situation in the study area.

4.2.5 Occupational Status

Table 4.5

Distribution of Household and Population According to Major Occupation

Main Occupation	No. of Households	Economically Active population (Age 15-59 years)	
		No.	Percentage
Agriculture	78	212	72.60
Non-Agriculture	22	80	27.4
Total	100	292	100.00

(Source: Field Survey, 2013)

4.2.6 Ethnic Composition

Table 4.6

Distribution of Total Sampled Population and Household by cast

S. N.	Cast/Ethnic Group	Total No of Sampled Households	Total Sampled Population	
			No	Percent
1.	Chhetri	38	195	37.5
2.	Bhramin	27	130	25.0
3.	Gurung	10	51	9.80
4.	Kami	7	37	7.12
5.	Magar	6	33	6.35
6.	Sarki	5	35	6.73
7.	Others	7	39	7.50
Total		100	520	100.00

(Source: Field Survey, 2013)

Table 4.6 Shows that, the total population of Krishna Gandaki VDC is divided into different cast such as Chhetri, Bhramin, Gurung, Kami, Magar, Sarki etc. From the above data the majority of household is found Chhetri which is 38 percent of total sampled household and 37.5 percent of total sampled population. Bhramin is second largest cast in this VDC as well in the sampled population which is 25.0 percent of the total sampled population. Gurung, Kami, Magar, Sarki are followed by them which are 9.80 percent, 7.12 percent, 6.35 percent and 6.73 respectively of the total sampled population.

4.2.7 Social Characteristic of Respondent

Social condition such as caste/ethnic composition, size of the family, age, material status and literacy determine the willingness and clarity of the individual to participate in foreign labor market. In the process of field survey, we found the main casts of the study area are Chhetri, Bhramin, Gurung, Kami, Magar and Sarki etc. For the purpose of the study the sample households in respect of the above described casts were taken. The main Social characteristics considered important for these groups were family size, martial status and literacy rates. The information obtained by interviewing the respondent is presented in the following table.

The following **table 4.7** shows that among workers seeking foreign employment from Krishna Gandaki VDC is mostly dominated by Chhetri, Bhramin and Gurung. Comparing the age of the migrant of the three casts with other casts, the average age of the migrant of these casts is very high while other casts like Sarki, Kami has very low average age of the migrant workers. On the another aspect of the above table we can see that the literacy level of the migrant workers from the upper so called upper casts like Bhramin and Chhetri is quite high compared to the another cast's migrants. The literacy level of the migrants of Bhramin is 100 percent where the literacy percentage of the Chhetri is almost 93. The above table presents the another fact that the family size of the respondents from the low casts like Sarki, Kami, Magar and other is high compared to Bhramin which is also playing the vital role to foreign

employment for the young and dynamic labor forces even they are educated also. Most of the people of the lower cast marries in their childhood, which means that the percent of the married population in the lower cast in comparison to the other cast id very high which is also the another main important aspect as a push factor of foreign employment.

Table 4.7

Average Family Size, Age, Martial Status and Literacy

Percentage of Different Ethnic Groups of Sampled Households

Caste/Ethnic Group	No. of Respondents	Average family size (no.)	Percent of married	Percent of literate
Chhetri	38	5.13	61.3	92.8
Bhramin	27	4.81	58.2	100
Gurung	10	5.1	71.3	80.3
Kami	7	4.28	80.7	68.2
Magar	6	5.5	70.5	75.6
Sarki	5	7	83.2	62.5
Others	7	5.57	78.6	76.9
Total	100	5.34	71.97	80

(Source: Field Survey, 2013)

4.3 General poverty level

4.3.1 Household Status

This title gives us the information about the poverty situation of the sample households form the structure and condition of their houses.

Table 4.8

Sample Households Made by Different Types

S. No.	Types of Houses	No of Sample Households
1.	Made with Rod, Concrete and Cement	18
2.	Made with stone and mud tin and slate stone roof	54
3.	Made with stone and mud and thatched roof	28
Total		100

(Source: Field Survey, 2013)

The above given **table 4.8** shows that most of the sample households have made with stone and mud with tin in the roof. These type houses are 54 percent. After that type of houses there are 28 houses made up with stone and mud and thatched roof. Remaining 18 percent (18 houses) are made with concrete.

4.3.2 Size of Land Holding

In the study area, most of the people's main occupation is agriculture. However, there is extreme inequality in the distribution of land. The land is categorized into three forms, i.e. Khet, Bari and Pakho. Most of the poor families don't have Khet. They have only small pieces of land (Pakho and Bari), and few of them have Khet. The following table shows the unequal distribution and holding of land among the sample households.

Table 4.9

Distribution of Land among Sample Households

Size of land Holding (Ropani)	No. of Households
Landless	4
Below 2	18
2-5	21
5-10	19
10-15	21
15-20	11
Above 20	6
Total	100

(Source: Field Survey, 2013)

The above given **table 4.9** shows that there is unequal distribution of land among the total sample households. Among the 100 households 4 percent households are landless, percentages of land holding households below 2 Ropani and 2 to 5 Ropani are 18 and 21 percent respectively. Similarly, 5-10 Ropani is 19 percent, 10-15 Ropani is 21 percent, 15-20 Ropani is 11 percent and above 20 Ropani is 6 percent respectively. So, the unequal distribution of land is also playing as a role of catalyst for the poor families to go to the foreign employment, it can also be said that unequal distribution of land is one of the causes of poverty in the study area.

It is known to all of us that the land holding is not only factor determining the level of poverty in the study area, the holding of live stocks, holding of poultry with the holding of land are also the determinants of the poverty situation. The no of households having land with other livestock and poultry is shown in the following table.

Table 4.10

Households Having Agri-Land, Livestock & Poultry in the Study Area.

Land only	Livestock only	Poultry only	Land and Livestock	Land and poultry	Livestock and poultry	Land livestock and poultry	None of all	Total
37	4	1	260	8	2	463	22	797

(Source: Field Survey, 2013)

The above **table 4.10** shows that the no of households having land, livestock and poultry is highest in the study area, which is 58 percent. The no of households having none of all is 22, the households having land only is 37 and the no of households having land and livestock is also the high in the number which is 260 (32.62) percent. It clearly shows the unequal distribution of factors of poverty measurement, which is another push factor of foreign employment to the people of the study area.

4.3.3 Sources of Income of Sampled Households

In the study area even though the different people are engaged in the different occupations like Agriculture, Jobs (government as well as private), Business and Foreign Employment etc. which are the main sources of income of the respondents family of the study area. The situation of the income depending on their sources in the sampled households is shown in the following table.

Table 4.11

Sources of Income of the Sampled Households

S.No.	Sources of Income	Number Of Households*	Percentage
1.	Agriculture	78	40.83
2.	Business	45	23.56
3.	Jobs	24	12.57
4.	Foreign Employment	32	16.75
5.	Others	12	6.29
6.	Total	191	100

(Source: Field Survey, 2013)

(Note: Due to multiple answers the total no of sample households is more than 100)

The above **table 4.11** presents the income sources of the respondents of the sample area. From that table we can find that most of the family depend up on the Agriculture, the second largest sources of income is Business whereas the third largest source of income is Foreign Employment whereas about 17 percent of the household's main source of income is Foreign Employment.

4.3.4 Status of Economic Condition

Economic condition is one of the most important factor of emigration. It is expected that people from lower economic condition (the type of people with problem in fulfilling their basic needs) should seek foreign employment. Mainly the lower economic condition families went to India for foreign employment because of the cost of funding, foreign employment is quite high and poor people may not be able to afford it. In this VDC respondents were classified into lower, lower middle, middle and high income group according to their own assessment of their economic condition. The information obtained is presented in the following table.

Table 4.12

**Frequency Distinction of Economic Condition of Different
Ethnic Groups of Respondents from Krishna Gandaki VDC**

Cast/Ethnic group	No. of Respondents	Economic Condition			
		Lower Income Group	Medium low Income Group	Medium Income Group	Higher Income Group
Cheetri/Bhramin	65	16	21	17	11
Gurung	10	2	1	4	3
Kami	7	5	1	1	-
Magar	6	4	1	1	-
Sarki	5	5	0	0	-
Others	7	4	2	1	-
Total	100	36	26	24	14

(Source: field survey, 2013)

Lower Income= upto Rs. 60000 per annum

Lower Medium Income= Rs 60000 to 150000 per annum

Medium Income Group= Rs. 150000 to 300000 per annum

Higher Income Group= More than 300000 per annum

Table 4.12 presents the summary about the economic condition of the respondents and their family. From the above table we can see that among the sample households most of the households are Bhramin and Chhetri, where they are quite strong economic background i.e. 11 household from total of 65 households are from high income group whereas 17 households are from medium income group, 21 households are from medium low income group and only 16 households are in the lowest income group, in percent only the 24.61

percent of the population from bhramin and Chhetri are in lower income group. After Bhramin and Chhetri, Gurung are the economically strong cast in which only the 20 percent of the total household are in lower income group. Among the sample households Sarki cast is the poorest cast in which all 100 percent of the sample households are in the lower income group. From the above table we can see that there is no any family in the high income group besides bhramin/Chhetri and Gurung casts.

4.3.5 Causes Seeking to Foreign Employment

Even though the poverty being the main factor of foreign employment; there must be several reasons of seeking foreign employment. The reason may be economic, social or political. They may be related to the acquired skills and various other reasons. To find out the causes of seeking employment the respondents were asked to identify the prime causes to go for foreign employment. They gave more than one reasons as follows;

Table 4.13
Frequency Distribution of Causes of Seeking Foreign
Employment from Krishna Gandaki VDC

Cast/Ethnic Groups	No. of Respondents	Causes			
		Unemployment	Family Debt	Conflict	Earn Money
Cheetri/Bhramin	65	63	24	11	23
Gurung	10	10	3	2	4
Kami	7	5	7	0	2
Magar	6	5	3	2	2
Sarki	5	5	4	0	1
Others	7	6	4	0	6
Total	100	94	42	15	38

(Source: Field Survey, 2013)

(Note: Due to the multiple answers the total will be more than 100 percent).

Above *table 4.13* shows that unemployment is the main cause of foreign employment for all the casts and ethnic groups. Among all the sample households about 94 percent of the sample households had stated unemployment as the main cause of foreign employment. The second main important cause is family debt burden which is also playing as the major push factor of the foreign employment. Comparing the other casts with Bhramin and Chhetri, the percentage of emigrated population due to Family debt burden quite high in the case of other casts like Sarki, Kami and other casts. Among the total sample households about 42 percentage of the respondent are emigrated due to the family debt burden. Which means that, among the ethnic groups Sarki, Kami, Magar, and other Dalit showed higher percentage of family debt burden than Cheetri/Bhramin. The third reason of foreign employment is to earn money, the percentage of respondents stating the major cause is earn money and family debt burden are quite similar i.e. 38 percent respondents has emigrated to the foreign countries to earn more money then they were earning in Nepal before emigration to the foreign countries. After that 15 percent of the respondents had stated that they are migrated due to the conflict problem of Nepal. About 17 percent of the migrated Cheetri/Bhramin are migrated to avoid conflict or to save their lives. Chhetri/Bhramin group were predominately more inciting from conflict.

It was concluded from our study that employment, Family Debt, Earn money and conflict are the main causes to seek foreign employment.

4.3.6 Cost paid for Foreign Employment

A sizable amount of money needs to be invested as a cost of foreign employment. The costs start from obtaining a passport, medical checkup, manpower agency commission, visa expenditure, air fare, cost of internal travel time to time from home area to Kathmandu and also to the district headquarter Syangja and hotel charge in Kathmandu at the time of processing for the foreign employment. To find out the costs paid by the respondents, they were

asked to quote expenses in different categories. The summarized version of the cost pain by the different income groups is given in the following table:

Table 4.14
Average Cost Paid and Range of Costs for Foreign Employment
By Different Ethnic Group from Krishna Gandaki VDC

(In Rs. '000')

Cast/Ethnic Group	No of Respondents	Average cost (in Rs. 000)	Ranges of Cost	
			Minimum	Maximum
Cheetri/Bhramin	65	90	5	1089
Gurung	10	88.5	20	150
Kami	7	8	2	60
Magar	6	49.5	10	95
Sarki	5	12	1.5	80
Others	7	52	20	120
Total	100	50	1.5	324

(Source: Field Survey, 2013)

Above **table 4.14** shows that Average cost paid for the foreign employment is Rs. 50 thousand. Bhramin and Cheetri had pain high average cost than the other group because they prefer developed countries like USA, UK, JAPAN and Korea etc. for foreign employment where as other lower income groups like Kami, Sarki and others has very low average cost because they usually prefer to go to India and other neighbor countries for foreign employment. The Traveling cost to those countries is very cheaper and in the case of India, there is no any Visa charge to enter. In the case of same countries, Dalit had paid high average cost than other group because they have not more information about foreign employment. The Chettri/Bhramin had pain highest average cost

for the foreign employment which is 90 thousand, secondly Gurung also had paid high average cost for the foreign employment which is 88.5 thousand which is quite similar to the cost paid by the Cheetri/Bhramin's. After that Magar and Other casts had paid average of around 50 thousand for the foreign employment. Kami and Sarki Ethnic groups had paid very low average cost of Rs.8 thousand and Rs.12 thousand respectively. We can see that there is too much variation in the cost of the foreign employment in all types of cast/ethnic groups. This is because the cost paid to immigrate to India is very low where as the cost pad for the other developed countries are quite high compared to India. The lowest cost paid by the respondents of the sampled households is 15 hundred rupees which is paid by Sarki cast to immigrate to India whereas the highest cost paid is Rs. 1,089 thousand to immigrate to USA. It shows that the respondent of this VDC had wide range of cost and it was high variability with the sample.

4.3.7 Source of Financing

Most of the rural people of Nepal who want to go for foreign employment use several sources of financing the cost involved. In the study area, the mostly used sources of financing are Loan (from banks as well as from the local merchants), sales of property including land, internal saving as well as funds mobilize through friends and relatives. To find out the extent of sources used by the respondents they were asked to provide their source and the amount with its promised interest amount for the foreign employment. The information collected is presented in the following table.

Table 4.15

**Frequency Distribution of Source of Financing of Cost of Foreign
Employment for Different Ethnic Groups of Krishna Gandaki VDC**

Cast/Ethnic Group	No. of Respondents	Sources of Financing		
		Loan	Sales of property	Family Saving
Cheetri/Bhramin	65	52	-	13
Gurung	10	6	-	3
Kami	7	6	1	-
Magar	6	4	1	1
Sarki	5	5	1	-
Others	7	4	2	1
Total	100	77	5	18

(Source: Field Survey, 2013)

Above **table 4.15** shows that 77 percent respondents of the total borrowed loan to pay for the cost of foreign employment. Another 18 percent respondents had paid from their family savings and only 5 percent respondents had paid to the cost of foreign employment by selling their property. Only the low income groups like Kami, Sarki, Magar and others sold their land and other property to pay for the foreign employment. Among the respondents who use family saving the maximum number was from Chhetri/Bhramin categories.

It can be concluded that the cost of foreign employment is financed by borrowing and family savings. Family saving is used by so called upper casts like Bhramin and Chhetri.

4.4 Nature and extent of remittance income

4.4.1 Extent of Poverty and Unemployment

It is clear to all of us that Unemployment is the main cause of the poverty in any state and the unemployment plays the major role of migration to the other places from their native born place. In this study also we found that the main

cause of the migration of the youth of the study area is due to unemployment in their own country. Most of the workers of the study area are migrated to those countries where they don't need any special qualification to migrate like India, Qatar, Malaysia, UAE, KSA and other Gulf countries and also to other south Asian countries. Their migration to the different countries depends up on the economic condition of their family, and also the regular money income of the members of the family. This is shown in the following table:

Table 4.16

Regular Money Income of the Sample Households

S.N.	Regular Monthly Income (in NRs.)	No of Households
1.	Less than 5000	24
2.	5000-10000	21
3.	10000-20000	35
4.	20000-50000	14
5.	Above 50000	6
Total Households		100

(Source: Field Survey, 2013)

The above **Table 4.16** presents the fact of the sample households of the study area that about 45 percent of the total sampled households receive less than NRs.10000 per month. Which means an average of NRs 1650 per month is available to each person of the sample households. This is very below the absolute poverty line. Only 6 percent of the households receive more than 50000 per month as the regular income. Among the hundred households about 24 percent of the households receive less than NRs. 5000 per month, which is the very low level of poverty for the existence of the family members. The above given table is dependent on the production of agricultural products also therefore if the weather and other factors behave against them, the income condition can also be very less than the stated level. It was already stated in the **table 4.16** that the main occupation of 78 percent of the people of the study area is agriculture. Which means about 78 percent people has disguised

unemployment and seasonal unemployment. The occupational dependency is also another cause of the foreign employment of the study area. The kind of unemployment and the level of unemployment are shown in the following table:

Table 4.17

Employment Status of the Sample Households

S.N.	Group of Population	No of people	Employment Status (employed people)	Percent
1.	Active Population	292	172	58.90%
2.	Inactive Population	228	0	0%
3.	Total Population	520	172	33.077%

(Source: Field Survey, 2013)

The above given **table 4.17** shows that in the sample households of the study area, only about 58% of Active population are employed but as overall situation only about 33% of the population are employed it means that about 67% of the population of the study area are unemployed which is very higher. Among those employed population about 15% of the population are employed in their own agricultural works i.e. they are also in the form of disguised unemployment and seasonal unemployment. Therefore to be very specific only about 18% population of the study area is employed as full employment. In that figure of 18% population about only 7% of the total population are employed in the permanent jobs rest of the population are employed in the temporary jobs and the foreign employment.

Thus, as a conclusion form the above **table 4.17** we can say that on the one hand among the total population of 520 about 43 percent of the population are fully dependent population and on the other hand among the active population of 292, about only 58% of the population is employed it means the rate of

employment of the study area is very low and the rate of dependency in the study area is very high.

4.4.2 Most Favored Destinations of Nepalese Workers:

The most favored destination countries for Nepalese workers for foreign employment is defined from the perspective of the number of workers in that country. It might be either related to the level of skill needed to entry into the country for any type of work or it might be related to the conditional ties and the cost to entry to that particular country. In other part of this discussion the wage factor might be also the main issue of the workers.

Generally the Nepalese workers are either unskilled or semi-skilled, so they prefer those countries for the foreign employment where they can adjust with their qualification. So, the Gulf or Arabian Countries are being the easiest destinations for Nepalese workers to get employment and earn some money. The countries which have maximum number of Nepalese workers in different fiscal years is given in the following table:

Table 4.18
Number of Nepalese Migrant Workers in Different Countries
In Selected Fiscal Years:

FY	S Arabia	Qatar	UAE	Malaysia	Total
2007/08	17867	8791	6360	171	33184
2008/09	17966	14086	8950	11306	52308
2009/10	21094	19895	8411	52926	102526
2010/11	17990	26850	12650	43812	101302
2011/12	16875	24128	12760	45760	99523
2012/13	13366	42394	12626	66291	134677

(Source: Labor and Employment Promotion Department, 2013)

The above **table 4.18** indicates that up to FY 2007/08 Saudi Arabia received the maximum number of Nepalese of workers in one country and Qatar followed by Saudi Arabia. In 2012/13 Malaysia received the highest number followed by Saudi Arabia. From 2012/13 onwards Malaysia remained first and Qatar remained second most desired country by the Nepalese workers. The importance of Saudi Arabia has somewhat diminished in those years as a principle employing country for Nepalese foreign employment seekers. It is also evident from the table that there is rapid growth in the demand for Nepalese workers in Malaysia and Qatar. There is stable demand in United Arab Emirates. There is declining trend of Nepalese workers in Saudi Arabia. In these days, because of the inequality in the salary for the Nepalese workers related to the workers from the other countries, the employment policy of the government of the Malaysian Government etc, the rising trend of Nepalese workers to Malaysia is also tend to decrease in the early 6 months of this Fiscal Year. The data shows that in these early 6 months of this present FY, the Nepalese workers prefer to go to Qatar and Dubai of UAE.

4.4.3 Foreign Labor Employment: Trend and Composition

Restoration of democracy in 1990's opened the door of international labor market. Near about 8 million nonresidential Nepalese are spread over forty countries (Department of Labor, 2003). The supply of Nepalese youth in foreign countries in search of work is increasing say by day at a high rate; which is unstoppable in this present trend of migration. The distribution of Nepalese about as shown by the population census of 2011 is given in the following table.

Table 4.19**Number of Migrant Nepalese Working in Different Countries in 2011**

S.N.	Countries	Number of People	In Percent
1.	India	589050	74.95
2.	Saudi Arabia	67460	8.58
3.	UAE	12544	1.60
4.	Malaysia	6813	0.87
5.	Qatar	24397	3.10
6.	Hong Kong	12001	1.53
7.	Korea	26079	3.32
8.	Singapore	3363	0.43
9.	Kuwait	3688	0.47
10.	Bahrain	2737	0.34
11.	Japan	3720	0.47
12.	China	1354	0.17
13.	Russia and Other	747	0.09
14.	Other Asian Countries	3849	0.48
15.	Australia	2497	0.32
16.	United Kingdom	7271	0.93
17.	Germany	1638	0.21
18.	France	250	0.03
19.	Other European Countries	1998	0.25
20.	USA, Canada and Mexico	9557	1.22
21.	Other countries	1877	0.24
	Total	785890	100

(Source: Population Census 2011, National Report CBS)

Above table shows that total absentees of the country, reported by the population census report 2011, is 785890. Out of this number 598,050 people i.e. 74.95% of total absentees have gone to India, which implies that migration in Nepal is still associated with India, Major destination of Nepalese emigrants except India are Hong Kong, Malaysia, Saudi Arabia, Qatar, UAE, UK and USA etc. More especially, only three Gulf countries Saudi Arabia, Qatar and

UAE have contained 60 percent of Nepalese absentees except India. This brings the fact that Nepalese emigrants are mainly in this three countries.

4.4.4 Foreign Employment Status :

The Government of Nepal, Labor and Employment Promotion Department has opened 107 countries where Nepalese workers can go for employment purposes. Out of them, 91 countries have been recognized after the year 1997/87 A .D. Even though all the required data is not available with the official agency and department of the country, the available record shows that Nepalese people have spread all over the world from south Asia to America, Europe and Africa. According to the report prepared by Labor and Employment Promotion Department of the government, the number of people in search of foreign employment can be shown in the following table:

Table 4.20
Foreign Employed Status
Part of the World in Different Fiscal Year:

FY	Arabian Countries	East Asia	South East Asia	Other Asian Countries	Africa	Europe America Australia	Other	Total
2003/2004	2015	114	-	-	-	-	5	2134
2004/2005	2638	522	51	-	-	-	48	3259
2005/2006	7166	347	89	-	-	-	143	7745
2006/2007	26883	696	171	46	-	-	-	27796
2007/08	34098	1119	180	71	14	32	28	35543
2008/09	42862	681	11313	47	12	61	89	55025
2009/10	50719	689	53078	58	16	84	89	104739
2010/11	59269	1345	44062	70	6	85	161	104998
2011/12	53805	2119	45892	462	16	115	337	102786
2012/13	71141	1085	66322	842	-	229	84	139703
Total	350596	7817	222196	1596	64	974	974	583728

(Source: Labor and Employment Promotion Department)

The above **table 4.20** shows that from FY 2007/08 to the FY 2012/13 total of 5,83,728 Nepalese people are migrated to the other countries in the search of employment. Out of that total number, more than half of the labors went to the Arabian countries. The next main region of choice for Nepalese workers is South East Asia where 2,22,196 people are migrated for work in that same period of 10 years. The third main destination of Nepalese workers is East Asia, where 7817 people are employed. After East Asia, the Nepalese workers are scattered all over the world. Among other countries: Other Asian Countries, Africa, America, Europe, Australia etc. are the main choices. These numbers show that the major destinations of Nepalese migrant workers are the Gulf region and South East Asia. This data does not show migrant workers in India and migrant workers officially unregistered even in these regions. If we look into the growth of emigrated labor force it seems fluctuating but the trend is increasing in each and every cases. In the period of ten years, the number of people migrated to the other countries for work has increased from 2134 to 583728 which is 273.5 times more than the initial data. Annual growth rate of migration is tremendous in every Fiscal Year except 2001/03, 2004/05 in which year it was slow growth. The Fiscal Year 2002/03 has even a negative growth. It shows that more and more number of people is seeking foreign employment which further results in the growth of remittance in the economy.

4.4.5 Types of Jobs and Duration of Stay in Foreign Employment

Since the skill of Nepalese workers is quite low; most of them get employment in manual job. To find out the types jobs performed the respondents were asked to give the type of work they did while being employed in foreign country which is categorized into five types, they are Construction, Mechanical, Agricultural Farming, Industrial works and Hotel/Catering.

Duration of foreign stay of emigrants' workers depends upon availability to work, facilities provided by company, salary rate, health of workers, visa permit date, home urgency and other several reasons. Sometime the respondents return their home before the agreement date due to inferior type of

job, low salary, family affairs such as death of any family members, sickness and their own bad health and also the employer firm expelled them due to the unusual characters of the workers. To find out the duration of foreign stay the respondents were asked to provide their length of stay. The results of both the types of job performed and the duration of stay in the foreign-

Employment are Summarized in the following table:

Table 4.21

**Types of Jobs Performed and Duration of Stay in Foreign Country of
Respondents from Krishna Gandaki VDC**

Cast/ Ethnic Group	No of Respondents	Occupation					Average Duration of Stay
		Constr- uction	Mecha- Nical	Agri- farming	Industrial	Hotel/ Catering	
Cheetri/ Bhramin	65	14	27	7	12	5	3 Yrs
Gurung	10	4	-	-	4	2	3.25 Yrs
Kami	7	6	-	1	-	-	2.8 Yrs
Magar	6	3	-	1	2	-	2.7 Yrs
Sarki	5	3	-	1	-	1	2.5 Yrs
Others	7	4	2	-	1	-	2.7 Yrs
Total	100	34	29	10	17	8	2.8 Yrs

(Source: Field Survey, 2013)

Table 4.21 shows that most of the migrated respondents work in the construction areas in which 34 percent work in that occupation. Most of the people from lower cast work in the construction areas due to lack of other technical knowledge to work in other areas. The second most employed area is Mechanical in which 29 percent respondents are working. In this category only the Bhramin and Chhetri cast are employed among 34 percent of respondents

32 percent of respondents working in the mechanical areas are from Chettri/Bhramin ethnic group only the 2 percent of the respondents are from the other casts. The third largest area of employment for the Nepalese workers is Industrial area where most of the Nepalese workers are working as a labor. Other areas of employment for the Nepalese workers are Agri- Farming and also the Hotel and catering where 17 percent and 8 percent of the total respondents are working respectively. According to Duration of stay from the field survey we know that the respondents from Gurung ethnic group have longest duration of stay where they stay an average of 3.25 years once. After Gurung, Cheettri/Bhramin spends average of 3 years in foreign employment at a time. The Sarki cast has minimum duration of stay of 2.5 years. Other all the casts' duration of stay is around 2.8 years. It means the average duration of stay of the respondents from Krishna Gandaki VDC is 2.8 years.

4.4.6 Income Earned Abroad

It is often said that Nepalese workers get low paying jobs in overseas. So, they earn less money than laborers from other countries. But income earned abroad depends on skill of workers, salary payment by company, rules and regulations of the working country, types of company, duration of stay etc. To find out the income earned by Nepalese labor in abroad the respondents were asked to give their monthly salary earnings. The respondent's answers are given in the following table:

Table 4.22**Income Earned in Abroad for Different Ethnic Group of Respondents**

Cast/Ethnic Group	No of Respondents	Average Monthly Income (In thousand)							
		Based on Destination		Based on Skill		Types of Jobs			
		Gulf	Malaysia	Skilled	Unskilled	Mecha.	Hotel	Ind.	Agr.
Cheetri /Bhramin	65	15.13	12.4	24	10.5	25	15.5	12.5	-
Gurung	10	12.5	12	20	8.75	21	14	10	8.5
Kami	7	9.83	8.5	17	7.5	18	-	8.5	7.8
Magar	6	9.76	8.5	21	9	14	15	9.5	8.5
Sarki	5	8.5	7.5	18	7.5	15	11	9	-
Others	7	10.3	9	20	-	18	14	9.5	9.5
Total	100	11	9.65	20	8.54	18.5	13.58	9.83	8.5

(Source: Field Survey, 2013)

Above **table 4.22** shows that the respondents who have done the work in Gulf Countries earned more money than the respondents worked in Malaysia. Comparing these two countries the average monthly income of the respondents in Malaysia is Rs.9.65 thousand where the average monthly income in Gulf countries is Rs.11 thousand. Comparing the income of the respondents cast wise, we can get the result that the respondents from Cheetri/Bhramin gets more average monthly income than the others because they understand all the rules and regulations of their work and their salary before their departure to the destination country. The monthly average income in Gulf Countries and Malaysia is lowest for the Sarki cast because most of the workers from that cast are Illiterate. In another aspect of this table we can understand that the average monthly income between skilled workers and unskilled workers is very different. The skilled workers are getting the average monthly income of around 20 thousand whereas the unskilled workers are getting around 8.5

thousand rupees as monthly average income. The average monthly income varies according to the types of jobs also. Among the four types of jobs Mechanical, Hotel, Industry and Agriculture the workers working in Mechanical firms get highest monthly salary which is 25 thousand rupees per month is the Gulf countries also. Cast wise variation is that most of the Cheetri/Bhramin are working in the mechanical firms so their average monthly income is highest than the others. According to the types of jobs, the workers working in Hotel, Industries and Agriculture get Average monthly income of 13.58 Rupees, 9.83 Rupees and 8.5 Rupees respectively. It means that the workers working in Agricultural sector are getting very little money of Rs. 8.5 per month.

4.5 Impact of remittance on poverty reduction

4.5.1 Utilization of Remittance and Skills learned in Foreign Employment

The use of remittances depends on the priority placed by the individuals of different uses, the size of remittance, the time of availability, opportunity for investment and several other factors. Majority of migrant workers go abroad because of unemployment at home and poverty in the households. Generally, the earnings made by them are not big. The cost of foreign employment is borne by borrowing therefore the income earned has to be spent on the payment of the principal and the interest amount. There may be family rituals in waiting. Keeping all these conditions in mind the respondents were asked to identify the uses they made for the money earned abroad. Each Individual spent the earnings in more than one uses. To find out the use of remittance by the respondents they were asked to list the use of the money in different heads.

Most of the migrant Nepalese workers are unskilled, so the Nepalese migrants' workers have learnt different kinds of skill abroad. When they return back they are expected to utilize those skills back home but they are observed into utilize their skills in home country. It might depends on different conditions. These conditions may be place availability of work, availability of industry, quality of skills learnt, lack of technology, financial availability etc. To find out the

perceived reasons, the respondents were asked to provide reasons. The answers given by the respondents are presented in the following table:

Table 4.23

Use of Remittance and the Skills learnt in Foreign Employment

Cast/ Ethnic group	No of Respondents	Utilization of Remittance				Use of Skills	
		Household Expenses	Loan Payment	Investment (Land, Shares)	Social Activities	Yes	No
Cheetri/ Bhramin	65	65	47	19	16	12	48
Gurung	10	9	2	2	6	2	8
Kami	7	7	6	-	-	-	7
Magar	6	6	5	2	-	2	4
Sarki	5	5	5	-	-	-	5
Others	7	5	4	3	1	-	7
Total	100	97	69	26	23	16	84

(Source: Field Survey, 2013)

(Note: Due to the multiple answers the total numbers of the households are more than the total number of sample size.)

The above table 4.23 presents the fact about the utilization of Remittance income as well as the utilization of skills learnt in foreign employment. From it, we can conclude that among all the respondents and their household, 97 percent of the respondents uses their income in the household expenses i.e. in food, cloths, health and the education of their family. 69 percent of the households use their income in loan payment of their family which can be taken for the same purpose or which can be the family debt before his foreign

employment. Only about 26 households are using their income from abroad in investment purpose i.e. for buying land, Home and Shares or establishing industries. Among all the respondents only the 23 percent of the respondents are expending some amount of their income in Social activities i.e. in Schools, roads, water taps etc. Only the respondents from Cheetri/Bhramin, Gurung etc are donating some amount of their money to the social activities, apart from those other casts like Kami, Sarki, Magar are using almost all of their income in Regular household expenditure and in loan payment. It concludes that, the big amount of remittance income earned by the respondents in the study area is spending their remittance income in regular household expanses and in payment of loans and their interest.

In another aspect of this table, this presents the utilization of skills earned in foreign employment. Among all the respondents only the 16 percent of the respondents replied that the skills learned in foreign employment is helping them in their lifestyle after the foreign employment in their native country. Among all the respondents 84 percent of the respondents replied that the skills learnt in foreign employment is not helpful in their future life after foreign employment in any areas.

4.5.3 Impact on Other Indicators

How the foreign employment and remittance impacted on certain household indicators? Do they live in better house? Do they send their children to better schools? How the health condition of their family changed? Are their family members better dressed? Are they protected from rural indebtedness at the time of need? These were very pertinent questions. Positive impact on them dependent on size of income of respondents brought from foreign employment, family size, earlier economic condition of the family, knowledge and education of the respondents, culture of society etc. To find out the impact of an employment on households indicators the respondents were asked to respond on the changes brought by the foreign employment. The answers provided by the respondents are given in the following table.

Table 4.24
Frequency Distribution of Impact
On Other Indicators of the Respondents

Indicators	Increased%	Worsened%	Same %	Total %
<u>Condition of housing</u>				
Made with rod, concarete and cement	45		55	100
Made with stone and mud tin and slate stone roof	60		40	100
Made with stone and mud and thatched roof	35		65	100
<u>Education Status</u>				
Illiterate	67		33	100
Literate	75		25	100
Educated upto SLC pass	52		48	100
Well educated (Bachelor level and above	45		55	100
Health of family members	46	18	32	100
Communication	76		24	100
Electricity used	56		44	100
Clothing	74	-	26	100
Food	88		12	100
<u>Income Source</u>				
Agricultural Source	35	25	40	100

Non Agricultural Source	65		35	100
Insurance	22		78	100
<u>Fuel used</u>				
Electricity	45		55	100
LP Gas	65		35	100
Wood	22		78	100
Biogas	48	12	40	100
<u>Capital Assets</u>				
Land	55	5	40	100
Vehicle	25	20	55	100
Furnitures	65		35	100
Entertainment	55		45	100
Cash available with them	37	22	41	100

(Source: Field Survey, 2013)

The above given **table 4.25** shows that 78 percentage of the respondents reported to have improved their condition of housing. It shows that anybody who had returned from foreign employment either have made new house or repaired old house to improve their housing condition. 22 percent of the respondents had reported that their housing condition is same before and after foreign employment but the static condition was not given. It might be low income or other more pressing priorities like loan payment, household expenditure, marriage of a member of their family etc. No any respondent's housing condition is worsened after returning from foreign employment.

Among the total households, 69 percent of the households reported that the education of their children have improved due to the income earned by their parents from foreign employment. It might be the result of improvement of

economic condition of the individuals who could afford boarding school for their children. But no one among the respondents had reported to worsen the education of their children due to the foreign employment. The rest 31 percent of the respondents had reported that the education status of their children remained same before and after foreign employment. 46 percent respondents said that the health status of their family had improved due to their foreign employment where about 18 percent of the respondents replied that health status of their family had worsened due to the foreign employment either of the respondents himself or of his family members. The rest 32 percent of the respondents said that the health condition of their family members remained same even after returning from foreign employment. It might be due to general health condition of the area and health awareness.

More than seventy percent of the respondents said that household members are using better clothing after returning from foreign employment it is 74 percent. It might be related to the increasing purchasing power and cloth after returning with the respondent and also with their family members. The rest 26 percent of the respondents had replied that their clothing status is same before and after returning from foreign employment. When the availability of liquid cash to meet various household needs was assessed, about 37 percent of the respondents had increased their cash holding with them, another 41percent of the respondent's cash holding has remained same and the rest 22 percent of the respondents had worsened their cash holding after returning from foreign employment. It might be due to the low income earned from foreign employment or the income earned from abroad is just equal to the sum of household expenditure and payment of loans and their interest or it might have been the result of high expenses, low income or the high cost of foreign employment. It indicates that foreign employment has increased the liquidity situation of about 37 percent of the participants of foreign employment.

It can be concluded from the above table that around 60 percent respondents of this VDC have improved different household indicators due to foreign

employment. But around 8 percent have worsened and around 32 percent respondents have same level of household indicators even after returning from foreign employment. In short, people who have returned from foreign employment have received some economic benefit and improved their financial, social and economic condition but it cannot be said it has improved their life tremendously.

As a summary, we can say that the remittance income earned from foreign employment is helping the households of the study area in fulfilling their basic needs as well as fulfillment of other social and economic aspects of their life. In another aspect of this survey we can see that the remittance earned by the foreign bound labor have benefited other members of his family than the employee 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.

4.5.4 Overall impact of remittance income in study area

It is often believed that if somebody receives foreign employment his household economy will improve. The change is economic wellbeing improvement in living standard; improvement in skill, social status might be same of the areas where the changes take place etc. If the respondents are able to gain more than the income which is needed to run their family and also to pay their loans principle as well as their interest amount then only their economic condition can improve and their poverty problem can be reduced. To find out the change in household economic condition due to foreign employment, the respondents were asked to give their own judgment about their economic condition before foreign employment and after foreign employment and comparison of these two time periods. The answer given by them is presented in the following table.

Table no.4.25**Overall Impact of Remittance Income monthly**

Expenditure	Before Remittance(in Rs)	After Remittance (inRs)	Increased percentage
Education	150000	300000	100
Health	200000	300000	50
Electricity	200000	300000	50
Communication	100000	200000	100
Clothing	80000	160000	100
Food	73000	150000	105.47
Fuel	150000	200000	33.33
Insurance	50000	150000	200
Capital Assets	700000	2200000	214.28
Miscellaneous	80000	200000	150

Source Field Survey 2013

According to the table 4.26 various indicator has increased their expenses after flow of remittance income this area. In education, communication and clothing 100 percent of cost has been increased. Similarly in health and electricity 50 percent expenses has been increased. Wheareas in food 105.47 percent expenses has been increased. The low rate of increased cost belongs to fuel that is only 33.33 percent. The huge remittance income has been separeted to increased capital assets such as land and house. Miscellaneous expenses incurred the expenses on entertainment and small expenses which has been increased upto 150 percent.

4.5.5 Causes to Return to Work Again

The labor employed about when returns back to his/her home he has two options. He may stay in his own native country and have to take some new profession/continue as farmer or return back to the same foreign employment. Those who return may be returning for several reasons such as easy continuation of job, unavailability of job at home, avoiding conflict. Those who don't return may not be returning again with several reasons such as difficulty in job, willingness to stay with family, no urgency to make more money because the debt has been paid, marriage or death of the older member of the family and got another employment in their own native country etc. How the sample households responded to the further employment in foreign land was solicited through the questionnaires and the responses are summarized as below:

Table 4.26
Causes to Return for Foreign Employment
For Different Ethnic Group of Respondents

Cast/Ethnic Group	No. of Respondents	Causes of return		
		Employment Purpose	Conflict	No Plan to go
Cheetri/Bhramin	65	42	15	8
Gurung	10	8	1	1
Kami	7	7	-	-
Magar	6	5	-	1
Sarki	5	5	-	-
Others	7	3	1	3
Total	100	70	17	13

(Source: Field Survey, 2013)

The above table 4.27 shows that among the respondents, 87 percent respondents plan to return to foreign employment. For them the most important push factor for sending to foreign employment again is employment purpose i.e. they can't get any jobs in their native country even returning back from the foreign employment, among the total respondents 70 percent of the respondents return back due to the employment problems, other 17 percent of the people said that they can survive in their own country but the conflict problem is pushing them back to the foreign employment. Among the total respondents only 13 percent respondents don't plan to return again which may be because they had done difficult, danger and dirty work in abroad. Ethnic groups wise almost all the lower cast are planning to return back to the foreign employment, where as some of the respondents from Bhramin/Cheetri and other casts don't plan to go to the foreign employment again. It can be concluded that continuous foreign employment is means to avoid the unemployment and the conflict in the country.

4.6 Major Finding

From the study, following conclusions are drawn.

- ✓ The main destinations of Nepalese workers are Gulf countries and Malaysia. More than sixty percent of the workers are employed in Gulf countries. By country wise Malaysia, Saudi Arab, Qatar, UAE are the main destinations of the Nepalese workers. Up to the FY 2062/63 the no of workers went to Malaysia are 296032, Qatar 204486, Saudi Arab 147503 and UAE 79152.
- ✓ According to NRB, total remittance received through registered sources by Nepal in FY 2062/63 is more than 100 billion, which was very large than the previous year.
- ✓ The Contribution of remittance to GDP, Saving and Investment in 2012/13 were 16.8 percent, 93.61 percent and 47.6 percent respectively. Share of remittance in Convertible foreign exchange reserve was accounted by 46.9 in 2012/13.

- ✓ The socio-economic characters of migrant workers was age group most of 25-40 year, 71.97 percent of the migrant workers are married, and 80 percent of the migrants are literate, 62 percent migrants coming from lower income group, 38 percent migrants from higher income group and 78 percent of the migrants coming from agriculture occupation.
- ✓ The average income of the households in this VDC is only around NRs. 10,000 per month and only the 58.90 percent of the total active population and only the 33.077 percent of the total population of the study area are employed. It means that the dependency ratio is very high in the study area.
- ✓ Major reasons to seek foreign employment include unemployment, family debt burden, conflict problems and to earn more money than which they are earning in their own country.
- ✓ The means to get foreign employment for most of the sample (85 percent) respondents were Manpower Agencies. Others went either through unregistered agents or personal initiative.
- ✓ Majority of the foreign job seekers (about 83 percent) didn't have skills and took unskilled labor jobs in industries.
- ✓ The average cost paid for foreign employment by the respondents of the study area was Rs. 50 thousand. It ranges between Rs. 15 hundred minimum and to 324 thousand was maximum.
- ✓ Source of financing for foreign employment for 77 percent of the migrant workers was loan, 18 percent from family savings and 5 percent from property selling.
- ✓ Major sector of employment for Nepalese workers were building construction (34 percent) and Mechanical (29 percent).
- ✓ The average stay duration of abroad of the respondents was 2.8 years. If we classify them cast wise, it ranges between 2.5 years of minimum (Sarki cast) and 3.25 years of maximum (Gurung cast).

- ✓ Average family members migrated to foreign countries are two members where Maximum numbers of respondents' family members are five and the minimum of one.
- ✓ The respondents of this VDC want to go again to foreign employment because of the unemployment (70 percent) and conflict (17 percent). Out of the causes maximum respondents of Bhramin/Cheetri were suffering from conflict. Among the total respondents 13 percent of them have no plan to go abroad again to foreign employment.
- ✓ The workers earned more income in Gulf countries than Malaysia. It was average Rs. 11 thousand and Rs. 9.65 thousand per month. The skilled workers earned much more money than unskilled workers which was Rs. 20 thousand income per month of skilled workers and Rs. 8.54 thousand of unskilled workers. In types of jobs the workers working in mechanical sector earns maximum income of Rs. 18.5 thousand per month and the workers working in the agriculture sector earns lowest income of Rs. 8.5 thousand per month.
- ✓ Above 60 percent respondents used formal channels (banks and registered transfer agencies) to send remittance. Informal channels like hundi, relative and friends and bringing back by themselves were other channels of remittance transfer.
- ✓ The larger amount of remittance income has been used for household expanses (97 percent), loan repayment (69 percent), investment only of 26 percent and social spending (23 percent). Minimum part of remittances has been used into productive sector like as land purchase (20%), bank deposited (14%) and other small business and investment (10%). In this case, the respondents from Bhramin and Cheetri are forward.
- ✓ Among the returnees from foreign employment only 16 percent of the workers are using the gained skill in aboard employment where as the rest 84 percent of the respondents have not benefited from that gained

skill in foreign employment. It is because of lack of technology, lack of capital, lack of market and lack of positive social attitude etc.

- ✓ The respondents of this VDC were not utilized their remittance caused by conflict and non-availability of sizable investment funds for investing in productive sector of the economy sector.
- ✓ The respondents of this VDC said that remittances have increased their household economic and social indicators after returning from foreign employment. Around 69 percent respondents said that remittances have increased their economic status, 57 percent of the respondents said that remittance income have increased their standard of living, around 73 percent of the respondent's social attitude have increased due to remittance income and around 82 percent of the respondents increased their skills. But around 23 percent respondents said that economic status has been same, 40 percent have remained same standard of living, 27 percent said that their social status have remained same and 18 percent said that remained same level of their skill after returning from the foreign employment.
- ✓ The respondents of this VDC said that remittance have also done impact on their other indicators. It was said that around 78 percent respondents improve their condition of housing, 69 percent respondents improve their education of children, 46 percent improve their health of their family members, 74 percent improve their clothing situation and 37 percent of the respondents have increased cash available with them. But around 18 percent respondents have worsened health of their family members and 22 percent of the respondents have worsened cash available with them. And around 22 percent of the respondents have same level of housing, 31 percent respondents have same level of education of children, 32 percent respondents have same level of health of their family members, 26 percent of the respondents have same level of clothing and 41 percent of the respondents have constant cash available with them.

CHAPTER V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

The general introduction of the study is presented in the first chapter. It is designed to highlight the research issues regarding role of remittance in poverty reduction with reference to Shree Krishna Gandaki VDC only. Remittance is one of the main sources of people revenue. Remittance is a strong component of poverty reduction. Government has not utilized properly remittance in productive sector. Remittance has played a vital role in the improvement of different lifestyles of the people. This is the main issue raised in this study. This chapter also specified the research objectives, limitations and organization of the study.

The theoretical framework and reviews of related dissertation, books and articles of studies are presented in the second chapter. More specifically theoretical background of remittance has been discussed regarding poverty reduction.

Research methodology is stated in chapter three. Basically it is descriptive in nature pursuing survey design. Survey data is used to fulfill the objectives of the study. The primary data is collected from interaction with respondents by face to face interviews with the help of questionnaire with in Shree Krishna Gandaki VDC which are considered as the population of this study. Altogether 100 questionnaire were distributed. Persons included in the sample are selected randomly on best judgments. Simple percentage, simple average, charts are used to analyze the data.

Chapter four is related with the presentation and analysis of data. It has exposed the simple percentage, simple average, to study the role of remittance in poverty reduction with reference to Shree Krishna Gandaki VDC.

Chapter five is designed to summarize the overall role of remittance in poverty reduction with reference to Shree Krishna Gandaki VDC at a glance. Finally this chapter showed the results of research work in summary to various domains of the research.

The main objective of this study is to gauge the impact of foreign employment and remittance in poverty reduction in the study area. Moreover the study also tries to examine the nature and extent of poverty in the study area, the nature and extent of remittance income in the study area, Socio-Economic characters of foreign employees, sources of financing and cost for foreign employment, change brought by foreign employment and remittance in household economy and uses of remittance.

To fulfill the above stated objects of the present study, Krishna Gandaki VDC of Syangja district was selected area and a sample survey was conducted during 2007. The sample size was 100 households were chosen by proportional random sampling method and data were collected through questionnaire method. Some secondary data were used to show and compare the composition of foreign employment and remittance of the national level as well as of the local level in the study. Data are analyzed by using simple statistical tools like mean, percentage and ratio.

As a summary, it can be concluded that the Economic and Social condition of all the families who have involved in foreign employment have increased. It may be in both aspects i.e. economic as well as social but surely there is positive change in the status of the families of the respondents due to remittance income. Therefore we can say that remittance income is playing very vital role in reducing the poverty level of the study area.

5.2 Conclusion

Despite the lack of accurate data on the real volume of funds transferred, there is ample evidence that remittance flows are substantial, stable relative to other forms of development finance, and well-targeted to vulnerable families, both as support during a crisis and as an income-smoothing mechanism. In Nepal, during the last few years, remittances have been an important avenue of support for family members remaining at home. As the number of workers going abroad for employment continues to rise, the corresponding growth of remittances has become a critical flow of foreign currency into Nepal.

Nepal has been experiencing continuous growth in remittance inflow since last few years and as a result its disposable income has continued to rise as well. As per the Nepal Living Standards Survey (2011) 78.9 percent of total remittances are spent in daily consumption whereas 7.1 percent in repaying loans, 4.5 percent in household property, 3.5 percent in education and 2.4 percent in capital formation. The Nepalese economy is gradually becoming consumption oriented due to remittance income and other factors thereby causing hopeless plunge in savings and investment rates. Consumption oriented economy naturally leads to dependency resulting in the dearth of resource for investment. Consumption oriented remittances have only increased our reliance on imports. Even if a fraction of remittance gets channeled towards productive sectors such as infrastructure development, it can have multiplier effects and push economic growth to a higher level.

The government should develop appropriate training and education programs to assist returning migrants or remittance receipts in making effective investment decision. Moreover, the appropriate infrastructure should be developed to generate favourable investment climate and be complement investments out of remittances. The capital, skills and technology which migrant workers bring back home are among the most valuable gains from foreign employment that should be properly utilized by the government. The result shows that mere increasing remittance income does not support for the

economic growth and development of the nation unless it is extensively used into the productive sectors. Thus, it is recommended to the government agencies for the formulation and implementation of remittance utilization policy for the enhancement of national economy. As a matter of concluding, we note that remittances have direct and indirect effects only on the largest remittances-recipient countries in GDP percentage, yet these effects disappear for the largest remittances-recipient countries in amounts.

5.3 Recommendations

From the present study about the role of remittance to reduce rural poverty in Nepal, some recommendations are made as follow:

- ✓ Since Most of the migrant Nepalese workers have gone to Gulf countries and Malaysia so these destinations are congested area of the Nepalese workers. Thus manpower agencies, agent and employed company all have been cheated to maximum workers. On the other hand, the workers of these destinations cannot earn much more money than other destinations like Japan, Korea, Hong Kong, USA etc. So the Ministry of Labor and Transport Management GON should make new policy to identify new potentialities destinations and create opportunities to go these destinations. Where the workers will earn more money than the existing countries. Apart from these the labor contract should be done between two countries to give safe environment for the workers.
- ✓ Nepalese economy has received large amount of remittance but remittances are still being transferred through informal channels. Formal channels should be promoted. At least one formal institution must be established to facilitate transfer remittance in each destination.
- ✓ Most of the respondents of rural areas came from lower income groups and based on agriculture occupation. So, they cannot easily afford foreign employment. If they go foreign countries for employment, they should borrow or loan at the high interest rate. 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. In the case of this VDC almost all the workers from the lower income group are migrated to India to work because of lack of money with them where they are earning very little amount of money comparing with the migrant workers to other gulf countries and Malaysia. Thus GON should provide loans to the poor people in the cheap interest rate ho want to go to foreign employment.

- ✓ Most of the respondents of this VDC have gone to foreign employment in unskilled condition. So they cannot earn more income than skilled workers. So, the technical training institution should be established in rural areas and a person who wants to go to the foreign employment, should be given training related to the work has to be done in abroad and also the language of the migrating country before going to foreign employment.
- ✓ Most of the respondents have not utilized their remittance and newly learnt skills at abroad when they came back home because of lack of technology, conflict problems, non availability of sizable investment funds and lack of market etc. So the policy should made to solve the conflict situation, create good environment and provided sufficient technology as well as market and the GON should play as the role of facilitator for all the investors and the workers.
- ✓ Surely remittance income is playing very positive role to reduce rural poverty of the study area and also it is improving the social as well as other economic indicators of this VDC but this is not satisfactory. Maximum part of the remittance income have been used in unproductive sectors like regular household expanses, loan payment, house improvement and social spending etc. this don't give any return in the future. Thus the policy should be made to give more information to the respondents on using their remittance income into productive sectors like investment in Shares, Business etc. and should be given more

opportunities to them in using their newly learnt skill after returning from the foreign employment.

- ✓ The concept of economic diplomacy should be implemented from the government of Nepal to increase the demand of Nepalese labor in the foreign labor market.
- ✓ The Bilateral agreement should be done from the ministry level with all the labor importing countries. Agreement done with United Arab Emirates and Korea can be the best examples of positive impact of agreement.
- ✓ The labor desk should be established in the airports of labor migrating countries to help the Nepalese labor in various problems.
- ✓ The concept of labor attaché should be implemented in every embassy. So that, all the problems of migrated labors can be solved from the different desk.
- ✓ Different incentives should be provided by the government level as well as from the private sectors for encouraging the people to remit earned money through the formal channels.
- ✓ Finally, this above case study of role of remittance to reduce rural poverty and the status of foreign job seekers of Krishna Gandaki VDC which is very important current issue of the Nepalese economy, therefore this study is very significant, while the study is conducted in small size and may not be sufficient to make general conclusions for the whole nation about the role of remittance income and labor migration. But by this study, I am confident that it will be certainly beneficial to the people of Krishna Gandaki VDC and side by side for the people of other neighboring VDC of the entire country.

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Questionnaire

Full name of the Respondents:

No. of Family Members:

Gender Male ☐ Female ☐

Head of Family: Male ☐ Female ☐

Age:

Caste:

Address:

Contact No.:

1) How many number of family members are outside the country?

2) What are the sources of income?

1. Agriculture ☐ 2. Remittance ☐

3. Business ☐ 4. Service ☐

3) What is your annual remittance received?

1. 100000-200000 ☐ 2. 200000-300000 ☐

3. 300000-500000 ☐ 4. 500000 and above ☐

4) Status of capital assets

Before remittance income

After remittance income

Assets

Quantity

Quantity

Land

House

Vehicles

5) What type of fuel do you use in your house and activities?

Before remittance income

After remittance income

Electricity

Lp gas

Wood

Biogas

6) What kind of toilet facility do the number of your household normally use?

Before remittance income

After remittance income

Pit latrine

Composting

No toilet facility (Bush/ Field)

7) Do you have following means in your house?

Before remittance income

After remittance income

Telephone	<input type="text"/>	
Mobile phone		<input type="text"/>
VCD and DVD player	<input type="text"/>	<input type="text"/>
Television	<input type="text"/>	<input type="text"/>

- 8) What is the total monthly bill of your hose hold for using above services(radio, TV, Phone etc.)
- Before remittance income After remittance income

No cost at all	<input type="text"/>	<input type="text"/>
Below rs 1000		<input type="text"/>
Rs, 1000 to rs 3000	<input type="text"/>	<input type="text"/>
Above 3000	<input type="text"/>	<input type="text"/>

9) How many times do you check your health annually?

Before remittance income

After remittance income

1 time

☐☐

3 time

☐

6 time

☐☐

12 time

☐☐

10) What type of constructive are you using in your floor?

Before remittance income

After remittance income

Natural floor

☐☐

Rudimentary floor

☐

Finish floor

☐☐

11) Did you purchase agricultural land last three years?

Yes

☐

No

☐

12) What is your purpose of purchasing land?

To constructive house

☐

To use farming

☐

13) Have you had any insurance

Yes

☐

No

☐

14) What type of insurance do you have?

Life insurance	<input type="checkbox"/>
Health insurance	<input type="checkbox"/>
Accident insurance	<input type="checkbox"/>
Other	<input type="checkbox"/>

15) How much money do you spend annually in your health purpose?

Before remittance income After remittance income

10000-20000	<input type="checkbox"/>	<input type="checkbox"/>
20000-50000	<input type="checkbox"/>	<input type="checkbox"/>
Above 50000	<input type="checkbox"/>	<input type="checkbox"/>

16) Which school do your children study?

Before remittance income After remittance income

Private school	<input type="checkbox"/>	<input type="checkbox"/>
Public school	<input type="checkbox"/>	<input type="checkbox"/>

17) How much money do you spend annually in education sector?

Before remittance income After remittance income

10000-20000	<input type="checkbox"/>	<input type="checkbox"/>
20000-40000	<input type="checkbox"/>	<input type="checkbox"/>
40000-60000	<input type="checkbox"/>	<input type="checkbox"/>
Above 60000	<input type="checkbox"/>	<input type="checkbox"/>

18) Where do your children study higher education?

Before remittance income After remittance income

Village	<input type="checkbox"/>	<input type="checkbox"/>
Urban	<input type="checkbox"/>	<input type="checkbox"/>

19) Are you willing to migrate?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

20) Is there any improvement in information technology in your house since five years?

Yes

☐

No

☐

21) What type of house you have made?

a. Made with Rod, Concrete and Cement

☐

b. Made with stone and mud tin and slate stone roof

☐

c. Made with stone and mud thatched roof

☐

22) How much size of land you have hold?

a. Landless

b. Below 2 ropani

☐

c. 2 to 5 ropani

☐

d. 5 to 10 ropani

☐

e. 10 to 15 ropani

☐

f. 15 to 20 ropani

☐

g. Above 20 ropani

☐

23) What is the causes of seeking to foreign employment?

a. Unemployment

☐

b. Family death

☐

c. Conflict

☐

d. Earn money

☐

24) What are the sources of financing of cost of foreign employment?

a. Loan

☐

b. Sales of property

☐

c. Family saving

☐

25) What is your employment status?

a. Active population

☐

b. Inactive population

☐

26) In which foreign country do they work?

a. Saudi arab

☐

b. Quarter

☐

c. UAE

☐☐☐

- d. Malaysian
- e. Others

27) What are the causes return to work again for foreign?

- a. Employment purpose
- b. Conflict
- c. No plan to go

28) What is your educational status?

- a. Illiterate
- b. Literate
- c. Educated upto SLC pass
- d. Well educated (bachelor level and above)