

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

Nepal one of the least development country in the world, is rank 157th position as measuring in terms of Human Development Index 2016 (UNDP; 2017,164). Nearly 1/4 of the total population in the country have below poverty line, there may be various reasons under the burning issue of poverty in the country unequal distribution of resources and services due to regional disparities, gender imbalance and diversity in physical infrastructure of country are accorded as the main courses of severe poverty (Shrestha and Sharma; 1980, 15). It is located at Southern Asia covering the area of 147,180 Km<sup>2</sup> with a population of 28,514,000 and 194 people are living per km<sup>2</sup>. Its national debt in 2016 was US \$5,770 million(27.27% debt-to-GDP ratio) and its public debt per capita was US \$ 202. In terms of the HDI of Nepal, which is the index used by the United Nations to measure the progress of a country, was 0.548 points in 2014, leaving it in 146th place in the table of 187 countries published.

Generally, remittances denote that portion of migrants' earnings sent from the migration destination to the place of origin. They can also be sent in kind. The term 'remittance' is normally limited to denote monetary and other cash transfers transmitted by migrant workers to their families and communities.

According to IMF (2009; 272), remittances denote "household income from foreign economies arising mainly from the temporary or permanent movement of people to those economies. Remittances include cash and noncash items that flow through formal channels, such as via electronic wire, or through informal channels, such as money or goods carried across borders. They largely consist of funds and noncash items sent or given by individuals who have migrated to a new economy and become residents there, and the net compensation of border, seasonal, or other short-term workers who are employed in an economy in which they are not resident."

Standard measures on remittances are based on three items in the balance of payment (BOP) as incorporated in the IMF's Balance of Payments Statistical Year Book. These are in the form of : a) workers' remittances (money sent by workers living abroad for more than one year); b) compensation of employees (gross earnings of foreigners living abroad for less than one year; and c) migrant transfer (net worth of migrants moving from one country to another).

Officially recorded remittance flows to developing countries reached as estimated US \$401 billion in 2012, rising by 5.3 percent compared with 2011. Remittance flows to the developing world are expected to aggregate US \$427 billion in 2013, a rise of 6.7 percent over the previous year (World Bank; 2013). They are estimated as US \$534 billion in 2012, and projected to go up to US \$608 billion in 2015. However, despite the overall growth in remittance flows to developing countries, the continuing global economic crisis is dampening remittance flows to some regions, with Europe and Central Asia and Sub-Saharan Africa especially affected, while South Asia and the Middle East and North Africa (MENA) are expected to perform much better than previously estimated. The top recipients of officially recorded remittances for 2012 are India (US \$70 billion), China (US \$66 billion), the Philippines and Mexico (US \$24 billion each), and Nigeria (US \$21 billion). Other large recipients include Egypt, Pakistan, Bangladesh, Vietnam, and Lebanon. As a percentage of GDP, the top recipients of remittances in 2011 were Tajikistan (47 percent), Liberia (31 percent), Kyrgyz Republic (29 percent), Lesotho (27 percent), Moldova (23 percent), Nepal (22 percent) and Samoa (21 percent).

The rest of this paper is organized as follows. The next section examines the impact of remittances on the Nepalese economy. This is followed by an analysis of the various initiatives undertaken by the concerned officials for encouraging remittance inflows through the official channel. Finally, the paper attempts to provide some policy options for enhancing the productive use of remittances as well as encouraging remittances through the official channel.

Poverty alleviation is a major agenda for sustainable development in developing countries like Nepal. However, the agenda of poverty alleviation not only includes the income raising activities but also constitutes the broadest opportunities in the socio-economic development of the country. Poverty itself is a problem of both

developing and underdeveloped countries, but the level of poverty with its magnitude is different. Thus, it is a worldwide phenomenon but different in its magnitude from one country to another. Nepal being a small landlocked 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 Nepal, poverty is based on two aspects; per capita income and basic needs. Defining poverty with the per capita income approach, Nepal's GNI per capita, PPP is US\$ 2260 as of World Bank. Further, one-quarter of its population lives below poverty line.

This clearly shows that poverty is in large magnitude in Nepal. Another approach of poverty in Nepal is basic needs approach where poverty is defined as the unavailability of basic requirements like clothes, shelter and food. He mentions that a person needs an average daily intake of 2256 calories and value of the lowest actual daily consumption of other necessities in Nepal (Chhetri; 2004). 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 and its human development rank is 145th (HDR; 2014). However, it is in good condition in social progress index in south Asia. As of the Social Progress Index, 2015 it is listed in 98th position out of 133 countries scoring 55.33 points in the global survey (Social Progress Imperative; 2015). In Nepal, foreign investment is the main source of development of any economy but due to lack of clear policies regarding foreign investment it seems not satisfactory (NPC; 2011). Tourism is an 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 prominent sector to provide employment and income. Poverty in Nepal is all pervasive and deep-rooted. Various factors have contributed to the prevalence of this state of affairs. Relatively slow economic growth accompanied by a relatively high rate of population growth has accelerated the poverty condition. Major social development indicators such as life expectancy rate all testify to the condition of poverty and deprivation prevailing in Nepal. Since poverty is a socio-cultural and economic phenomenon and it varies from place to place and from time to time, there is not a single definition acceptance to all.

As states by UN in 1998, poverty is a rejection of choices and chances where the violation of human dignity is probable. It is all about incapability to take part actively in the society. It is the state of not having adequate food, cloths, access to school and clinic, ownership of land to grow food, access to job to earn and credit for one's own living. It is a condition of an individual of being insecure, helplessness and excluded from the households and communities. Further, it is a condition of vulnerability to violence where the living condition would be delicate and low standard without the availability of water and sanitation. Further IMF states in 1999 that poverty is an agony, and it usually hurts the poor people regarding physical and emotional pains being starved from lack of food, hourly-long work, disgraces on reliance and powerlessness. It is also like a condition of being morally painful in making choices of saving the lives of ill family members or feeding the children who are starved.

The disparity in the distribution of natural resources is also a cause of poverty having multiplier effects in the society. Social and economic structures of the community have accelerated the acute disparity in the distribution of production assets disfavoring lower- class community. Historically the lower class / ethnicity people have been disfavored in the distribution of critical resources such as land, education and employment. Widespread inequality between lower class and upper-class community is the main barrier to the economic growth of the disadvantaged group in particular and society in general. The opportunity for particular in education is largely limited to higher castes with more resources and landlord group (Bista; 1999). Government resources are mainly diverted to promote the welfare of well to do groups leading to the perpetuation of inequality among the caste group. As for more than 200 years, people from Nepal have been leaving their home seeking employment opportunity on abroad. Since then, migrated population has been sending remittance back to their home. Migration of labor in a foreign country has a long history in Nepal. It was started even before the first Nepali man traveled to Lahore on the early 19th century to join the army of Sikh ruler (Ranjit Singh) who were popularly known as Lahore (Seddon et al;2001). International migration of Nepalese people took place after an Anglo-Nepal war of 1814 for economic opportunity other than trade and business. Because of the geopolitical location of Nepal number of migrants has been from Nepal have a destination to India and at the same time, a large number of immigrants to Nepal have been from India. During 11/12th centuries, the process of the encroachment of communal economy started in Nepal and was accelerated fast by

the 'Unification Campaign' of Prithvi Narayan Shah. Because of extractive and exploitative policy of Rana regime had been further seeped up. In this period British ruler lured the Gurkha valor warriors because they were interested to employ some of the ethnic group from Nepal such as Gurung, Magar, Rai and Limbu to expand the British colony. Rana Prime Minister (Bir Shamsheer) gave approval to send 27,000 soldiers, which was about 205 of an adult male population at the time (Mishra; 1987, 117). In the past, there were three forms of emigration and movement for agriculture and other economic activities. Ghimire (2012) states in 'Impact of Remittance on Nepalese Economy' that migration for employment is a tendency of current emigrations which is the major income source for Nepalese households. He further elaborates that Nepali people have never been entirely dependent on agriculture due to which they are more inclined to labor migration, which is also a main source of income in Nepal. There is a high dependency on a land of the people in Nepal which caused a high rate of emigration abroad. These days, the remittances have been contributing effectively not only the households but also to the economy of Nepal.

Although, migration has both positive and negative impact in the place of the origin, however, migration is the immediate solution of the problems. On the context of current political background, insecurity, terrorism and abduction of youth in the Terai region, migration is increasing every day. The impact of remittance sent by migrants has not only supported their household but also the stagnant national economy imparting millions of dollars sent by lakhs of Nepalese migrants over the world. Migration has given a temporary solution to unemployment problems and has helped the government to fight against the unemployment and underemployment to some extent. Utilization of remittance at household level has increased per capita income of Nepal although Nepal is suffering from economic crisis. In this context, the present study attempts to cover the impact of foreign remittance on livelihood of Chhantyal community in Deep Area of Pokhara Sub-metropolis of Kaski district.

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 (Wagle; 2012). Due to the lack of opportunities in the country to get employment and earnings, skilled, semi-skilled and unskilled all types of people have shown inclined to the foreign employment that have resulted in substantial growth of remittance economy (Uchai; 2014). In the current situation, the

magnitude of remittance is estimated to exceed Rs. 104 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 in Nepal. If this present trend continues, it is speculated that remittance economy will substitute many other sectors of the economy in coming new years (World Bank; 2011). 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 US 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.

Khadka (2010) states that in Nepal, remittance is contributing effectively in reducing poverty at rural areas where there are minimum opportunities to earn and get jobs. 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 and gadgets. He further states that people usually go outside of the country to have better earnings that will contribute to reducing poverty of rural areas.

In the early days of Nepalese international relations, remittance brought by British Gorkha soldiers and the wages earned in different parts of India by seasonally employed Nepalese labors were significant in the Nepalese economy, but no due attention was given to it. There was no accounting of Nepalese employed in India. British Gorkha soldiers brought remittance in foreign hard currencies. Later on, in 1990's when there was massive out flux of Nepalese labor in the Gulf countries and Malaysia. Foreign currency brought by them increased tremendously, and foreign employment and remittance brought by them attracted the national attention. Internal arm conflict started in 1995 had a negative impact on several sectors of the economy such as industry, tourism and even in the agriculture. The sustainability of Nepalese

economy depended mostly in foreign aid and remittance. This is how remittances got prime attention in Nepalese context, and several countries were opened for foreign employment. Nepalese unemployed youth started to be attracted to foreign employment. The importance of remittance on Nepalese economy can be judged by the growth in the number of persons leaving the country each year for foreign employment.

## **1.2 Focus of Study**

The topic itself seems clear about the study. The study aims to analyze the impact of foreign remittance on livelihood by using descriptive, cross sectional and analytical research design. Thus, the study is basically concentrated towards the role of remittance in household economy in the study area. More specifically, the study focuses on role of remittance on living standard of the people, social empowerment of Chhantyal community and so on.

Chhantyal is an ethnic group among nearly seventy ethnicities existing in Nepal. Chhantyal are considered an indigenous group by the government of Nepal. Most of the Chhantyal dwelling are concentrated in the western part of the country. Baglung and Myadi are two districts in the Dhaulagiri zone where most of the Chhantyal are living. Other districts with Chhantyal habitation include Mustang, Gulmi, Rukum and Parbat. Now a days, to the migration trend there is a notable population of the Chhantyal's in Kathmandu valley, Rupandehi, Kaski, Dang and Chitwan districts. According to survey conducted by its sole organization, Nepal Chhantyal organization the total population is 16,093 and 1,602 households. Traditionally, Chhantyal have been living with other castes in harmony. In some village Chhantyal are a major group where as in other villages they are a minority. Chhantyal have their own culture, tradition, rituals, language and religion.

Chhantyal were skilled miners. They used to mine copper ores. Most of the mining was done with little or no scientific tools but based on the knowledge handed down survey the area with taste and smell of the soil and rock to locate the copper ore. When found, they used to go far inside the hills and it took many years to complete. These are many caves with long and big holes inside mountains, landslides and cat hills which were made during the mining time. So, most of the Chhantyal's villages are named after the mine (Khani) that was found there. They left their original

profession more than half a century ago because of the Nepal government's high tax rate which made mining less sustainable. Today, farming is a major occupation foreign remittance as play a vital role. British and Indian Gurkha army, Gulf countries, Malaysia, Japan, USA, Australia and Europe have been some of the destination for foreign employment in recent years.

Nepal is among the poorest and least developed countries in the world with about one quarter of its population living below the poverty line. Nepal is heavily dependent on remittances, which amount to as much as 22-25% of GDP. Agriculture is the mainstay of the economy, providing a live hood for more than 70% of the population and according for a little over one third of GDP. Industrial activities mainly involve the processing of agricultural products, including pulses Jute, Sugarcane, tobacco and grain. Nepal has considerable scope for exploiting its potential in hydropower, with an estimated 42,000 MW of commercially feasible capacity, but political uncertainty and a difficult business climate having hampered foreign investment. Additional challenges to Nepal's growth include its landlocked geographic location, persistent power shortages, underdeveloped transportation infrastructure, civil, strife and labour unrest and its susceptibility to natural disaster. The lack of political consensus in the past several years has delayed national budgets and prevented much needed economic reform, although the government passed a full budget in 2013.

There is no question of limited farmland. Farmland was limited earlier and rural people were overcrowded upon those limited farmland. But now these farmland are not under cultivation on follow due to our migration for various problem more specifically for foreign employment. Now a days, this process is directly and indirectly helps them to increase their income and to obtain the services such as educational, health care. In other worlds, remittance plays important role in the life of the Chhantyal.

Except agricultural sectors, remittance is also playing important role in Chhantyal community. Remittance is the major source of foreign currency to the developing nations. It has become a substantial component of making current account surplus in the balance of payment. It is argued that many Chhantyal workers from Nepal going aboard for employment are no doubt young energetic, labourious and



hard works for earning large volume of remittance income to support their families. However, the downside of remittance reflects the view that staying young for long time outside without family may increase their vulnerability and ultimately they will have tendency to leave their homeland.

### **1.3 Statement of the Problem**

Nepal is facing big challenge poses by acute problem of poverty. The income and consumption level including the overall living standard of the people have been remaining very low and unemployment is one of the most challenging problems of our country. This study tries to show the importance of remittance in Nepalese economy. Some economists say that Nepalese economy is based on the remittance business. It is the second source after the agriculture which plays vital role in GDP. Remittance can contribute for the economic development if it is mobilized in productive field. The major portion of the remittance is used for meeting household consumption and paying off loans borrowed to go abroad. Only very few migrants use remittance in direct productive sector like agriculture and manufacturing. Major investment is on education of the children, re-involvement of the remittance for the migration and for lending money very small investment is directed for small business and trade. On this ground, this study is designed to address the following research question related to impact of foreign remittance on livelihood of Chhantyal community in Deep area of Pokhara Sub-metropolis:

- i. What is the impact of remittance on livelihood of Chhantyal community in the study area?
- ii. What is the impact of remittance on food, housing, education and health care?
- iii. How does remittance affect their living standard?
- iv. How does remittance affect on social empowerment of this community?

### **1.4 Objectives of the Study**

The main objective of the study is to examine the role of remittance on livelihood of Chhantyal community in Deep area of Pokhara Sub-metropolis, Kaski District. For this purpose, the study also aims to meet the following specific objectives:

- i. To find out the impact of remittance on livelihood of Chhantyal community.

- ii. To evaluate the impact of remittance on food, housing, education and health care.
- iii. To analyze the role of remittance on living standard of these people.
- iv. To examine the effect of remittance on social empowerment of this community.

### **1.5 Significance of the Study**

Research itself has its own importance because its aim is to gain knowledge and to add the new literature to the existing field. The significance of this study lies mainly in filling a research gap on the study of the impact of foreign remittance on livelihood of Chhantyal community. In the true sense, the contribution of remittance to the Chhantyal community is large than what is reflected by official channels such as IME. But very few studies have been made in the past regards to foreign employment and remittance economy of Nepal. Whatever is made, most of them are micro level studies. This research therefore, is expected to contribute towards a better understanding of this aspect. Besides, this will help the interested readers and researchers to widen their knowledge and conduct the further study related to it.

### **1.6 Limitations of the Study**

This thesis is related impact of foreign remittance on livelihood of Chhantyal community in the study area. This study is conducted in small size and may not be sufficient to make general conclusions for the whole nation about the Chhantyal community. The study has been following limitations:

- i. The present analysis is concentrated in a particular area of Deep in Pokhara Sub-metropolis to determine life standard as well as the amount of remittance income at micro level. Thus conclusion and finding of this study cannot be generalized for the whole country context.
- ii. It is an economic research design as partial fulfillment of requirement of M. A. economic students. So, the result of this study could not be enough to meet the professional need.
- iii. The generalization may not be possible for the other community and only limited to sample population. Hence, the finding may not be applicable in large area or beyond the study area.
- iv. This study is limited by financial and time constraints.

v. This study is confined to Chhantyal community only.

### **1.7 Organization of the Study**

This study has been presented in five main chapters:

**The first chapter** is the introductory chapter, which includes background of the study, statement of the problem, objectives of the study, significance of study, limitation of the study, organization of the study.

**The second chapter** is totally related with literature review, theories of migration and the poverty with demography have been reviewed in this chapter.

**This third chapter** includes research design, population and sample, nature and sources of data, data collection methods, data processing procedures and data analysis techniques have been used for the purpose of analysis.

**The fourth chapter** is concerned with presentation and analysis of data to indicate quantitative fact and its analysis focuses on statistical tools and major findings of the study.

**The fifth chapter** of this study presents summary, conclusion and suggestions. Appendices, a bibliography are enclosed at the end of the study.

## **CHAPTER II**

### **REVIEW OF THE LITERATURE**

This chapter is concerned with review of the literature. So, this chapter highlights upon the literature that are available in the area of remittance.

#### **2.1 Contribution of Remittance in Nepal**

Generally, there are three methods of measuring remittance inflows. The first is through the BOP estimates. The second mechanism is the household surveys of recipients of such flows, for instance, the Nepal Living Standards Survey (NLSS). The third technique is through banks or financial institutions in origin countries, that is, focusing on resource transfer institutions. The size of remittance flows examined in this paper refers to the workers' remittances under the current account of the BOP data compiled by the Research Department of Nepal Rastra Bank.

Because of political instability prevailing in the country, many workers regard foreign employment as their only feasible option. Again, paucity of economic opportunities at home and rising employment prospects abroad have also tempted Nepalese to seek employment abroad (Seddon; 2005). According to the statistics of the Department of Labor and Employment Promotion, the number of workers going abroad for employment increased by 17.9 percent to 453,543 in 2012/13 from 384,665 in 2011/12. With the increase in the number of workers, the inflow of remittances has soared. In 2012/13, remittances aggregated USD 4.93 billion, a rise by 11.7 percent compared to USD 4.41 billion in 2011/12. Likewise, the remittances to GDP ratio increased from 10.7 percent in 2000/01 to 13.8 percent in 2006/07 and further to 25.5 percent in 2012/13.

The upward movement in remittances has led to a surplus in the current account, subsequently strengthening the overall BOP position. The share of remittances in total current account receipts, for instance, rose from 27.4 percent in 2000/01 to 61.2 percent in 2012/13. Remittances have also eased foreign exchange constraints of the country. One of the major factors responsible for the growth of convertible currency reserves of the banking system in recent years has been the rise in remittances. The gross foreign exchange reserves were sufficient for financing

merchandise imports of 11.7 months and merchandise and service imports of 10.1 months as at mid-July 2013 compared to 11.6 months and 10.3 months respectively in mid-July 2012. These illustrations denote that any sizeable drop in receipts from remittances could disturb the structure of the economy from the macro level.

The impact of remittances on national economy can also be illustrated by the fact that it has surpassed exports as the top contributor in the foreign exchange earnings of the country after 2001/02. While the share of remittances in total foreign exchange receipts has been 31.5 percent, 41.2 percent and 59.3 percent in 2000/01, 2006/07 and 2012/13, respectively, the corresponding share of exports was 46.6 percent, 25.3 percent and 11.7 percent. The share of tourism receipts in total foreign exchange receipts, on the other hand, went down to 4.2 percent in 2006/07 from 7.8 percent in 2000/01 but went up slightly to 4.7 percent in 2012/13.

An increasingly larger share of remittances now comes from countries other than India, demonstrating changing migration patterns and higher earnings in these locations. Moreover, the composition of skills of the labor flows is different among destinations. While migrants to the Middle East are employed mostly as security personnel, chauffeurs, and construction workers, the demand from South East Asian countries is more for employment in industrial enterprises. Migrants to the India on the other hand include semi-skilled and unskilled jobs in restaurants and factories or are employed as domestic workers, security guards, and maids.

It is widely acknowledged that remittances provide significance source of foreign currencies, finance imports, increase national income and contribute to correct disequilibrium of BOP. It also provides overseas employment to those youths who may have been unemployed if they were in their home country. The biggest contribution of remittance is to the welfare and improve livelihood of the receiving households in terms of basic necessities such as food, clothing, better health and education and to a smaller extent in terms of savings. However, some researchers' view depicts those activities as a drain on the labour and capital resources of migrant sending areas characterized as the outer disease (a kind of plant epidemic). To them poverty may still increase if migrants originate from poor households or if the farm becomes less productive as a result of the loss of migrant's labour. Decrease in

production and income may create negative multipliers and even a downward spiral in local economic activities which adversely affect the poor (Adhikari; 2012).

This chapter has been divided into two parts; theoretical review and review of related studies.

## **2.2 Theoretical Review**

### **2.2.1 Theories Regarding International Labour Migration**

Remittances are not a new phenomenon in the world, being a normal concomitant to migration which has always been a part of human history. Several European countries, for example Spain, Italy and Ireland were heavily dependent on remittances received from their emigrants during the 19<sup>th</sup> and 20<sup>th</sup> centuries. In the case of Spain, remittances amounted to the 21% of all of its current account income in 1946. All of those countries created policies on remittances develop dafter significant research efforts in this field. For instance, Italy was the first country in the world to enact a law to protect remittances in 1901 while Spain was the first country to sign an international treaty (with Argentina in 1960) to lower the cost of the remittances received. The form livelihood simply means 'the means for living' (Oxford Dictionary; 1998). It can be used in many different ways. The following definition captures the broad meaning of livelihoods 'A livelihood comprises the capabilities, assets (including both natural and social resources) and activities required for a means of living. A live hood is sustainable when it can cope with shocks and maintain or enhance its capabilities and access both how and in the future. While not undermining the natural resources base (Chambers;1992). There is no single and well-developed theory of international migration. In view of this state of the art and the recent growth in transporter population movements, the International Union of Social Scientists in Population (IUSSP) has formed a Committee on South-North Migration, which is systematically examining international migration theories, their assumptions, supporting evidence, and policy implications.

Among the various models attempting to explain why international migration begins, five major approaches can be discerned:

- v. Neoclassical economics: macro theory (arguably the body of theory most familiar to World Bank staff) views geographic differences in the supply and demand for labour in origin and destination countries as the major factors driving individual migration decisions. Among the assumptions of this model are that international migration will not occur in the absence of these differentials, that their elimination will bring an end to international movements, and that labour markets (not other markets) are the primary mechanisms inducing movements. Government policy interventions affect migration by regulating or influencing labour markets in origin and destination countries.
- vi. Neoclassical economics: micro theory focuses on the level of individual rational actors who make decisions to migrate based upon a cost-benefit calculation that indicates a positive net return to movement. In this approach, human capital characteristics that raise the potential benefits of migration, and individual, social, or technological factors that lower costs, will lead to increased migration. Differences in earnings and employment rates are key variables, and governments influence migration through policies that affect these (e.g., through development policies that raise incomes at the point of origin, decrease the probability of employment at destination, or increase the costs of migration).
- vii. The new economics of migration views migration as a family (i.e., group) strategy to diversify sources of income, minimize risks to the household, and overcome barriers to credit and capital. In this model, international migration is a means to compensate for the absence or failure of certain types of markets in developing countries, for example crop insurance markets, future markets, unemployment insurance, or capital markets. In contrast to the neoclassical models, wage differentials are not seen as a necessary condition for international migration, and economic development in areas of origin or equalization of wage differentials will not necessarily reduce pressures for migration. Governments influence migration through their policies toward insurance, capital, and future markets, and through income distribution policies that affect the relative deprivation of certain groups and thereby their propensity to migrate.

- viii. Dual labour market theory holds that demand for low-level workers in more developed economies is the critical factor shaping international migration. To avoid the structural inflation that would result from raising entry wages of native workers, and to maintain labour as a variable factor of production, employers seek low-wage migrant workers. In this model, international migration is demand-based and initiated by recruitment policies of employers or governments in destination areas. Wage differentials between origin and destination areas are neither necessary nor sufficient conditions for migration. The options for government policy intervention to affect migration are limited-short of major changes in economic organization in destination areas.
- ix. World systems theory focuses not on labour markets in national economies, but on the structure of the world market--notably the "penetration of capitalist economic relations into peripheral, no capitalist societies," which takes place through the concerted actions of neo-colonial governments, multinational firms, and national elites. International migration is generated as land, raw materials, and labour in areas of origin is drawn into the world market economy and traditional systems are disrupted. The transports, communications, cultural and ideological links that accompany globalization further facilitate international migration. In this view, international migration is affected less by wage or employment differentials between countries than by policies toward overseas investments and toward the international flow of capital and goods(Russell; 1995).

### **2.2.2 Global Context**

Foreign Employment can be define as the form of the dependent relationship of an employee on an employer outside the territory of the country where the employee pursues activity according to employer's instructions at the time and in the place determined for that purpose by the employer for the remuneration agreed upon in advance. Similarly, Remittance is the process of sending money to remove an obligation. This is most often done through an electronic network, wire transfer or mail. The term also refers to the amount of money being sent to remove the



obligation. On the other words it is the process of sending money, cheques, etc. to a recipient at a distance or money or its equivalent sent from one place to another. “Pursuant to employment regulations, foreign employer means a legal or natural entity with its registered office outside the territory of the Czech Republic, with no permanent business presence in the Czech Republic, where such entity posts its employees to the Czech Republic to implement a commercial or other contract entered into with a domestic legal or natural entity. The posted employees are in an employment relationship with this foreign employer and, after they complete the job for which they have been posted by that employer to the Czech Republic, they return to the employer’s registered office. Compliance with the requirements associated with the posting of employees is the responsibility of the legal or natural entity to which the foreigner will be posted by the foreign employer.” India had received the highest amount of remittance in 2013 compared with any other countries in the world (Asia Outlook; 2013). World Bank data also points to the fact that India receives the highest remittance, followed by China (US\$51 billion) and Mexico (US\$22.6 billion), Philippines (US\$21.3 billion) and France (US\$15.9 billion). Though there was a slight dip in remittance from 2008 to 2009, it bounced back in 2010 to a level higher than in 2008. Kerala and Punjab are currently among the states which receive the highest remittance from overseas residents. Didar Singh believes the increase in remittances has much to do with a great degree of faith in the Indian banking system, coupled with a lack of faith in US banks. Remittance may be in a number of forms, such as domestic consumption, property, health and education. This is real money that is very much a part of the local economy, and is not money that is simply parked in a bank. Just how much do the 27 million global desis, scattered across 190 countries around the world, contribute to the Indian economy? World Bank figures show a dramatic increase of almost 162% in the remittance that India receives from overseas Indians over the last eight years. While India received nearly US\$21 billion from overseas Indians in 2003, the figure jumped to \$55 billion in 2010(India Times; 2011, 6).

The present paper revisits the debate and attempts to reach some consensus on the use of remittances from overseas by origin communities. Supporting evidences are gathered from the primary data collected from a sample of 402 (201 each from the States of Punjab and Tamil Nadu in India) semiskilled and unskilled migrant laborers, working in Lebanon. The country is undergoing an ambitious reconstruction

programme after a protracted period of war and civil strife that lasted from 1975 to 1991. The importance of the present study is twofold:

i. No study on Indian migrant workers has been undertaken in Lebanon in the past to the best of knowledge of researchers

ii. The study provides a comparison of remittance utilization patterns of Punjab and Tamil Nadu households, the two states located in extreme northern and southern parts of India, with a contrast in their socio-economic and cultural backgrounds.

The study has been utilized a multivariate regression model to estimate the factors affecting remittance utilization by family recipients at the origin using an Index of Remittance Use constructed giving suitable weights for different uses of remittances, as dependent variable. Although the results on remittance use patterns broadly tallied with those found all over the world, there was little evidence of remittances being frittered away on wasteful consumption. Remittances were mainly utilized for living expenses, debt repayment, marriage expenses, and improvement in housing /purchase of land for house or buying a new house and furthering emigration of other family members. In a few cases, however, a part of remittances was invested in agricultural land and equipments as well as small business ventures to augment the family income. The remittance use pattern was mainly dependent upon three factors, namely;

- i) Socio-economic background of the migrants
- ii) Mode of financing the emigration and
- iii) Duration of stay in host country (<http://iussp2005.princeton.edu>).

According to the World Bank's Migration and Remittances Fact Book 2016, more than 250 million people, or 3.4 percent of the world population, live outside their countries of birth. The volume of South–South migration stands at 38 percent of the total migrant stock, larger than South–North migration. Mexico–United States is the largest migration corridor in the world, followed by Russia– Ukraine, and Bangladesh–India. The top migrant-destination country is the United States, followed by Saudi Arabia, Germany, and the Russian Federation. The number of migrant

workers as a share of population is the highest in the smaller nations of Qatar (91 percent), the United Arab Emirates (88 percent) and Kuwait (72 percent).

### **2.2.3 National Context**

The Nepali youth groups are attracted to foreign employment due to dearth of adequate employment opportunity in the country. The number of Nepali workers going for foreign employment is growing every year. According to various reports, large numbers of Nepali workers have gone for foreign employment without securing government permission as well. Based on the official and unofficial records as of now, more than 3 million people have gone for foreign employment. The foreign employment has supported in bringing economic prosperity in rural Nepal and reducing poverty. The contribution of foreign employment to reducing unemployment situation and poverty and enhancing Nepalese economy should be considered significant. The foreign Employment Act, 2008 has already been issued and enacted for promoting the business of foreign employment while safeguarding the rights and interests of workers and foreign employment entrepreneurs by making it a safe, well managed, and dignified profession (Ministry of Finance; 2012).

Gyawali (2001) has argued that some household has increased their living standard and on the other hand the local agricultural land is changing into non-agricultural land. He also mentions that migrants fall mostly in the age group 26-50 years and most of them are married.

Seddon (2003) has defined that the proportion of migrants from developing countries has become increasingly significant and he included the urban area as the destination of Nepalese migrant's workers. Similarly, he points remittance to be of national importance as it forms the major part of national income in a country like Nepal and boosts up the household standard of the people.

Elvira Garner (2001) has studied labor markets and migration in Nepal, that includes the case of workers in Katmandu valley working in carpet factories. Her study emphasizes comparison between agriculture income and non-agriculture increasingly important. The significance of wage labor in semi-industrial production and in the service sector is growing rapidly. Along with this change, there is increasing labor migration, as part of the population seeks working labor market in

urban areas both in Nepal and India or further abroad. In the Nepalese urban labor market, carpet production evolved as one of the most prominent industries but decreasing market of carpet in Nepal and abroad affects the industries and workers. The study showed that decline in income opportunities have drastically affected saving and remittance. As a consequence, workers with access to more attractive labor markets sought new destinations, particularly in the Gulf States.

Acharya (2003) has described that economic factors includes poverty, inequality, unemployment, under employment, trade, etc. For example, Nepalese men have moved away from the country for employment and alleviating poverty. In recent year, general lack of well-paying employment opportunity at home and the opening up of labor market have pushed even the youth from the middle class to look for work outside the country.

Poudel (1990) has studied employment and working condition as well as the mode of living in the case of Nepali watchman in Bombay. He reported that most of the Nepalese watchmen in Bombay migrate from the hill area of far western development region (FWDR) of Nepal, particularly from the Doti, Achham, Baitadi and Dadeldhura districts because of the scarcity of farmland, low agriculture particularly and very little non-farming employment. Similarly, on the average, Far Western Development Region, people are poor and indebted. So to meet their household expenses and payment of their loan, they have to look for work outside the area. In addition, the pull factors (high level of wage, easy access to work, open boarder and high industrialization etc.) are supporting factor for them to migrate. This study analyzes the sector of employment working condition and mode of life of a migrant worker in general.

Garner and Gurung (2003) have reported about the destination of Nepalese migrant workers and variability of remittance according to destination. The report explains remittance to be of national importance as it plays the vital role of Nepali economy at the macro level. It has also emphasized the fact that the remittances are directly reinvested in promoting further migration rather than being spent in most vital needs. In addition to it, he noted that international labor migration has rapidly increased during the last five to ten years and the gulf countries have become one of the prime destinations since the mid -1990 and certainly one of the dynamic ones.

Lal (2002) has shown in his study that the important role of migration in changing the population size of the Terai region. The volume of the population living in the Terai has increased mainly because of migration from hills to Terai and immigration to Terai from abroad. Similarly, his study has shown that migration of population to Terai from outside and inside had adversely affected the socio-economic and environmental conditions of the regions.

Bista (1975) has done a study on migration, which is based on sample survey made in Kailali and Kanchanpur districts of far western development region. The main findings of the study are: there is one-way flow of migration from hill to Terai region and migrants were analyzed on the basis of age, size and occupation. Population pressure, food shortage, and poverty in the hill are the main reasons of migration. The study also suggested that availability of intervening opportunities through investment in road, irrigation in hill would make lower the volume to the development of Terai area.

Dixit (1997) has written in his study that Nepalese are being migrated since very long in the history of Nepal due to the economic desperation because their unproductive land (farms) is not able to provide subsistence; highlanders by the hundreds of thousands descend to India in search of livelihood. He includes this process of emigration was started due to army recruitment and tea plantation and how it is continuous and growing in large scale. He says the taxation levied system and rapacious system during the Rana period was one of the major push factors of emigration. We have received several studies pertaining to emigration, its ecoconsequences 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.

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 the 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, which 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 the 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 "BirGorkhali". Nepalese migrated people are called 'Lahore' 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 Lahore". According to a study conducted by Prof. Seddon, JagannathAdhikari and Ganesh Gurung entitled "Foreign Labour Migration and the Remittance Economy of Nepal" for DFID (Department for International Development of the British Government) 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. E.G.Ravenstein, (1885) was the first person to attempt forming migration theory. Revenstein's "laws of migration" is also known as, push-pull factors of migration; still predominates as the framework of migration analysis. According to him, push factors are land tenure system, an unfavorable form of trade, wide dispersion of poverty and income, pressure of rural poverty in income; the pressure of rural poverty in general and so on. Pull factors are employment, education and other facilities are known as the bright light of the towns. On the one hand, push factors push the migrants from their place of the other hand pull factors pull the migration to the place of destination.

Todaro(1976) has stated that migration is stimulated primarily by rational economic consideration of relative benefit, which are mostly financial. The decision to migrate is influenced by the difference between expected incomes between two places, the odds, probability of getting a job in a new area is inversely related to employment rate in the new area. Most of the people of that time are migrated to work in the British Regiments. This study examines 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 examines 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.

#### **2.2.4Remittance**

World Development Report (2006) defines that remittance is the money sent by migrants working abroad to their home countries and considered as the development tool. It has considered that remittance contributes to a huge international capital flow. The report has indicated that the value of remittance worldwide is estimated to be US \$232 billion across all countries and US\$167 billion of which was sent to developing countries.

Another study by the world Bank (2005) found remittances to be effective in reducing Poverty consequences either they are in the form of books or articles. This chapter helps to take adequate feedback to broader 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. Remittance means the transferring money from one place to another. Remittance is the amount transferred by workers aboard 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 which Nepalese fought not for the protection of their homeland but in the 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 "BirGorkhali". Nepalese migrated people are called 'Lahore' 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 Lahore".

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 (Department for International Development of the British Government) 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 them, 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 ([www.nepalnews.com.np/ntimes/issue169/economy](http://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 the 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. 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 is 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.

Todaro (1976) has stated that migration is stimulated primarily by rational economic consideration of relative benefit which is mostly financial. Decision to migrate is influenced by the difference between expected income in two places, the odds, probability of getting a job in a new area is inversely related to employment rate in the new area. 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 (i.e. Dangerous, Dirty and Difficult) are sending billions of rupees back home. This has emerged as a vibrant sector of the country's economy ([www.nepalnews.com.np/ntimes/issue169/economy](http://www.nepalnews.com.np/ntimes/issue169/economy)).

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 a 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 the 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, it is necessary to define the word poverty. The word poverty is defined by so many economists in their own words like:

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. The above literature is basically focused on the cause and consequences of the migration. Even though there is no more literature in Nepali context, internationally there are adequate literatures which are also more focused on the implications of migration. It is a considerable condition that minimum literature of Nepal is not more focused on remittance and its impact at household level. Thus, this study has been carried out at the micro level to fulfill the need of how remittance can be useful to contribute to the livelihood of rural people.

### **2.2.5 Definitions and Terminology**

The following terms and concepts which are used in the text can be defined as follows:

#### **Remittance**

- i. The sending of money to someone at a distance, (The American Heritage Dictionary, 2004).

- ii. A payment of money sent to a person on another distance, (Legal Dictionary, 2003)

Remittance especially is an income generating phenomenon which is earned and sent back to their family by those people who are far from their permanent residences to satisfy their daily requirements, such as in the form of salary, pension, gratuity etc. there are two type of remittances-internal remittance and external remittance.

**i. Internal Remittance:** In the context of internal remittance, it refers to that money which is earned from inside the country but outside the native village and sent back to their family by those numbers who are not living at home. The source of internal remittance includes income from governmental service and non-governmental service, pension (native), money earned through business and daily wage earnings.

**ii. External Remittance:** It refers to that money which inflows into the country as well as village from abroad. The sources of external remittance are foreign civil service, Indian civil service and army service and pensions.

**Remittance Receiving Households:** The households which get any kind of remittance form outside the village.

**Remittance Non-Receiving Households:** The households which do not get any kinds of remittance form outside the village.

**Labour Migrant:** It refers to those people who have migrated out form the nation and changed their residence temporarily for economic opportunities.

**Civil Services:** Civil services refer to all types of governmental and non-governmental services that are rendered for money.

**Agricultural Income:** It refers to that income which is derived from agricultural production and its related activities.

**Off-farm Work:** Majority of the people in village area has small and marginal size of land and the return of land (food grain production) is also small in quantify which cannot fulfill their hand to mouth problem. Therefore, people of the study area have searched alternative source of income. Such types of extra activities are known as off-farm work which helps them to support their household economy.

**Local Income:** Local income refers to that types of income earned inside the village.

**Household Income:** The income of a family derived from agriculture and related activities, off-farm work and remittance.

### **2.3 Review of Related Studies**

Pant (2006) has explored in his study remittance inflows to Nepal: Economic impact and policy options that the 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. This has been partly the result of measures undertaken by the concerned officials to streamline financial systems, dismantling controls and creating incentives, with the aim of attracting remittances particularly through the official channels. Economic growth, interest rate and exchange rate policies are crucial determinants of remittance inflows. In order to further encourage the inflow of remittances to the country through official channels, and to promote the tendency to exchange these remittances of foreign exchange into local currency, it is imperative that these policies be conducive to the inflow of remittances.

Gaudel (2006) has pointed out remittance as a major source of foreign currency to the developing nation and it has become a substantial component of making current account surplus in the balance of payments. He argued that many workers from Nepal going abroad for employment are no doubt young, energetic, labourious and enthusiastic and they do hard work for earning large remittance income to support their families. However, the downside of remittances reflects the view that remaining young generation for long time outside without family may increase their vulnerability and ultimately they will have a tendency to leave their homeland. Thus, in order to recover the loss of economically active labour force to the domestic economy, they should be encouraged to come back again with skilled knowledge for utilizing their savings and working experience for development to the productive areas in accordance with the priority of the national development plans.

Chaudhary (2007) has explored the role of remittance in economic development of Nepal. The analysis has been carried out with linear and log-linear models under multiple regressions. The impact of remittance has been seen most remarkable in the GDP and GNP both in nominal and real terms. In the nominal GDP and GNP, the remittance shows 61 percent and 72 percent impact respectively while in real term it shows 48 percent and 55 percent respectively. It has also shown

positive impact on the PCI but it is comparatively low (four percent in nominal and one percent in real terms). The findings are positive except for labour force, but they are marginal which show that remittance has not been used effectively so as to increase the real growth rates of the economy.

Shrestha (2008) has analyzed the contribution of foreign employment and remittances to Nepalese economy. He concluded that remittances sent by the migrant workers are an effective tool for poverty reduction. Though foreign employment is boon to the economy, the facilities are inadequate to back up the increasing trend of migration. The government should play proactive role to promote foreign employment by inducting and adhering to the policy of economic diplomacy.

Karagoz (2009) has made an empirical research on the remittances and economic growth in the case of Turkey. The study showed that remittance flow has statistically meaningful but negative impact on growth. On the other hand, exports and domestic investments positively affect the economic growth, while foreign direct investment has no meaningful affect. Turkey which met with regular and massive labour migration to abroad after 1960s, is still one of the most remittance gain countries in the world.

Bhattarai (2010) has conducted in his study the identification of the major issues and challenges in foreign employment by using the descriptive or qualitative data analysis method. He shows that the human resources are very powerful resources, so the migration of youths for foreign employment is the panic situation for economic development of the country. This indication of active youth migration for foreign employment is not good sign for the overall development of the country. However, the developing countries like Nepal where labor market stock is a problem. Thus exporting in return for remittance poses an attractive component of development strategy. Similarly, in his study Nepal has opened foreign employment for 107 countries in the world. In 75 countries, where Nepalese have been gone for the foreign employment, have been 1429423 Nepalese employers were gone by labour permit and there have been 25 million Nepalese processed for foreign employment by the open boarder without any permit, which is nearly 10 percent of whole population. Among them foreign labors 71 percent untrained 27 percent semi trained and 2 percent are trained.

Subedi (2010) has conducted the thesis entitle 'Overview of Foreign Employment and Utilization of Remittance'. The objectives of the study are to examine the utilization pattern of Remittance and to compare the economic status of migrant household before and after receipt of remittance. She uses the primary and secondary data and simple statistical instruments. The main conclusion of this study is the major sector of employment for Nepalese workers were security, building construction, hotel as well as manufacturing sector. On the other hand, the major portion of the remittance is used in unproductive sectors like consumption, Real state, paying loan and social spending. But some portion of the remittance is used in productive sector like education, business agricultural sector etc. Remittances have emerged as one of the premier sources of foreign exchange in Nepal. Recent years they have been one important avenue of support for family members remaining at home. It seems migrant workers is an effective tool for poverty reduction. Though freeing employment is boon to the economy, the facilities are inadequate to back of the increasing trend of migration.

Karki (2011) has conducted the thesis 'Foreign Employment and Remittance :A case study of Goldhap VDC, Jhapa', in which the main objectives of study are to analyze the inflow of remittance and to examine an utilization pattern of remittance by using the systematic sampling method and simple statistical tools. He has stated that historically Nepalese people established their business and work with neighboring countries like Tibet, China and India. In Lichhavi period promoted Nepalese arts and popularity by Bhirkuti in China and many artists designers worked there. Artist Areniko invited by Kublie Khan for to constructing temples and setup as in China. Their histories show that at that time Nepalese were working in neighboring countries and send the earned amount to their motherland. At that period, Nepal was rich for culture, arts heritages and also economically in Malla regime too. Nepalese carried on the job continuously focusing trade between the neighboring countries.

Sharma (2018) has conducted a study the objectives of determinants of economic status of foreign workers and impact of remittance of in household economy of Putaibazar municipality taking 170 sampled households out of total 690. He has concluded that the largest number of workers as gone to Gulf countries, second

largest is in India, third is Malaysia and the least in Australia and found that there is increase in economic status of migrant workers in study area.

Regmi (2005) has found that the external remittance is more significant than the internal remittance. External remittance accounted for 68.94 percent whereas, internal remittance accounted 31.06 percent of total remittance. He has found that total inflow of remittance was Rs.1,16,43,600 during 2004/05.

#### **2.4 Review of Legal Provision in Nepal**

Acts and Policies: The foreign employment Act 2064 BS (2008) is enacted and enforced for promoting the business of foreign employment while safeguarding the rights and of workers and foreign employment entrepreneur's by making it a safe, well managed and dignified profession. As per the provision of the act, a separate foreign employment is established on 31 Dec. 2008 under the ministry of labor and transport management to look after foreign employment related activities, after its establishment, the department has adopted number of policies like rigorously curbing foreign employment related funds in collaboration with the private sector, ensure that conditions of contracts are enforced through effective monitoring in coordination with diplomatic mission abroad and see whether employees get the job and wages as stipulated in the contact. In addition, it is also responsible to make the employment agencies pay compensations to the persons made to return being stranded in foreign countries, strictly enforce the system of imparting orientation training before leaving for foreign employment and arranging necessary facilitation to the outgoing and returning workers at the international airport.

#### **2.5 Research Gap**

Different scholars and researchers have given their different findings and conclusions in the field of remittance and effect on social empowerment. From the above review of articles and dissertations, it seems that this study is trying to find out something new in the field of remittance on living standard of people. Only few studies have been taken place in the topics of remittance and Nepal. This study is entirely new which accomplishes by the researcher's own research. Although, there are various researches carried out related to the remittance program but this study is significant difference from the previous research in nature as it focus on role of remittance on livelihood of Chhantyal community in depth study, positive impact on targeted group and the further implementation of the different programs.

## **CHAPTER III**

### **METHODOLOGY**

The general objective of the study is to analyze the impact of remittance on livelihood of Chhantyal community in Deep area Pokhara Sub-metropolis. This study is almost recommending necessary suggestion to achieve the targeted objectives of remittance. Research methodology is the most important part of the study. This chapter has been divided into following 6 sections i.e. research design, study area, population and sample, nature and sources of data, data collection techniques, data analysis.

#### **3.1 Research Design**

A research design is a plan for the collection and analysis of data. It is an organized approving not a collection of loose, unrelated parts. If research design serves in settlements to be utilized and the sampling plan to be followed. It presents a a guideline to enable to researcher to progress in the right decision in order to achieve goal. The design may be specific presentation of various steps in research process. The researcher has selected the problems of study with reference to Chhantyal community Deep area of Pokhara Sub-metropolis has set the objectives, collected necessary data, information and other importance notice related to literature review, etc. The steps include the selection of a research problem, formulation of hypothesis, conceptual clarity and methodology, survey on literature and documentation, data collection, introduction, presentation and report writing.

To conduct this study analytical and descriptive approaches of case study research design has been adopted. Analytical approaches have been utilized mainly to analyze the relationship between remittance, expenditure and other variables.

#### **3.2 Population and Sample**

Population refers to the entire group of people, events or things of interest that the researcher wishes to investigate. A sample is a collection of items or elements from a population. Hence sample is a portion or subset of the population. It comprises some observation selected from the population. The whole units of Chhantyal



community within Deep area of Pokhara Sub- metropolis are considered as the size of the population. It has been not possible to take details survey of whole migrants due to the imitation of time and resource. There are 104 households considering 548 families, among them 213 people are migrants for foreign employment. But in this study, only 63 households have been taken as the sample size. To take sample, each community identifies as strata made on the basis districts from which they migrated to study area as a stratifying factor and sample are selected non- proportionally from each district. The respondent of sample from Chhantyal community is as follows in the given table:

Table: 3.1  
Population and Sample Size

SN	Chhantyal Community	No. of Households	Sample Households
1	Myagdi	36	18
2	Baglung	48	30
3	Gulmi	10	8
4	Butwal	2	1
5	Others	8	6
	Total	104	63

Source: Record of Pokhara Sub- metropolis

### 3.3 Nature and Sources of Data

This study based on primary data these primary data are both qualitative as well as quantitative secondary data used in this study have been collected from different sources such as various research studies and articles related to the study includes as both primary and secondary data but mainly based on primary data, which are collected from the field survey by using questionnaire. The relevant secondary data are obtained through secondary sources e.g. Books, Pamphlets, Journals, Various research studies, Dissertations, Article, Annual reports of NRB, Publication and records of concerned agencies.

### **3.4 Data Collection Technique**

#### **3.4.1 Primary Data Collection**

The data were collected selecting the 63 sample households out of 104 households of the returnees from abroad. They were interviewed through the set interview schedule and questionnaires. Both open and closed ended questions were set. In-person visit of the researcher with the respondents was carried out.

#### **3.4.2 Data Collection Techniques**

The data collection process has entirely based on the basic principle of triangulation. The purposive or deliberate random sampling technique is used to select the required 63 sampled households out of 104 total population households that is the sampling frame of the study. The selection of sample units depends on personal judgement of the investigator. The techniques to be used to the data collection are summarized below:

##### **Interview Schedule**

The interview schedule as mentioned in appendix was the main tool to collect information from the migrant workers' households. Various types of questions were designed for emigrant workers households so as to get information regarding the topic mentioned above. Basically, the information related to socio-economic based data of migrants has been collected by this research tool.

##### **Observation**

Some of the information has been collected from participant observation. Especially life styles, e.g. social and economic infrastructure facilities of migrants, etc. have been observed to generate qualitative data.

### **3.5. Secondary Data Collection**

Some of the secondary data were also used to make the study effective. The secondary data were basically collected from the reliable sources as Nepal Rastra Bank, National Population, and Housing Census, Central Bureau of Statistics, different journals, analytical reports of NGOs/INGOs/UN and other study reports basically based on migrations and remittances were used. These data were used for literature review as well as analytical purposes.

### **3.6 Data Processing and Analysis**

The available data have been edited, classified and tabulated to meet the needs of the study. Data processing has been done with the help of a scientific calculator and the computer. Data are presented in percentage from when to require, tables, graphs, diagram are used to meet the requirements of this study. Data are studied comparatively to get required results about the efficiency of that remittance income and the effect of that remittance income in the research area. The survey in identifying the income status of the 63 households was carried out through which total income including remittance and total income excluding remittance was analyzed. Moreover, the quantitative data are presented by simple mathematical tools like percentages, frequencies, ratio, pie chart and average to examine the objectives set above.

## **CHAPTER IV**

### **DATA ANALYSIS**

This chapter deals with demographic, socio economic status, expenditure pattern and living style of Chhantyal community in Deep area of Pokhara Sub-metropolis. The researcher is belongs to this community. Therefore, this area is selected for research purpose. It includes of presentation and analysis of primary and secondary data related with different variable using statistical tools. The main objective of this chapter is to analysis the relevant information. In order to achieve these objectives the gathered data are presented and analyzed with the help of different tools and techniques and profile of the respondents.

#### **4.1 Analysis of Secondary Data**

##### **4.1.1 Foreign Labor Employment**

Restoration of democracy in 1990's opened the door international labor market. Near about 8 million non-residential Nepalese are spread over forty countries (Department of Labour; 2003). The supply of Nepalese youth in foreign countries in search of work in increasing day by day at a high rate; which in unstoppable.

Reported by the Population Census Report 2011 that there are 7,62,181 migrants working in abroad. Out of this number 598,050 people i.e. 77.3 percent of total absentees have gone to India, which implies that migration in Nepal is still associated with India. The major destinations of Nepalese migrants expect India are Hong Kong, Malaysia, Saudi Arab, Qatar, UAE, UK, USA, etc. More especially only three Gulf countries Saudi Arab, Qatar and UAE have continued 80 percent of Nepalese absentees expect India. This brings the fact that Nepalese emigrants are mainly in this three countries (Table: 4.1).

Table: 4.1  
Number of Nepalese Migrants Working in Different Countries

S.N	Countries	Number of people	Percentage
1	India	589050	77.28
2	Saudi Arab	67460	8.85
3	UAE	12544	1.65
4	Malaysia	6813	0.90
5	Qatar	24397	3.19
6	Hong Kong	12001	1.97
7	Korea	2679	0.35
8	Kuwait	3688	0.48
9	Bahrain	2737	0.35
10	Japan	3720	0.49
11	China	1354	0.17
12	Russia and other	747	0.09
13	Other Asian Countries	3849	0.51
14	Australia	2497	0.32
15	United Kingdom	7271	0.95
16	Germany	1638	0.21
17	France	250	0.03
18	Other European countries	1998	0.26
19	USA, Canada and Mexico	9557	1.25
20	Singapore	3363	0.44
21	Other countries	1877	0.24
Total		762181	100

Source: Population Census 2011, National Report of CBS

#### **4.1.2 Growth Pattern of Foreign Employment**

The government of Nepal, labor and Employment promotion Department has opened 107 countries where Nepalese workers can go for foreign employment purpose. Out of them, 91 countries have been recognized after the year 1997/98 A.D. Even through 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: 4.2

Nepalese Migrants Working in Different Parts of the World in Different Fiscal Year

FY	Arabian Countries	East Asian	South Asia	Other Asia Countries	Africa	Europe America Australia	Other	Total	Growth Rate Percent
1995/96	2015	114	-	-	-	-	5	2134	-
1996/97	2638	522	51	-	-	-	48	3259	52.72
1997/98	7166	347	89	-	-	-	143	7745	137.65
1998/99	26883	696	171	46	-	-	-	27796	258.89
1999/00	34098	1119	180	71	14	32	28	35543	27.87
2000/01	42826	681	11313	47	12	61	89	55025	54.81
2001/02	50719	689	53078	58	16	84	89	104739	90.35
2002/03	59269	1345	4462	70	6	85	161	104998	0.25
2003/04	53805	2119	45892	462	16	115	337	102786	-2.10
2004/05	71141	1085	66322	842	-	599	84	139703	35.29
2005/06	61893	306	60554	1033	-	-	68	123844	-11.35
2006/07	128833	371	74029	1217	-	35	-	214098	65.56
2007/08	179156	395	49445	98	243	40	03	229405	11.89
2008/09	153706	421	32356	92	128	56	24	186783	-22.81

Source: Foreign Employment Department 2015.

The above table shows that from fiscal year 1995/96 to fiscal year 2008/09 total of 1337858 Nepalese people were migrated to the other countries in search of employment. Out of that number, more than half of the Labors went to the Arabian countries. The next main region of choice for Nepalese workers are south east Asia where 397942 people are migrated for work in that same period of 14 years the third east Asia where people are 9830 migrate for work in that same period 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 choice. These number shows that the major destinations of Nepalese migrants workers are the Gulf region and South Asia. This data does not show migrant workers in India and migrant workers officially unregistered even in these regions.

If one look into the growth of emigrated of labour force it seems fluctuating but the trend is increasing in each and every cases. In period of 14 years, the number of people migrated to the other countries for work has increased from 2134 to 1142010; which is 535.15 times more than the initial data. Annual growth rate of migration is tremendous in every FY except 2002/03, 2003/04, 2004/05 in which year it was slow growths. The fiscal year 2002/03 has even a negative growth. In the fiscal year 2006/07, the number of foreign employees was increased by 65.56 percent in comparison to fiscal year 2005/06. Similarly, in fiscal year 2007/08, the number of foreign employee was also increased by 11.69 percent. It shows that more and more people are seeking foreign employment which further results in the growth of remittance in the economy.

#### **4.1.3 Most Favored Destination of Nepalese Workers**

The most favored destination 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 to 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 destination for Nepalese workers to get employment and earn some money. The countries which have maximum number of Nepalese workers in different FY have been given in the following table:

Table: 4.3

## Nepalese Migrants Working in Different Countries in Selected Fiscal Year

FY	S Arabia	Qatar	UAE	Malaysia	South Korea	Total
1999/00	17867	8791	6360	171	766	33950
2000/01	17966	14086	8950	11306	245	52553
2001/02	21094	19895	8411	52926	131	102677
2002/03	17990	26850	12650	43812	712	102014
2003/04	16875	24128	12760	45760	1324	100847
2004/05	13366	42394	12626	66291	327	135004
2005/06	15813	55892	15317	75226	131	162679
2006/07	39279	60705	25170	74029	6441	199948
2007/08	42214	83896	43828	49445	0	219383
2008/09	39406	66031	26890	30036	56	162419

Source: Foreign Employment Department 2015

The above table indicates that up to FY 2000/01 Saudi Arab received the maximum number of Nepalese workers in one country and Qatar followed by Saudi Arabia. In 2001/02 Malaysia received the highest number followed by Saudi Arabia. From 2002/03 on ward Malaysia reminded first and Qatar remained second most desired country by the Nepalese workers. The importance of Saudi Arabia has somewhat diminished in the year 2004/05 and rose (2005/06, 2006/07, 2007/08 & 2008/09) in these years as a principle employing country for Nepalese workers in Malaysia and Qatar. There is stable demand in UAE. There is same trend Saudi Arabia and UAE of Nepalese workers related to workers from the other countries, the employment policy of the government of Malaysia is also trend to Decreasing of this fiscal year; Nepalese workers prefer to go to Qatar and Dubai of UAE.

#### 4.1.4 Growth of Remittance

In the present situation of Nepalese Economy, remittance provides not only significant portion of the GDP but it also contributes in savings and investment. The growth of remittance depends on the number of labour force working outside the country. The level of earnings and the portion of income that is sent back to home. Other sources of remittance such as: government transfers, investment made by



nations in other countries. The size of remittance also determines the availability of foreign currency in the country. Nepal Rastra Bank, the central bank of Nepal publishes data related to remittance continuously. The growth of the remittances and Spruces of remittance is given in the following table. The category of other remittance includes the money remitted by the labor employed in foreign land. It is only the money sent by the labor employed in foreign land. It is only the money sent through the official agencies (formal channels).

Table:4.4

Total Convertible Foreign Exchange, Total Remittance, Gorkha Remittance ( Rs. in million)

FiscalYear	Total CFE Receipt	Total Remittance	Gorkha Remittance	Other Remittance	Share of other Remittance in Total Remittance	Share of Remittance in CFE (%)	Annual Growth Rate other Remittance
1994/95	39150.3	3506.7	1842.9	1663.8	47.45	8.95	-
1995/96	37459.8	2660.2	716	1944.2	73.08	7.1	16.85
1996/97	3828.4	2938	979.9	1958.1	66.6	7.67	0.71
1997/98	44383.9	4084.2	1285.9	2798.1	68.5	9.08	42.89
1998/99	55939.8	6520.6	1627	4898.6	74.04	11.25	75.06
1999/00	64205	6031.4	1288.2	4744.2	78.6	9.39	-3.15
2000/01	89823.2	9797.6	3557.5	6240.1	63.7	10.91	31.53
2001/02	76153.3	14859.8	4334.2	10525.6	70.8	19.5	68.67
2002/03	98659.8	41630	4221.4	37408.6	89.8	42.1	255.4
2003/04	120643	56629.8	5404.8	52125	92.04	16.9	100.39
2004/05	123268.8	61784.8	5012.8	56772.0	91.89	50.12	8.90
2005/06	157297.3	92748.6	5231.1	87517.5	94.36	58.96	54.15
2006/07	179967.2	107417.4	5856.3	10156.1	94.55	59.69	16.05
2007/08	101898.5	142682.7	-	-	-	-	-

Source: Economic Survey Fiscal Year 2008/09

The above given table shows that the convertible foreign exchange grew from Rs. 39150.3 million in 1994/95 to Rs. 179967.2 million in 2006/07 which is about 4.59 times more. Similarly remittance increased 13.63 times. It indicates that when remittance is increased then convertible foreign exchange also increased, because the

increasing rate of remittance contributes to increasing rate of convertible foreign exchange. Initially it was 8.95 percent but it was highly jumped in twice of 59.69 percent in the year 2006/07. The trend is fluctuating after 1998/99 to 2001/02 but after 2001/02 it highly jumped. The other remittance grew from Rs. 1663.8 million in 1994/95 to Rs. 101561.1 million in 2006/07 which is about 61.04 times more. Its share in total remittance is appreciable. Initially the share of other remittance in total was 47.45 which grew 94.55 percent in 2006/07. After 2000/01 it increased at high rate. After 1994/95 of did not go down from 47.45 percent rater went on the path of increasing trend. The annual growth rate of other remittance, the rate of change is extra ordinary which was 225.4 percent in 2002/03. The rate of change occurred negative (3.15 percent) once in 1999/00. But other Fiscal year the rate of change was not negative but highly fluctuated. So, the flow of other remittance has been increased in convertible foreign exchange and in total remittance.

As a summary, the annual growth rate of remittance, Total CFE receipt as well as the share of remittance is increasing year by year. Especially after the 2001/02 the value of remittance and the share of remittance are increased dramatically with the increment of Nepalese labour in the foreign countries.

Table: 4.5  
Composition of GDP, Saving, Investment and Remittance in Nepal in Different FY  
(Rs. in Millions)

FY	GDP Product Price	Domestic Saving	Investment	Remittance	Remittance as % of GDP	Remittance as % of Saving	Remittance as % of Investment
1994/95	219175	32465	55231	3506.7	1.59	10.8	6.34
1995/96	248913	34426	68017	2660.2	1.06	7.72	3.91
1996/97	28513	39162	71084	3938.0	1.4	10.05	5.53
1997/98	300845	41438	74728	4084.2	1.35	9.85	5.46
1998/99	342036	46563	70061	6520.6	1.9	14.0	9.30
1999/00	379488	57577	92272	6031.4	1.58	10.47	6.53
2000/01	410287	61030	98313	9797.6	2.38	16.05	9.96
2001/02	422301	49807	103616	14959.8	3.54	30.03	14.44
2002/03	454935	52747	117504	41630.0	9.15	78.92	35.42
2003/04	494882	60493	132107	56629.8	11.44	93.61	42.86
2004/05	496026	68110.3	155906.6	61784.8	14.9	90.71	39.63
2005/06	514459.8	58727.2	175603.4	92748.6	13.6	157.9	53.96
2006/07	530890.1	70812.6	203741.0	107417.4	16.5	152.15	52.72
2007/08	555850.2	94128.6	262582.4	142682.7	25	151.58	54.33

Source: Economic Survey 2009.

The above table shows that the GDP grew from Rs. 219175 million in 1994/95 to Rs. 555850.0 million in 2007/08, which is about 2.53 times more. The saving is also increased by 2.89 times, more and investment increased by 4.75 times. If we compared the growth of remittance it is 40.68 times more in the same period. Initially the contribution of remittance to the GDP was only the 1.598 percent which grew of 25.0 percent providing its importance.

Remittances the percentage of saving has increased from about 10.08 percent in 1994/95 to more than 1051.58 percent in 2007/08. If we compare the contribution of remittance in the investment portfolio, it has increased from 6.34 percent in 1994/95 to 54.33 percent in the year 2007/08. If domestic saving is increased, investment also increased and if investment is increased GDP also increased but ratio or remittance to saving, investment and saving-investment is increasing with higher rate of growth of remittance. Thus, the positive relationship of these sectors is found each other. From the above data, whether it is economic growth or economic stability

or economic vulnerability of the country in a conflict ridden situation remittance has played a significance role.

#### **4.1.5 Share of Remittance to GDP**

The share of remittance to GDP of Nepal is increasing year by year. In FY 2002/03 the share remittance to GDP was 11.0 percent, which was increased to 29.6 percent in FY 2015/16. This figure is only 26.9 percent in FY 2016/17. The average of the share of remittance to GDP is 20.04 percent during 15 years (Table: 4.6).

Table: 4.6

## Remittance, GDP and Share of Remittance to GDP (in billion Rs.)

Fiscal Year	Remittance	GDP	Percentage of remittance to GDP
2002/03	54.2	492.2	11.0
2003/04	58.6	536.8	10.9
2004/05	65.5	589.4	11.1
2005/06	97.7	654.1	14.9
2006/07	100.1	727.8	13.8
2007/08	142.7	815.8	17.5
2008/09	209.7	988.3	21.2
2009/10	231.7	1192.8	19.9
2010/11	253.6	1366.9	18.5
2011/12	359.6	1527.3	23.5
2012/13	434.6	1695.0	25.6
2013/14	543.3	1965.0	27.6
2014/15	617.3	2130.0	29.1
2015/16	665.1	2247.0	29.6
2016/17	699.0	2599.0	26.9
Total	4532.7	19527.4	300.6 (20.04)*

\*Figure in bracket denotes the average of 15 years.

Source: Economic Survey Fiscal Year 2017/18.

## **4.2 Analysis of Primary Data**

This section explains about different aspects of primary data collected from 63 sampled households of Chhantyal Community in Deep Area of Pokhara Sub-metropolis, Kaski district of Nepal.

### **4.2.1 Income Status of Migrants**

Majority of the people in this Deep Area are largely involved in the foreign while others are involved in other sectors such as trade, service, business etc. whereas the major contribution in the economic status of this community is due to the remittance income coming from peoples migrated abroad. The income level the households before receiving the remittance income of the people in Deep Area of Pokhara Sub-metropolis, Kaski, is clearly seen that 15 (23.82%) households were receiving below Rs. 5000 per month out of total of 63 households, 33 (52.38%) stated that income to be between Rs. 5 -10 thousand, 10(15.87%) households were found to have their monthly income between Rs. 10 to 20 thousand, 4 (6.35%) households were received Rs. 20-50 thousand per month out of total of 63 households and only 1 (1.58%) household receiving the regular monthly income of more than Rs. 50 thousands. The income status of the people from Myagdi, Baglung, Gulmi, Butwal and other Chhantyal community were found to be possessing better economic status. Households receiving more than Rs. 50 thousand monthly were entirely from Baglung and Myagdi's Chhantyal and people belonging to Gulmi, Butwal and others were found to be possessing lower income status as compared with Myagdi and Baglung's Chhantyal (Table: 4.7).

Table: 4.7  
Income Status of the Chhantyal before Going Abroad

Chhantyal Community	No. of Households	Earning per month (in thousand Rs.)				
		Below-5	5-10	10-20	20-50	Above 50
Myagdi	18	3	9	5	3	-
Baglung	30	6	20	5	1	1
Gulmi	8	2	3	-	-	-
Butwal	1	1	-	-	-	-
Others	6	4	1	-	-	-
Total	63	15	33	10	4	1
	(100.00)*	(23.82)	(52.38)	(15.87)	(6.35)	(1.58)

\*Figures bracketed denote percent.

Source: Field Survey, 2016

#### 4.2.2 Present Income Status of Migrants

The proceeding above table presented the income level of the household before they were actually migrated. After their migration, the remittance they had brought have actually changed their level of income their living standard education, health, etc. and in the overall scenario the level of poverty of the study area has decreased. The following table presents the level of the actual income received by the people after getting the remittance income. The above table presents the overall scenario of the people in Deep Area of Pokhara Sub-metropolis, Kaski, based on the case of the households. It is clearly seen 21 (33.33%) households were receiving less than Rs. 2000 per month out of total of 63 households, 19 (30.16%) stated that income to be between Rs. 20-30 thousand, 9(14.29%) households were found to have their income to their monthly income between Rs. 31 to 40 thousand, 7(11.11%) households were receive Rs. 41-50 thousand per month out of total of 63 households and 7(11.11%) households receiving the regular monthly income of more than Rs. 50 thousands. The above table gives the from different places wise scenario of the income status of the people from Myagdi, Baglung, Gulmi, Butwal and other Chhantyal community were found to be possessing better economic status. Households receiving more than Rs. 20 thousand monthly were entirely from Baglung and Myagdi's Chhantyal people

belonging to Gulmi, Butwal and others were found to be possessing lower income status as compared with Myagdi and Baglung's Chhantyal (Table: 4.8).

Table: 4.8

Income Status of Chhantyal after Getting the Remittance Income

Chhantyal Community	No. of Households	Earning per month (in thousand Rs.)				
		Below-20	20-30	31-40	41-50	Above 50
Myagdi	18	5	3	4	4	2
Baglung	30	10	10	3	2	5
Gulmi	8	4	3	1	-	-
Butwal	1	1	-	-	-	-
Others	6	1	3	1	1	-
Total	63 (100.00)*	21 (33.33)	19 (30.16)	9 (14.29)	7 (11.11)	7 (11.11)

\*Figures bracketed denote percent.

Source: Field Survey, 2016



### 4.2.3 Age Composition of Migrants

The migrant workers have been found of different age group. It is essential to analyze the migrants according to age status which helps to know how many people have been gone to foreign country among these age groups.

Out of total migrants workers only 63 households have been selected as sampled households; out of then halve of the migrants workers are fall under the age of 25 to 30 years old i.e. 31 (48.21%) households. Out of them, approximately male migrant workers are nine times more than female. Similarly, second largest percentage hold by the age of below 25 years old, it covers the 26.98 percent of total workers, where male workers are about three times greater than female workers do. On the same way, the age groups from 30 to 35 and above 35 years are 14.29 percent and 9.52 percent respectively. Following these two age groups female migrant's workers are absence because of family responsibility and male dominant society (Table: 4.9 and Figure: 01).

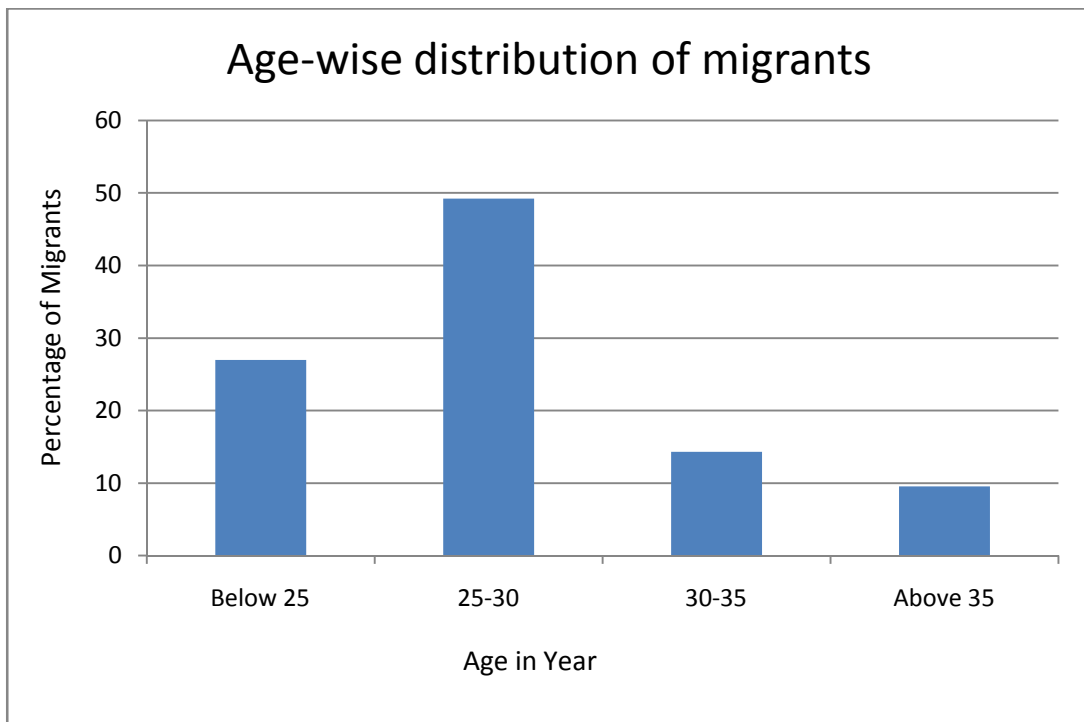
Table: 4.9  
Age Composition of Migrants

Age group	Number of Respondents			Percentage
	Male	Female	Total	
Below 25	13	4	17	26.98
25-30	28	3	31	49.21
30-35	9	0	9	14.29
Above 35	6	0	6	9.52
Total	56 (88.89)*	7 (11.11)	63	100.00

\*Figures in brackets are percent.

Source: Field Survey, 2016

Figure: 01



#### 4.2.4 Gender Description of Foreign Employment

In this section gender description of migrants' workers has been included and the following table, which helps to know how many people are male and female workers are gone for foreign employment. The gender descriptions of migrants shows that, out of the total 63 migrants, 56 (88.89%) of them are male and only 7 (11.11%) of total workers are female. It means only few number of females have gone for the foreign employment. This trend shows that most of the migrant workers are found to be male because main responsibilities of family are concentrated on male and also due to popularity of male dominated society in Chhantyal community (Table: 4.10).

Table:4.10

Gender Description of Foreign Employment

Gender	No. of Respondents	Percentage
Male	56	88.89
Female	7	11.11
Total	63	100

Source: Field Survey, 2016

#### 4.2.5 Marital Status of Migrant Workers

The marital statuses of foreign migrant workers are present in following table and chart. This chart shows, how many migrant workers are having marriage or not.

Table:4.11

Marital Status of Foreign Migrants

Marital status	Number of respondents			Percentage
	Male	Female	Total	
Married	24	1	25	39.68
Unmarried	32	6	38	60.32
Total	56 (88.89)*	7 (11.11)	63	100

\*Figures bracketed denote percent.

Source: Field Survey, 2016

Most of the foreign migrant workers in the study area i.e. 60.32percent of them are unmarried and 39.68 percent are married. Out of married migrant workers, male workers are exactly 8 times greater than female worker. Similarly, unmarried male migrant workers are greater than female workers. The ratio of married to unmarried workers under different sex, it is found that the ratio of married to unmarried of male workers is very high in comparison to female, but the ratio of married to unmarried female's workers is very low , that is only one married female worker out of seven female workers. This is because of male dominant society and lack of education on female workers. The proportion of male is also more than the female. Out of 63 respondents, 56 (88.89%) are male and remaining 7 (11.11%) are female (Table: 4.11).

#### 4.2.6 Educational Status of Migrant Workers

In the following table educational status of migrants has been shown which illustrates the educational background of the migrant's workers. Here we take migrant worker as an illiterate those who are not able to write and read even his/her name only. On the other hand literate are able to read and write.

Table:4.12

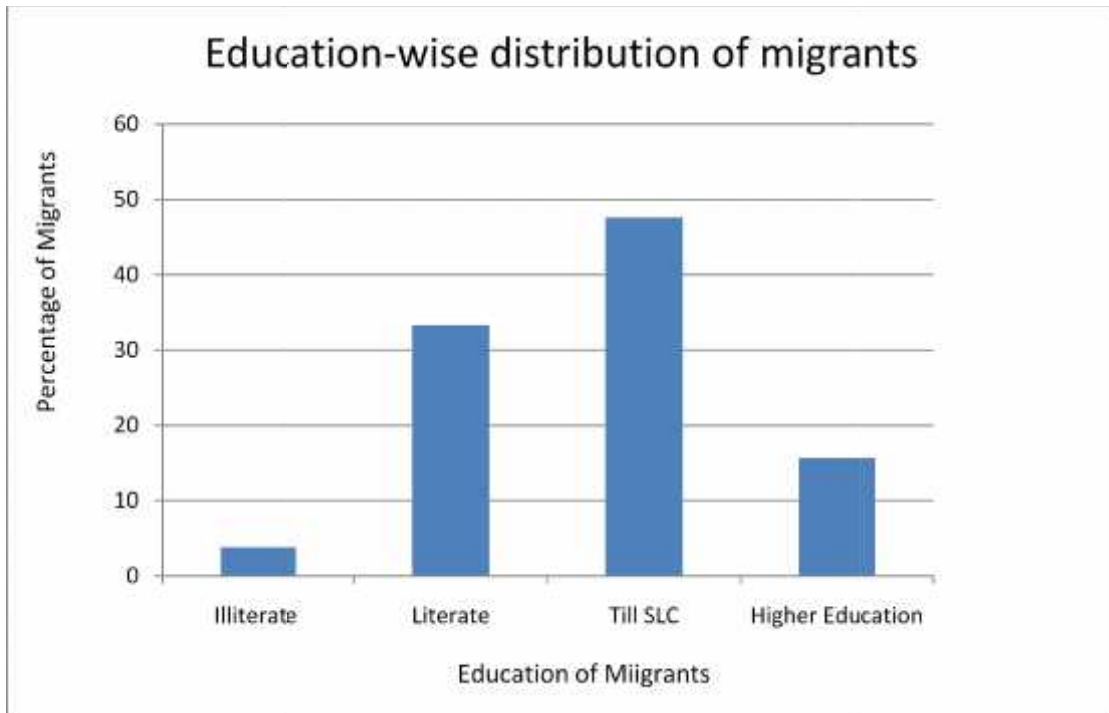
Educational Status of Migrants

Educational Background	No. of Respondents	Percentage
Illiterate	2	3.18
Literate	21	33.33
Till SLC	30	47.62
Higher Education	10	15.87
Total	63	100.00

Source: Field Survey, 2016

In above table and chart show the educational status of migrant workers. Out of total respondents, about 3.18 percent are illiterate that is 2 (3.18%) workers are illiterate over the 63. On the other hand, exactly one third of total migrant workers are literate. Above different educational status of migrant workers, higher percentage covered by till SLC workers that is equal to 47.62 percent and 33.33 percent is literate. Similarly, only around 15.87 percent migrant workers are higher education holder. These data clarifies that illiterate and higher educated people are low interested to go to foreign countries for getting job but middle educated people are more motivated to go to foreign employment. This is because middle educated people are not interested to do lower level work and unable to do higher-level work such as table work or managerial work (Table: 4.12 and Figure: 02).

Figure: 02



#### 4.2.7 Causes of Foreign Employment

There must be several reasons of seeking foreign employment; the reason might be economical, social, and political. They may be related to the acquired skill and other reasons. To find out the causes seeking employment the respondents were asked to identify the major causes to go for foreign employment, they gave more than one reasons which are shown by the following table.

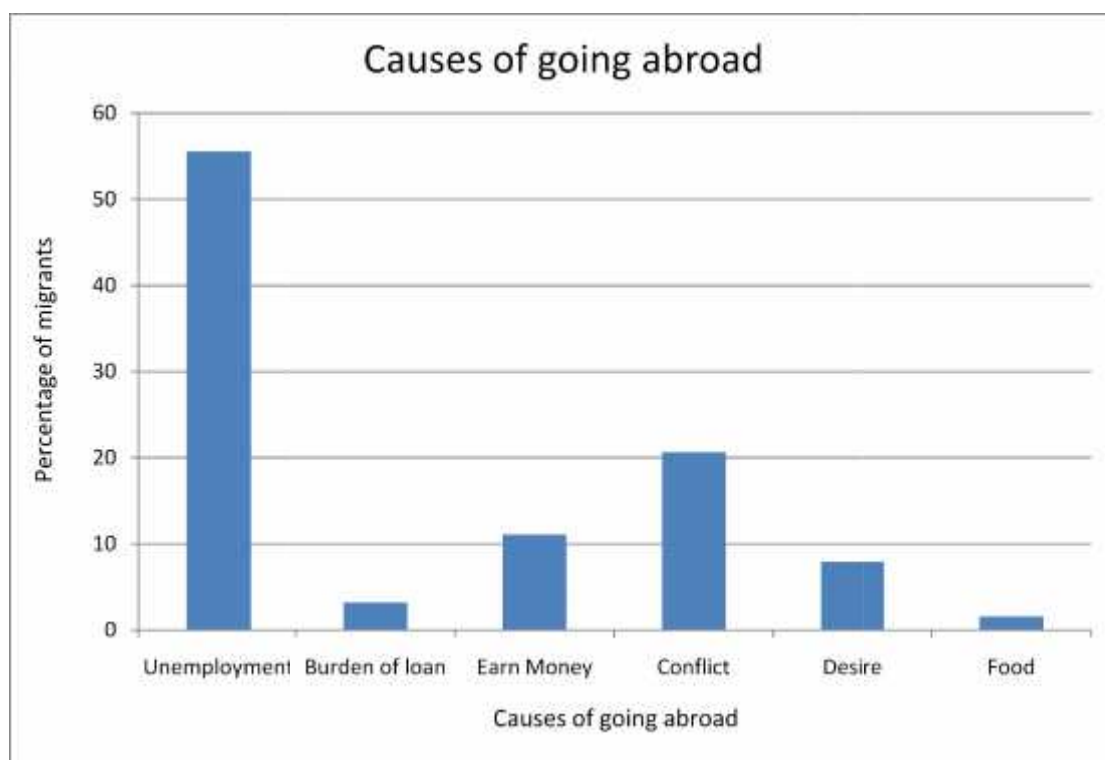
Table: 4.13

Causes for Going Abroad for Employment

Causes	Number of Respondents	Percentage
Unemployment	35	55.56
Burden of loan	2	3.18
To earn more money	7	11.11
Domestic conflict	13	20.63
Internally desire to go to abroad	5	7.93
Lack of sufficient food to eat	1	1.59
Total	63	100

Source: Field Survey, 2016

Figure : 03



It is obvious that the main cause for going to foreign employment is unemployment which is main issue and challenge of our economy. In the study area, more than half respondents i.e. 55.56 percent of people have been gone abroad for job due to lack of working opportunities in home country. Similarly, the second important cause is conflict and lack of appropriate environment to live in country i.e.

domestic conflict. It's share approximately one fifth (20.63%) of total. It is clear that, about three- fourth of total respondents are compelled to go abroad for worked by the causes of unemployment and conflict. Now, the reaming causes are Burden of loan, to earn more money, internally desire to go to abroad and lack of sufficient food to eat which covers the percentage of total respondents are 3.18 percent, 11.11 percent, 7.93 percent and 1.59 percent respectively (Table: 4.13 and Figure: 03).

#### **4.2.8 Agreement and Receiving Salary**

In this section we show the present situation of agreement salary before going foreign employment and really received salary in work place. Today's with many countries Nepal determined basic salary scale however somewhere and some time Nepalese migrant workers are compelled to receive salary lass than basic level. In following table and diagram analyzed the situation of agreement and receiving salary in aboard of the study area that is Chhantyal community of Deep Area.

Table: 4.14

## Agreement and Receiving Salary in Different Countries

Countries	Number of respondents	Number of workers receiving salary with agreement	Number of workers receiving salary below agreement	Percentage of workers receiving salary below agreement
Malaysia	21	9	12	57.14
Qatar	19	5	14	73.68
Saudi-Arab	11	3	8	72.72
South Korea	4	4	0	0
Others	8	5	3	37.50
Total	63 (100)#	26 (41.27)	37 (58.73)	58.73

#Figures in bracketed denote percent.

Source: Field Survey, 2016

The above table shows that on an average about 58.73 percent Nepalese migrant workers receive salary below agreement before going foreign employment of the study area that means only 41.27 percent workers are to get labor compensation according to agreement in work place. All Nepalese workers are received employee compensation according to agreement in South Korea. It is because of workers go there by EPS (Employment Permit System). From table, the high percentage of workers in Qatar receives employee compensation below agreement which is equal to approximately 73.68 percent. And same result is found in Saudi-Arab. Similarly, 57.14 percent and 37.50 percent workers get salary less than agreement in Malaysia and others countries respectively (Table: 4.14).

An aggregate percentage of migrant workers receive and not receive salary according to agreement present in following pie chart.

#### 4.2.9 Economic Activities of the Chhantyal Community

The main economic activity of Chhantyal is agriculture at the time when they lived in villages. They are mainly farming and cattle rearing in the past. Now, Chhantyal community is migrated in the city area and foreign employment becomes



second major economic activity after agriculture. But, the rest of the people are engaged in service (23.81%), labour (20.63%), trade and shops (20.63%), cottage industry (23.81%) and rest 7 (11.12%) households in seasonal employment (Table: 4.15).

Table: 4.15

Economic Activities of the Chhantyal Community

Chhantyal Community	Service	Labour	Trade and shops	Cottage industry	Seasonal employment
From Myagdi	6	5	3	6	3
From Baglung	3	3	5	4	2
From Gulmi	2	5	3	5	-
From Butwal	-	-	-	-	-
Others	3	-	2	-	2
Total	15 (23.81)@	13 (20.63)	13 (20.63)	15 (23.81)	7 (11.12)

@Figures in brackets denote percent.

Source: Field Survey, 2016

#### 4.2.10 Religion

The respondents of the study area are belonged with different religions. It necessary to analyzed religion-wise distribution of the respondents.

Table: 4.16

Religion-wise Distribution Migrants

S.N	Religion	Number of Respondents	Percentage
1	Hindu	57	90.48
2	Buddhist	6	9.52
3	Others	0	0
	Total	63	100.00

Source: Field Survey, 2016

The field survey presents the out of 63 respondents only 57 migrant workers are participating in Hindu religion. This number is nearly 90.48 percent out of total migrant workers. On the other hand remaining 6 (9.52%) respondents are Buddhist. It shows that the higher domination of the Hindu workers in foreign jobs. It is because there Hindus are more than Buddhists (Table: 4.16).

#### 4.2.11 Channels of Going Abroad

There are various channels for going abroad to search employment opportunities. Out of 63 households' workers 40 (63.49%) have gone there through manpower companies (broker's agencies), 10 (15.87%) through relative and 9 (14.29%) have gone individually, whereas only 4 (6.35%) are through official channels. The following table shows that through which channels they have been gone there. It is obvious that many of workers go there through manpower agencies that are the formal channels to reach in abroad. However, still some of them, especially villagers trust even in brokers to go to foreign destination (Table: 4.17 and Figure: 04).

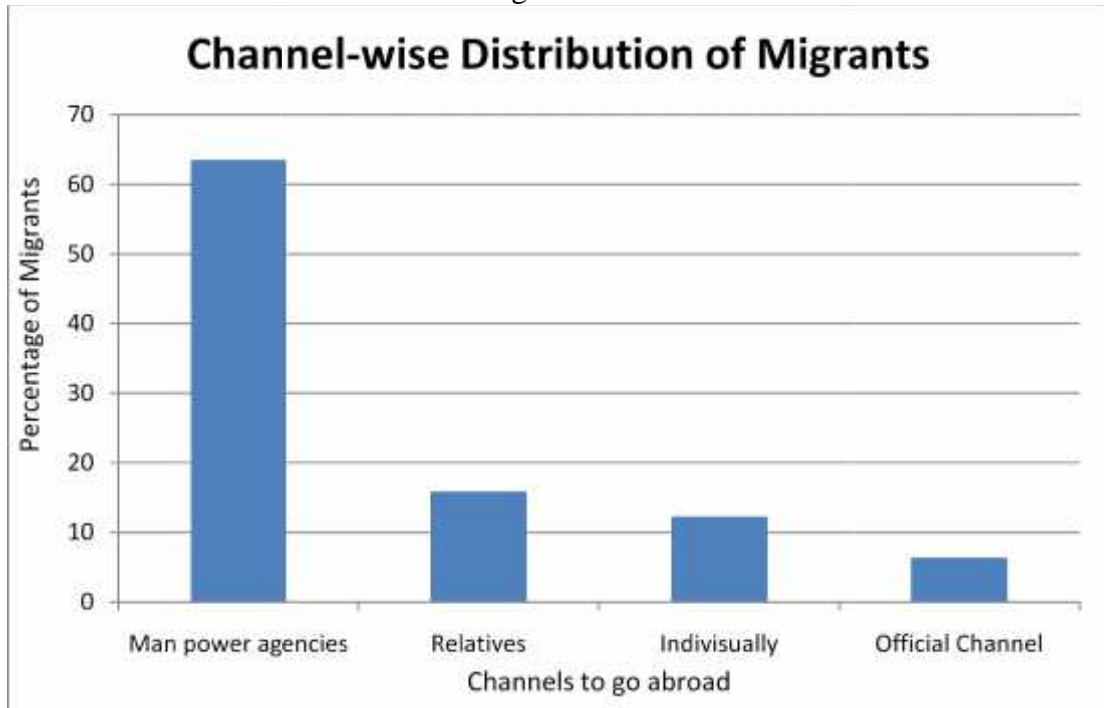
Table: 4.17

Channel-wise Distribution of Respondents Going Abroad

Channels	Number of Respondents	Percentage
Manpower Agencies	40	63.49
Relatives	10	15.87
Individually	9	12.29
Official channels	4	6.35
Total	63	100.00

Source: Field Survey, 2016

Figure: 04



#### 4.2.12 Expenditure for Foreign Employment

A sizeable amount of money needs to be invested as a cost of foreign employment. The cost started from obtaining a passport, medical checkup, manpower agency, air fare, Visa expenditure, Traveling cost and others expenses and others expenses include internal traveling cost, supported cost, buying personal used goods and so on. The country-wise average cost of going abroad for employment as well as minimum and maximum range of expenditure are shown in following table:

Table:4.18

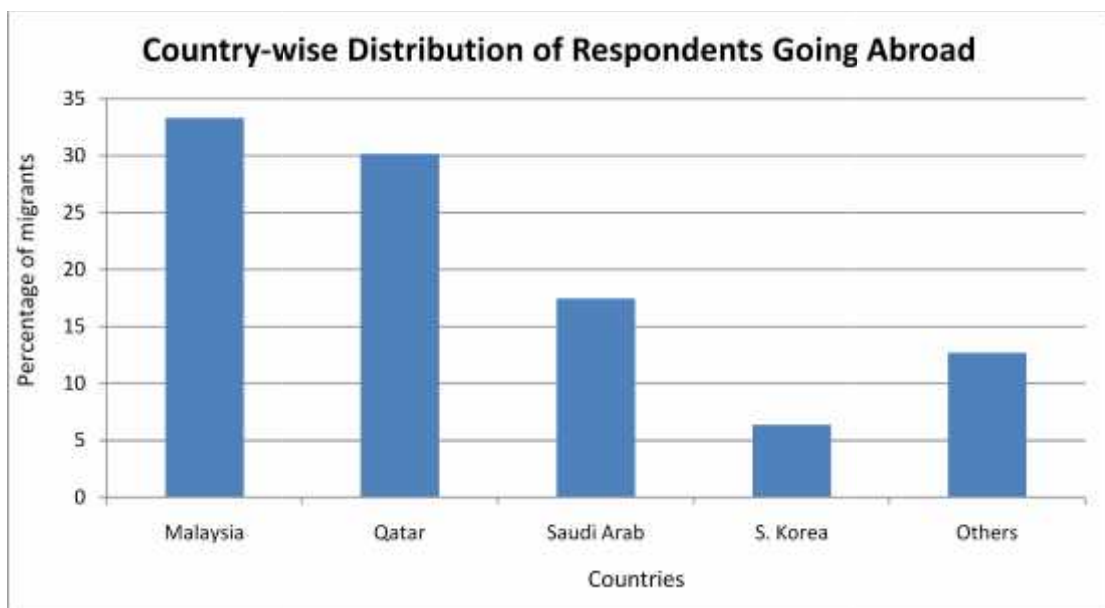
Average Cost Paid and Range of Costs for Foreign Employment

Country	Number of Respondents	Average Cost (in Rs.)	Range of Cost (in Rs.)	
			Minimum	Maximum
Malaysia	21 (33.33)*	81904	50000	120000
Qatar	19 (30.16)	82631	35000	130000
Saudi-Arab	11 (17.46)	83181	50000	130000
South Korea	4 (6.35)	85000	80000	90000
Others	8 (12.70)	234375	75000	80000
Total	63 (100.00)	101904		

\*Figures in parentheses indicate percent

Source: Field Survey, 2016

Figure: 05



It is clear from above table that expenditure of migrant workers include payment on agents only and her passport and others expenditure are excluded. From the table the maximum range is paid by the migrants who go for foreign employment out of Gulf countries like Japan, European countries and so on. The number of these migrants is less than the workers who go to the Gulf countries to earn money but the cost paid is seems a bit high of them. And for the Gulf countries the average cost of fees to go employment is seems as like as similar (Table: 4.18 and Figure: 05).

#### 4.2.13 Change in Social and Economic Condition Due to Remittance

This topic includes use of the remittance income, previous occupational background of sampled workers, present job status of family, etc.

##### 4.2.13.1 Use of Received Remittance

The present study reveals that 15 (23.81%) households have been used remittance for loan repayments, 25(39.68%) households use to purchase land and buildings/housing, 12 (19.05%) households use for their consumption (food, clothes, education and health), 4 (6.35%) households use for social work, 4 (6.35%) households keep in bank deposits, 2 (3.17%) hold as cash and rest one (1.59%) household in other sectors. It shows that large portion of remittance is used for housing and purchasing land which is unproductive sector. It is notified that still they have borrowing loan for going foreign labour market with relatives, merchants and land lords, who charge high rate of interest. Only less money is depositing in banks and other financial institutions that is capital formation for future investment. It also indicates that their active participation in social and constructive works is still very low, which is not helping for the promotion of economic condition of Chhantyal in the study area (Table: 4.19 and Figure: 06).

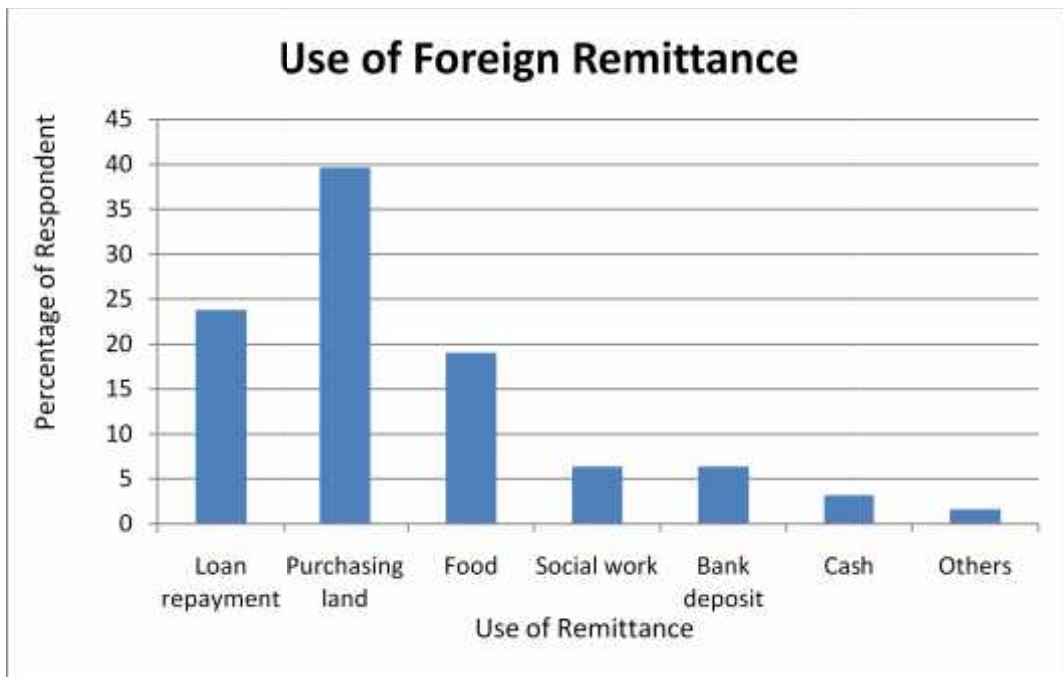
Table:4.19  
Use of Remittance

S.N	Use of Remittance	Number of Households
1	Loan repayment	15 (23.81)*
2	Purchasing land and buildings	25 (39.68)
3	Food, health, education, etc	12 (19.05)
4	Social works	4 (6.35)
5	Bank deposit	4 (6.35)
6	Cash	2 (3.17}
7	Others	1 (1.59)
	Total	63 (100)

\*Figures in bracketed denote percent.

Source: Field Survey, 2016

Figure: 06



#### 4.2.13.2 Changes in Social Condition

This topic includes changes in living standard of remittance receiving households, impact on housing, migration, schooling, years of staying in foreign land and helpful in poverty alleviation, etc.

#### 4.2.13.3 Changes in Living Standard

Living standard of foreign employees depend on the total year of staying in foreign land, nature of job, types of manpower, salary received by them, the condition of employer company, etc. However, foreign employees' living standard has become better than before. This topic includes years of staying in foreign land, trend of migration, changes in housing of people, consumption pattern, schooling, reduction in the existing poverty. The purchasing of durables, necessary and luxurious goods are the indicators or elements of living standard. Out of 63 households, there is increase in the living standard of 36 (57.14%) households, 23 (36.51%) response with no change in their living standard and the remaining 4 (6.35%) households' living standard has been decreased (Table: 4.20 and Figure: 07).

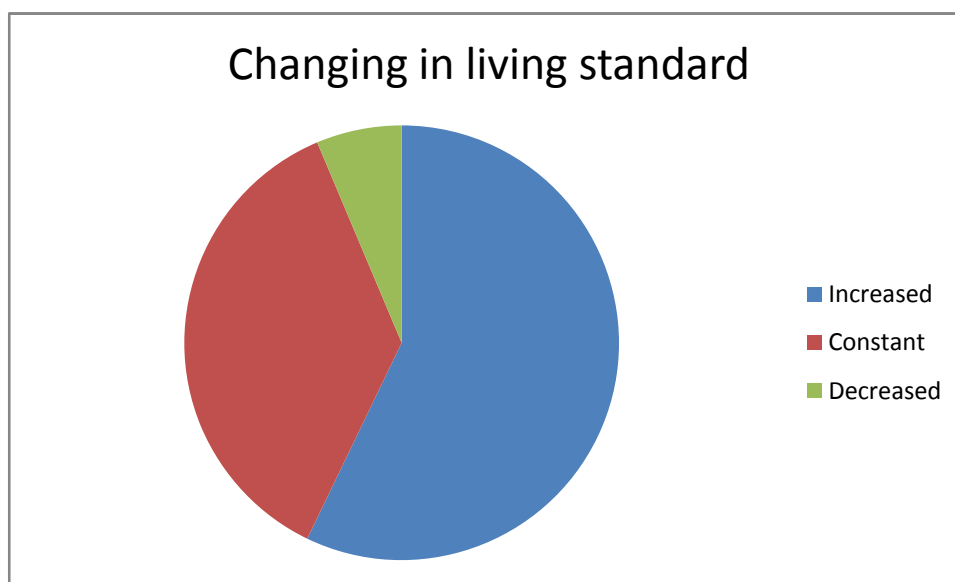
Table: 4.20

Changes in Living Standard

Impact on Living Standard	Number of Respondents	Percentage
Increased	36	57.14
Constant	23	36.51
Decreased	4	6.35
Total	63	100.00

Source: Field Survey, 2016

Figure: 07



#### 4.2.14 Average Earning in Different Countries

Generally, in our country's people are going abroad due to lack of employment opportunities in home country. But most of the people go there without any specific skills and training. Due to the lack of skills and training they are compelled to bear unpleasant situations and they receive very low employee compensation compared to other countries' workers. In this section we explain the country-wise average earning of Nepalese employees in abroad.

Table: 4.21

## Country-wise Average Earning

Country	Number of Respondents	Average Earning in last year (in Rs.)
Malaysia	21	3,28,85
Qatar	19	2,96,15
Saudi Arab	11	3,04,850
South Korea	4	10,81,145
Others	8	7,90,000
Total	63	4,21,000

Source: Field Survey, 2016.

The average earning has been included all income of workers they gain salary with contract time as well as overtime income. Form above table, the migrant workers in South-Korea receive hansom salary than others countries. In South Korea on an average income of Nepalese workers is about Rs. 10, 81,145per year and per capita. Similarly, second good place for Nepalese migrant workers is others countries. In remaining countries (Malaysia, Qatar and Saudi Arab) per annum average income of workers has small difference. Out of three country Nepalese migrant workers average earning income of per annum in Malaysia, Qatar and Saudi Arab are Rs. 3, 28,855, Rs. 2, 96,150 and Rs.3, 04,850 per capita respectively (Table 4.21).

#### 4.2.15 Use Received Money from Foreign Employment

In this section it is analyzed the utilization pattern of money receiving from abroad. Normally people spend his money gain from foreign employment to repay the loan and daily household expenses. It also depends on duration of time. At early time of foreign employment they spend greater amount of his money either loan payment or daily household expenses. The details annual expenditure pattern of migrant household explain in bellow:



Table:4.22

## Use of Received Money from Foreign Employment

Headings of Expenditure	Annual Expenditure Amount (in Rs.)	Percentage
Repayment of the loan	5,17,000	22.54
Repairing works of the houses	1,26,515	5.53
Purchase land	6,18,000	26.94
Daily household expenses	7,45,000	32.48
Invest in business/occupation	1,56,336	6.81
Bank deposit	68,000	2.96
Others*	62,671	2.74
Total	22,93,922	100

\*Others denote social works.

Source: Field Survey, 2016

The monthly expenditure pattern of families those who at least one of family the member working in abroad has been analyzed in the present study. Out of different title of families' expenditure largest share (32.48%) is covered by daily household expenditure. Here the daily household expenses include this expenses which meet the daily needs of families such as expenditure on food, health care, education, calibration of cultural festival, clothing, entertainment and so on. Similarly, the second largest percentage (26.94%) of families' expenditure held on purchasing land that is equate greater than one forth of total spending. On the same way, third is payment of loan which is equal to 22.54 percent. In agriculture sector the share of household spending is significantly very low that is approximately 2.96 percent. According to economic survey 2011/12, 73.4 percent Nepalese people are involved in agriculture but expenditure in this sector is unexpectedly low. Repairing house and spending in business/occupation cover the share of 5.53 percent and 6.81 percent respectively (Table: 4.22).

#### 4.2.16 Consumption Expenditure Pattern of Migrants

In this section household spending on consumption items i.e. food, clothing, health and education, entertainment and so others has been explained. It is found that

out of total annual average expenditure on daily consumption is Rs.7,45,000 (32.48%) (Table: 4.22). It includes family's expenditure on food, clothing, health and education, entertainment and others. The expenses on occupies 53.02%. While the other items of household's consumption spending are clothing, health and education, entertainment and others occupying 20.80%, 13.70%, 3.36% and 9.12% respectively (Table: 4.23).

Table: 4.23

Consumption Expenditure Pattern of Migrants

Spending Title	Annual Spending Amount (in Rs.)	Percentage
Food	3,95,000	53.02
Clothing	1,55,000	20.80
Health and Education	1,02,000	13.70
Entertainment	25,000	3.36
Others*	68,000	9.12
Total	7,45,000	100.00

\*Others denote calibration of social and cultural festivals.

Source: Field Survey, 2016

#### 4.2.17 Changes in Household Economy

It is obviously believed that somebody receives from foreign employment then his/her household economy will improve. The change in economy well being improvement in living standard, improvement in skill, social status might be some 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 will improve and their property 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 this two time period. The answer given by them is presented in the following table.

Table:4.24

## Changes in Different Indicators of Respondents

Indicator	Change in Condition			
	Increased	Decreased	Remained same	Total
Economic Status	55 (87.31)*	6(9.52)	2 (3.17)	63 (100)
Standard of living	36(57.14)	4(6.35)	23(36.51)	63 (100)
Social Status	40(63.50)	2(3.17)	21(33.33)	63 (100)
Skills	50 (79.37)	2 (3.17)	11(17.46)	63 (100)

\*Figures in bracket denote percent.

Source: Field Survey, 2016

The above table shows that 55 (87.31%) respondents reported that their economic status is increased due to foreign employment. The 2 (3.17%) of the respondents replied that their economic status is remain the same before and after foreign employment, 6(9.52%) of the respondents economic status has decreased due to the foreign employment it mean they had increased the sum of family debt for the reason of foreign employment. The decrement in economic status might have been resulted with high cost and low pay in foreign employment or short period of foreign employment. Another 36(57.14%)of the respondents have increased their standard of living, 23 (36.51%) of the households had replied that their standard of living remained same and 4 (6.35%) household respondents said that their standard of living is decreased after returning from foreign employment due to increment in family debt. In the context of social attitude 40 (63.50%) respondents had said their status is increase, 2 (2.17%) respondents had said their status is decrease and rest 21 (33.33%) respondents social attitude remained same in another aspect of foreign employment. Similarly,50 (79.37%) of the respondents had learnt some new skills their either it may be useful here or not. From the above table it can be concluded that most of the respondents felt that there was positive change in their household economic and social indicators like economic status standard of living social attitude and skill development, etc. after returning from foreign employment (Table: 4.24).

#### **4.2.18 Impact on other Indicators**

How the foreign employment and remittance impact 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 indebtedness at the time of need? These were very important questions. Positive impact on the dependent on size of income of respondents brought from foreign employment family size, earlier economic condition of the family, knowledge and education of the Chhantyal's respondents, culture of society etc. to find out the impact of an employment on household indicators the respondents were asked to respond on the changes brought by the foreign employment.

Out of total 63 households, 45 (71.43%) respondents reported to have improved their condition of housing. It shows that anybody who had returned from foreign employment have either made new house or repaired old house to improved their housing condition, 2 (3.17%) 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 family member, etc. No any respondents housing condition is worsened after returning from foreign employment.

Among the total 63 households, 50(79.36%) 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 13(20.64%) respondents had reported that the education status of their children remained same before and after foreign employment.

The 45 (71.43%) respondents said that the health status of their family is improved, 8 (12 70%) 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 10 (15.87%) 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.

Out of 63 respondents, 50 (79.36%) respondents said that household members are using better clothing after returning from foreign employment. It might be related to the increasing purchasing power and cloth after returning with respondents and also with their family member. The rest 2 (3.17%) respondents had replied that their clothing status same and 11 reported that it is worsen before and after returning from foreign employment.

When the availability of liquid cash to meet various household need was assessed 46(73.01%) of the respondents had increased their cash holding with them, another 5 (7.94%) respondents cash holding has remained same and 12 (19.05%) respondents have 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 (Table: 4.25).

Table: 4.25

Impact of Remittance on other Indicators

Indicators	Increased	Worsened	Same	Total
Condition of Housing	45 (71.43)*	2 (3.17)	16 (25.40)	63 (100)
Education of Children	50 (79.36)	-	13 (20.64)	63 (100)
Health Condition	40 (63.49)	10 (15.87)	13 (20.64)	63 (100)
Clothing	50 (79.36)	2 (3.17)	11 (17.47)	63 (100)
Cash Available with them	46 (73.01)	5 (7.94)	12 (19.05)	63 (100)

\*Figures in bracketed denote percent.

Source: Field Survey, 2016

#### 4.2.19 Negative Impacts and Problems of Foreign Employment:

This aspect represents the negative impacts such as low and unpaid duped cases, casualties, untimely arrivals and psychological effects of migrants' families.

##### 4.2.19.1 Household Labor Shortage

Among the total 63 sampled household, 50 (79.37%) households have been experienced shortage of manpower for their traditional activities of Chhantyal community like marriage, social and cultural activities and 13(20.63%) households have informed they have not been faced shortage of manpower for such activities (Table: 4.26).

Table:4.26

##### Household Labour Shortage

Shortage of Households Manpower	Yes	No	Total
	50(79.37)*	13(20.63)	63(100.00)

\*Figures in bracketed denote percent.

Source: Field Survey, 2016

##### 4.2.19.2 Psychological Impact

Among the 63 sampled households,33 (52.38%) families have faced psychological loneliness and 27 (42.88%) have psychological distress, 3(4.76%) families seems indifference in this matter (Table: 4.27).

Table:4.27

##### Psychological Impact

S.N	Items	Number of Family
1	Feeling of loneliness	33 (52.38)
2	Psychological Distress	27 (42.88)
3	No Psychological Effects	3 (4.76)
	Total	63 (100.00)

Source: Field Survey, 2016

### 4.2.19.3 Problems in Works and Payment

In the Chhantyal community low pay and untimely pay are the basic problem in employment. It is found that 63 workers are facing the problems at any kinds. Among the sampled workers, 24(30.10%) workers have faced problem of low pay, 4 (6.35%) workers have been paid untimely, 24 (30.10%) workers have faced the problem of working more than normal hours and 4 workers have been given different works than that they have been promised. However, 7(11.10%) workers have noticed no mentionable problems (Table: 4.28).

Table: 4.28

Problems in Works and Payment

Items	Number of Workers
Low paid than promised	24 (38.10)
Untimely paid	4 (6.35)
Working more than 8 hours without extra pays	24 (38.10)
Different nature of jobs than promised	4 (6.35)
Not facing problems	7 (11.10)
Total	63 (100.00)

Source: Field Survey, 2016

### 4.2.19.4 Tenure Based Problems

Among the 63 (100%) sampled workers, it has been found that 16 (25.40%) workers have arrived before than the contracted tenure and 47(74.60%) workers haven't got chance to return back to their home when they want. Untimely arrival has been identified due to hard nature of job, health problem and closing down of the contracting company (Table: 4.29).

Table:4.29

Tenure Based Problem

Items	Number of workers
Untimely arrival	16 (25.40)*
Not letting to return in time	47 (74.60)
Total	63 (100.00)

\*Figures in bracketed denote the percent.

Source: Field Survey, 2016.

### 4.3Major Findings

Following major findings have made on the basis of secondary and primary data analysis:

- i. It has been found that the average share of the remittance to the GDP is 20.04% during 15 years i.e. from 2002/03 to 2016/17.
- ii. Most of the migrant workers (77.78%) have been working in India.
- iii. It has been found that most of the households (52.38%) monthly earnings was in the range of Rs.5-10 thousand, but after going abroad 33.33% and 30.16% households earnings are increased to the range of Rs. bellow 20 thousand and Rs.20-30 thousand per month respectively.
- iv. The migrant workers male dominated. It has been found that 88.89% and 11.11% are male and female migrants respectively.
- v. The migrant workers are youth dominated age group. It has been found that 49.21% migrants are of range of 20-30 years.
- vi. It has been found that most of the migrant workers are unmarried. Among the sampled households, 39.68% and 60.32% are married and unmarried respectively.



- vii. There are different educational background sampled migrant workers working abroad. It has been found that 47.62% and 33.33% are till SLC and literate respectively.
- viii. It has been observed that there are various reasons to go foreign countries to work i.e. unemployment, burden of loan, to earn money, domestic conflict, internal desire and poverty. But, unemployment has been found the main cause to go abroad. Out of total sampled households, 55.56% and 20.63% have migrated due to unemployment and domestic conflict respectively.
- ix. It has been observed that 58.73% of the migrant workers receiving salary bellow the agreement and remaining 41.27% workers receiving salary according with the agreement.
- x. Most of members of remittance receiving households are engaged in both service and cottage industry i.e. 23.81% in each.
- xi. The migrant workers are both Hindu and Buddhist. It has been found that 90.48% and 9.52% are Hindu and Buddhist respectively.
- xii. It is found that migrant workers have gone abroad through different channels like manpower agencies, relatives, individually and official channel. But, most of the foreign employees (63.49%) have been gone abroad through manpower agencies.
- xiii. The migrant workers are working in India, Malaysia, Quatar, Saudi Arab, South Korea, etc. It has been found that Saudi Arab is most expensive than others. Its opposite, it has also been found that they earns more money in South Korea i.e. Rs.10,81,15 per annum.
- xiv. The remittance receiving households have been used the income in repayment of loan, repairing houses, purchasing land, daily household

expenses, investment, bank deposit and others. It is found that migrant daily household expenses hold much more (32.48%) expenditure.

- xv. Among the daily consumption items food, clothing, health and education, entertainment and others. Among these, food expenses hold 53.02% of total daily expenditure.
- xvi. Out of total respondents, it is asked to them about the increase, decrease and remains constant in their economic status, standard of living, social status and skills. It has been found that economic status, standard of living, social status and skills have been increased of 87.31%, 57.19%, 63.50% and 79.37% respondents respectively.
- xvii. Out of total respondents, it is asked to them about the increase, decrease and remains constant in their housing condition, education of children, health of family, clothing and cash available. It has been found that housing condition, education of children, health of family, clothing and cash available have been better of 71.43%, 79.36%, 63.49%, 79.36% and 73.01% respondents respectively.
- xviii. Among the total respondents, it is found that 79.37% families have faced the problems shortage of manpower for their traditional activities.
- xix. Out of the 63 respondents, it is observed that 25.40% of the foreign employees' families have been facing the problems of loneliness and 42.88% having psychological distress.
- xx. Similarly, out of the total 63 respondents, it is found that 52.38% have been facing the problems of low paid than promised and 6.35% untimely payment.
- xxi. Likewise, out of the 63 respondents, it has been observed that 25.40% employees have been facing the problem of untimely arrival.

## CHAPTER V

### SUMMARY AND CONCLUSIONS

This chapter includes three aspects of the study summary, conclusions and suggestions. The first aspect summarizing the whole study, the second aspect draws the conclusion and the last one forwards the suggestions.

#### 5.1 Summary

This study has been presented in five main chapters. The first chapter is the introductory chapter, which includes background, statement of the problem, objectives, significance, limitations and organization of the study. The second chapter is totally related with review of the literature, theories of migration and the poverty with demography have been reviewed in this chapter. This third chapter includes research design, population and sample, nature and sources of data, data collection methods, data processing procedures and data analysis techniques have been used for the purpose of analysis. The fourth chapter is concerned with presentation and analysis of data and major findings of the study. The fifth chapter presents summary, conclusions and suggestions.

Remittance economy has become a major phenomenon in international finance since past few years. At present, the magnitude of remittance has stepped up rapidly. It is due to the nature of globalization that people began to cross the border easily and demand of workers in foreign countries is rising.

Generally, remittance is money transformed from one individual to another international remittance are transfer of funds by foreign workers who are living & working other countries. Remittance have increased significantly & become a major source of income for developing countries. The global trend of remittance recorded more than thrice as large as official aid. Nearly tow third of foreign direct investment flows to developing countries.

Nepal is a predominantly an agricultural country as 46 percent of GDP is contributed by agricultural sectors and more than 80 percent economically active people are engaged in it. About 65 percent people are living in rural areas and seeking

out their living by cultivating soil. But owing to uneven distribution of resources and lack of off farm opportunities, there is a problem of unemployment and underemployment. Therefore, more than 49 percent people live below the poverty line. This overwhelming poverty has compelled them to seek employment outside the country. The remittance from foreign services have helped them to subsidize food deficiency and various necessities consumption and made their livelihood a little bit easier and above the usual standard set by available resources. It has become a breath taking alternative to them. So, remittance has become an integral part of economy and its role is being increasingly crucial day by day.

About 3.3 percent (762181) people are absent (CBS, 2011). For the short term solution of the unemployment problem, Nepal has made different labour agreements with many countries. According to the data of Foreign Employment Management office per year about three lakhs Nepalese have gone outside the country for employment. This was the trend even in the last year too. The outgoing figure was not less than this. For foreign employment, Gulf countries and Malaysia are the prime destination after India. Among the total number of international migrants more than fifty percent have migrated to India. Because of its proximity, free movement and no work barriers. India is the main destination for international migrants for Nepali people.

Remittance is playing a vital role for rising per capita income mainly by increasing it in a way that has pushed down the level of poverty by a remarkable way during the last six years, according to preliminary results of survey made by Central Bureau of Statistics. At present, Government of Nepal has formally opened 109 countries on institutional basis for sending laborers in foreign employment, feeling remittance as a key factor to decline poverty.

The basic objective of this study is to assess the impact of foreign remittance on livelihood of Chhantyal community in the study area. The specific objectives of this study are to find out the nature and size of remittance and to show its share in the total household income and pattern of expenditure. The study is based on primary data collected through household sample survey incorporating the household of remittance. Out of 104 households only 63 households have been selected purposively for the study.

This figure clearly shows that external service has become one of the most important sources of income and manpower employing sector. The involvement of Chhantyal in foreign sector also differs between educated and non educated. Marital status, ethnic groups are highly sought in involved in foreign armies in a large extent, They are also involved in foreign civil service and foreign service which are the major sources of remittance in Chhantyal community. They are not followed by internal service.

The main expenditure of remittance households is more than double than non remittance households. A large amount of remittance is spent on maintained of livelihood of remittance receiving households. Family consumption expenditure is increasing. In all Chhantyal community in both remittance and non remittance households whose share of expenditure in it is much more than before in Chhantyal community in Deep Area Pokhara Sub-metropolis. They spend more money in miscellaneous items. A large amount of money is spent in marriage ceremony in due to the increasing trend of dowry system, whereas the expenditure goes increasing to socio-culture ceremonies. Chhantyal has spent their income relatively in productive sector such as land purchasing, bank deposit, lending income business, etc. Due to the limited market economy more money is spent on unproductive sectors. Therefore, the transformation of Chhantyal economy seems a great challenge. Thus, a massive campaign to raise the economic awareness among the Chhantyal community is considered a urgent need. The basic conclusions of this study are as given bellow:

- i. The trend of foreign migration increases day by day for to employment in different countries abroad.
- ii. The trend of growth of remittance also increases at a increasing rate, which directly gave the positive contribution of national GDP.
- iii. The main destination of Nepalese workers is gulf countries and Malaysia. Only few percent of the respondents had gone in to other countries.

- iv. The major push factors to go to abroad for employment purpose is unemployment, it holds more than halve in the study area. And others are conflict in home country, to earn more money and so on.
- v. Out of total respondents, one third of total are in Malaysia and around 30 percent are in Qatar which is similar to the national figure.
- vi. Out of total respondents, about 10 percent respondents are participated in training before going abroad and remaining are gone abroad for foreign employment without training and orientation class.
- vii. It is obvious from the education status of migrant workers, nearly 50 percent migrant workers have SLC educational qualification and very few i.e. only 3 percent migrants are illiterate and 15 percent are higher education holders
- viii. Around halve of total respondents are 25-30 years age group and one fourth are below 25 years old.
- ix. The average earning of the migrants workers is quite less in Gulf countries than other countries. The hansom salaries receive Nepalese migrant works in South Korea and in Gulf countries they earn nearly equal amount.
- x. For the process of foreign employment, the expenditure minimum and maximum range from Rs.50,000 to Rs.800,000 and overall average expenditure is Rs.104,904.
- xi. In gender description of migrants in study area, male worker is tenfold greater than female workers.
- xii. To analyze the marital status out of total migrants 39.68 percent were married and remaining portion are unmarried.
- xiii. The major portion of the remittance is used in unproductive sectors like day-today consumption, paying loan and purchase land. But some portion of the remittance is used in investment on agriculture and business.

- ix. Out of total respondent, nearly 60 percentages of workers receiving salary below agreement with agent in home country before going abroad. In Comparisons with others countries the higher percent Nepalese migrant workers receive lower salary than agreement in Qatar,

## 5.2 Conclusions

This is a micro level study, which is confined only in Chhantyal community in the study area. In this study, the role of remittance in the household economy is deeply analyzed. On the basis of the above discussion, the following conclusions are drawn:

- ) The external remittance is the main source of cash income whose contribution is more than total income derived from different sources. The role of internal income is minimum, therefore, remittance play significant role to increase the living standard of people.
- ) It is found that Nepal receives billions of remittance in a year which becomes a major part of Nepalese economy.
- ) Because of ever growing population pressure on limited land resources deep rooted mass poverty and absence of employment opportunities in nonagricultural sectors within the country, a large number of unemployed Chhantyal community are compelled be emigrate. So, the magnitude and trend of emigration is increasing.
- ) This community would have faced a crisis of unemployment and entrenched into vicious circle of mass poverty. So employment if foreign armies and civil services has tended to postpone the necessity of responding to the pressure population and crisis emerging out of it. But it gave rise to another crisis that is widening economic disparity resulting from wide differences in the level of income between remittance and not remittance households and people working within the country and outside the country which has made emigration as an alternative field for dynamic and enthusiastic young Chhantyal people that has interfiled emigration.
- ) The Impact of remittance is very significant in the Chhantyal. So large amount of remittance is spent on the maintenance of family status.
- ) Remittance is an important in Chhantyal's economy. It has positive impacts on living standard of Chhantyal in the study area.

- ) Large sum of remittance income is used for consumption and other unproductive sectors like purchasing land, construction houses, higher purchases, demonstrative consumption etc.
- ) A growing trend of remittances worldwide has drawn attention of both academicians and policymakers in recent years. Remittance income is emerging as one of most significant and reliable sources of external finances for many developing countries. Not only in the macro levels has contribution of remittances been direct and stabilize in migrant sending households in micro-level as well. A significant number of people in developing countries are receiving remittance and spending in health, education and day-to-day consumption.
- ) The advantage of migrant workers goes beyond the immediate monetary gains. The returning migrants increase the social capital through exposure to new technology, ideas, languages and people and produce intangible but important benefits to societies. Remittance money represents the most essential of family values, hard work, thrift, sacrifice and hope for effective use of remittance money which were lacking during the field survey conducted at various places.
- ) International labour migration is the mostly in Gulf countries, Malaysia and South Asian and European countries as a new phenomenon of migration. In the context of Nepal, numbers of people are going abroad for work have been increased for the last few years, especially the organization of armed conflict in Nepal. Unexpectively, foreign employment developed in such a way which has shifted from agriculture based economy towards remittance based economy.
- ) Manpower agencies are almost unfair about their business dealing with the workers and their professionalism is questionable. The role of trade union organizations is also fund ineffective to address the issues of potential labour migrants in home country as well as in the country of destination.

### **5.3 Suggestions**

This study is based on the data collected from the field survey of Chhantyal Community in Deep Area of Pokkhara Sub-metropolis has found that remittance is the most important source of income in the Chhantyal community's household economy. Although the majority of Chhantyls are involved in agriculture, their own business, jobs due to which their requirements have not been fulfilled from the farm



incomes. In such a situation, remittance has become an alternative source for the Chhantyal to sustain their lives.

There is no doubt, about the influential role of remittance in the economic development of Chhantyal. The concern authorities are formulating various plans and policies for its better management but till now it is not given proper direction. Therefore, there are always issues around foreign labour migration.

Keeping these facts under consideration, some suggestions have been mentioned below to utilize the remittance in economy of nation towards a better way:

1. Due to the lack of vocational and technical education, the Nepalese educational institutions have become the industries of producing only unskilled and unemployed manpower. Nepalese education system is traditionally theoretical with which no one can solve his/her economic problems. Mostly Chhantyal do not know about the modern technology because of this, they are compelled to do only manual works. To overcome these problems vocational and technical education is essential. It makes them enable to use the modern tools and ideas properly.
2. A large portion of remittance has been used for unproductive sectors so it should be utilized in the productive sectors i.e. for the development of their community in different development activities such as agro based cottage and small scale industries, mini-hydro plants, marketing, etc. It will not only ensure profitable income from the investments and employment to large section of population but also it lessens the increasing trend of emigration. Moreover, it will exploit the talent and skill of retired soldiers trained in different fields.
3. The services and opportunities existed within the country highly enjoyed by certain castes especially Brahman/ Chhetri, whereas majority of the community groups are being less benefited from it. It may raise social contradiction in our society. Therefore, the government should mobilize all castes and communities harmoniously in every field of national building activities.

4. The government should lunch proper plan to exploit the talent and skill of retired soldiers trained in different fields for the development of nation effectively. Nation should care the dignity and skill of labuor so that it could have positive multiple effects on every field of development.
5. Government should conduct inventory research on the feasibility of cottage and small scale industries in Chhantyal community, skill of retired army men local raw material, demands, etc. for the development of every field of economy. Such industries easily meet the requirements of Chhantyal and its surrounding areas.
6. Government should extend transportation networks in order to bring the remote areas of Chhantyal's under the effective transportation facilities. This facility will facilitate to the local peasants to get ready market for their product, which will lesson economic hardship and help to promote economic status of the Chhantyal.
7. The consumption habits are increasing in the name of so called modernization on the one hand and there is a little expenditure on productive sectors on the other. Therefore, people should try their best to expense their remittance in productive sectors.
8. The unproductive expenditure should be minimized through mass awareness.
9. Alternative employment opportunities in the native land should be focused on for long run development as remittances may not have permanent solution of sustainable economic development.
10. The citizen should be aware and collect adequate information before being employed in foreign employment.

## BIBLIOGRAPHY

- Adhikari, B.R. (2006). *A Socio-Economic Impact of Foreign Employment and Remittance Incomet*. Unpublished M.A. Thesis submitted to Department of Economics, P.N. Campus, Tribhuwan University, Pokhara.
- Bhandari, R.P. (2005). *Effects of Foreign Trade on Economic Development of Nepal*: Unpublished M.A. Thesis submitted to Department of Economics, P.N. Campus, Tribhuwan University, Pokhara.
- CBS(2011). *Population Census 2011*, Kathmandu: CBS, National Planning Commission.
- Chapagain, S. (2006). *Role of Remittance in Household Economy of Rural Nepal: A Case Study of Kurgha VDC, Parbat*. Unpublished M.A. Thesis submitted to Department of Economics, P.N. Campus, Tribhuwan University, Pokhara.
- Chaudhari, S. (2007). *Role of Remittance in Economic Development of Nepal*: Unpublished M.A. Thesis submitted to Department of Economics, P.N. Campus, Tribhuwan University, Pokhara.
- Dahal, M.K.(ed). *Nepalese Economics : Towards Building a Strong Economic Nation* Kathmandu: CEDECON.
- Dahal, M.K. (2004). *Nepalese Economy: Towards a Strong Economic Nation-State*, Kathmandu: New Hira Books Enterprises.
- Gaudel, Y.S.(2006). "Remittance Income of Nepal: Need for Economic Development", *The Journal of Business Studies*, 9-17.
- Gurung, G. M. and J. Adhikari(2000). *Foreign Labor Employment and Remittance Economy of Nepal*. Kathmandu: Institute of Development Study.

- (2004). *The New Lahures: Foreign Employment and Remittance Economy of Nepal*. Kathmandu: Institute of Development Study.
- IMF (2013). *Outlook Asia 2013 :IMF Report*, Washington DC: USA.
- Jhingan, M.L. (2015). *The Economics of Development and Planning*, 38<sup>th</sup> edition, New Delhi: Vrinda Publication.
- Karmachaya, B.K.(2004). *Performances of Nepal's Foreign Trade*, Kathmandu: M.K.Publication
- Ministry of Finance (2009). *Economic Survey Fiscal Year 2009/10*, Kathmandu; MOF, Government of Nepal.
- (2017). *Economic Survey Fiscal Year 2016/17*, Kathmandu; MOF, Government of Nepal.
- Nepal Rastra Bank (2005). *Foreign Employment, Remittance Economy and Nepali: A Research Report, especially Study Ssection*, Kathmandu: Nepal Rastra Bank.
- (2009). *Quarterly Economic Bulletin (Mid July 2009)*, Kathmandu: Nepal Rastra Bank.
- (2015). *Foreign Employment and Nepal's Remittance Economy* (Nepali edition), Kathmandu: Nepal Rastra Bank.
- (2015). *Remittances from India*, Kathmandu: Nepal Rastra Bank.
- Regmi, S. (2005). *Role of Remittance in Rural Economy in Nepal: A Case Study of Nirmal Pokhari VDC, Kaski*, Unpublished M.A. Thesis submitted to Department of Economics, P.N. Campus, Tribhuwan University, Pokhara.
- Revenstein, E.G. (1985). "The Law of Migration", *Journal of Royal Statistical Society*, Vol. 48, No.2.

Sharma, R.P. (2018). *Impact Foreign Employment on Household Income: A Case Study of Putalibazar Municipality*, Unpublished M.A. Thesis submitted to Department of Economics, P.N. Campus, Tribhuwan University, Pokhara.

Shrestha, S.R. (2009). *Foreign Remittance: A Panacea for Nepalese Economy*, Kathmandu: NRB Annual Publication, 27-35.

Sigdel, B.D. (2005). "An Overview on Remittance Economy of Nepal", *NepalRastra Bank Samachar*. Kathmandu: Nepal Rastra Bank.

World Bank (2006). *World Development Report*, Washington D.C.: World Bank

----- 2015). *Migration and Remittances Fact Book 2010*, Washington D.C.: World Bank

**Website:**

[Http://www.dofe.gov.np/innerpage.php?page\\_id=102](http://www.dofe.gov.np/innerpage.php?page_id=102)(Accessed on September 19,2012).

[www.ekantipur.com](http://www.ekantipur.com)

[www.nepalnews.com](http://www.nepalnews.com)

## APPENDIX-I

### QUESTIONNAIRE

1. Name of the Respondent ..... Address .....

- i. Age: \_\_\_\_\_ ii. Sex: \_\_\_\_\_  
 iii. Caste/Ethnic: \_\_\_\_\_ iv. Marital Status: \_\_\_\_\_  
 v. Education: \_\_\_\_\_ vii. Occupation: \_\_\_\_\_

Number of family members:

S.M	Relationship with family	Age	Sex level *	Education **	Main occupation ***	Remarks
1						
2						
3						
4						
5						

\* a. male b. female

\*\* a. literate b. S.L.C c. Higher Education d. Bachelor & above

\*\*\* a. Agriculture b. Cattle rearing c. Service: Native, Wash, Labour, Foreign  
 d. Caste wise occupation e. Business f. Others

Type of job: a) Government b) Private c) Corporation

2. What are the sources of income of your family?

- a. Agriculture b. Business  
 c. Government Job d. Private Job  
 e. Foreign Employment f. Others

3. How was the status of your income before going to abroad?

4. What are the causes for employment by you on the basis of primary factor?

- a. Job not found in the country  
 b. To pay family loan.  
 c. Conflict problems  
 d. To increase the family economics economic status  
 e. Internally desire to go to abroad  
 f. Due to the friends & relatives  
 g. Others

5. Information while in abroad
  - a. Time of stay due to agreement
  - b. Actual timer of stay
  - c. Monthly salary due to agreement
  - d. Monthly saving
  - e. What type of job did you do?
  - f. Did you change the job while in abroad?
  - g. Daily work hour due to agreement.
  - h. What is the Maximum no of hours your worked daily?
  - i. Did you get any new skills there?
  - j. Do you plan to go to abroad again?
  
6. How did you bring your earnings to Nepal?
  - a. How did you bring alone with you.
  - b. From bank
  - c. From Hundai
  - d. From friends/relatives
  - e. From others transformation
  
7. Are you satisfied from foreign employee?

Thank you for your kind co-operation.

## APPENDIX-II

List of the countries opened for foreign employment government of Nepal has formally opened the 107 countries on institutional basis for sending labourers in August, 2004. Nepali workers to go in single country excluding Iraq\* due to massacre of 12 Nepali.

1. Afghanistan 2. Albania 3. Algeria 4. Argentina 5. America 6. Australia
7. Austria 8. Azerbaijan 9. Bahrain 10. Bangladesh 11. Belgium 12. Bolivia
13. Bosnia Herzegovina 14. Brazil 15. Brunei 16. Bulgaria 17. Byelorussia
18. Cambodia 19. Canada 20. Chile 21. China 22. Colombia 23. Costa Rica
24. Croatia 25. Cuba 26. Cyprus 27. Czech Republic 28. Denmark
29. Egypt 30. Estonia 31. Fiji 32. Finland 33. France 34. Germany
35. Greece 36. Guyana 37. Holy See 38. Hong Kong 39. Hungary
40. Iceland 41. Indonesia 42. Iran 43. Iraq 44. Ireland 45. Israel 46. Italy
47. Japan 48. Jordan 49. Kazakhstan 50. Kenya 51. Kosovo 52. Kuwait
53. Laos 54. Latvia 55. Lebanon 56. Libya 57. Luxembourg 58. Macao
59. Macedonia 60. Malaysia 61. Malta 62. Mauritius 63. Mexico
64. Moldavia 65. Mongolia 66. Morocco 67. Mozambique 68. Myanmar
69. Netherlands 70. Nicaragua 71. Nigeria 72. Norway 73. Oman 74. Pakistan
75. Panama 76. Peru 77. Philippines 78. Poland 79. Portugal 80. Qatar



81. Republic Slovakia 82. Romania 83. Russia 84. Saipan 85. Saudi Arabia
86. Seychelles 87. Seychiclio 88. Singapore 89. Slovenia 90. South Africa
91. South Korea 92. South West Africa 93. Spain 94. Sri Lanka 95. Sweden
96. Switzerland 97. Tanzania 98. Thailand 99. Tunisia 100. Turkey
101. Ukraine 102. U. A. E. 103. United Kingdom 104. U.S.A. 105. Venezuela
106. Vietnam 107. Zambia

Source: Ministry of Labour and Transport Management, 2005.