

**EFFECTS OF FOREIGN REMITTANCE ON
AGRICULTURAL ACTIVITIES**
(A Case Study of Jamune VDC Tanahu)

**A Thesis Submitted to
Central Department of Rural Development,
Faculty of Humanities and Social Sciences in partial fulfillment of the
Requirements for the Degree of Master of Arts (M.A.)
in Rural Development**

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2015**

RECOMMENDATION LETTER

This is to certify that the thesis submitted by Bed Prakash Joshi entitled "**Effects of Foreign Remittance on Agricultural Activities of Nepal: A Case Study of Jamune VDC, Tanahun**" has been prepared under my supervision and guidance. This is his own innovative work conducted under my supervision and I, therefore, recommend this report for the evaluation and acceptance.

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APPROVAL LETTER

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DECLARATION

I hereby declare that the thesis entitled Effects of Foreign Remittance on Agriculture Activities. A Case Study of Jamune VDC Tanahu submitted to the Central Department of Rural Development, Tribhuvan University, Kathmandu is entirely my original work prepared under the guidance and supervision of my supervisor. I have made due acknowledgement to all ideas and information borrowed from different sources in course of writing this thesis. The results of this thesis have not been presented or submitted anywhere else for the award o final degree or for any other purposes. I assure that no part of the content of this thesis has been published in any form before.

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ACKNOWLEDGEMENT

I would like to express my gratitude to my thesis supervisor Mr. Bhumiswar Sharma, and head of the Department, Prof. Dr. Chandra Lal Shrestha of Central Department of Rural Development, TU. Mr. Sharma's constant supports on choosing appropriate research topic and methodology, editing the draft report and providing feedback even through the telephone while I was working in the remote district are really worth-praising. I am also grateful to all the faculties of Central Department of Rural Development.

I am grateful to Mr. Prajwal Man Pradhan, the Lecturer of the Department of Rural Development, Central Department TU, for his support to collect thesis materials, Mr. Madhav Neupane, the Asst. lecture of Trichandra Campus, Mr. Guru Dutta Ghimire, secretary of Jamuni VDC, Tanahu who assisted me in choosing appropriate statistical tools to analyze the data of my work.

At last, I would like to thank Mr. Suresh pant, the Social Mobilizer of Jamuni VDC who helped me to collect data, all the informants of Jamuni VDC who gave me their time and information and all the other personnel of Central Library of Kirtipur, Central Bureau of Statistics and other government and non-government agencies who provided me with the secondary information and related literature.

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ABSTRACT

This study is a micro level study of Jamune VDC of Tanahu district so as see the effect of foreign remittance on Agriculture activities in the study area. Due to the unemployment prevailing in Nepal most of the youths are compelled to go to foreign lands in hope of their better livelihood and they remit large amount of money which not only has helped them to sustain their families but also to a large extent as helped maintain the economics condition at the national Remittance comes from foreign employment which uplifted lifestyle of those people somehow but at a same time traditional agriculture in shadow, that means there is effected of foreign Remittance or agriculture activities.

This study is based on the role of remittance in agricultural activities in all 9 wards of Jamune VDC of Tanahu district. The main objective of this study is to compare the incomes between a foreign remittance and traditional agriculture. The specific objectives of the study as are follows: to examine impact of foreign remittance or agriculture growth, to assess positives and negative effects of remittance in the rural areas, and to make relevant recommendation about sustainable of remittance.

This search is a explanatory and analytical type. The study was conducted or the month of April 2015. This study is mainly based on primary data as well as on secondary data. There are 1109 household with the population of 6,814 in all 9 wards of this VDC. Out of these households 18 HHs were selected for sample size.

The study shows that our country is losing young energetic manpower at an alarming rate as most of the foreign workers feeling abroad are aged between 25 to 35 years. There are symptoms of brain drain as well as cause of foreign employment; traditional agricultural activities are also most affected.

The analysis of this research shows that the per household annual gross incomes from agricultural sector is 90,000 to 5,00000 in the VDC and per family annual gross incomes from foreign employment ranges from NPR 120,000 to 8,40,000 and average income from foreign employment is higher by 48% than the income from agriculture.

The foreign workers have used their income in different sector. Most of the workers have used their remittance income to pay loan which they have spent while going

abroad. And some have used in constructing houses, Consumption, sewing land in Urban area, health, education and other sectors and some workers have spent small portion of their income on physical goods in foreign while returning.

Generally, the foreign remittance has shown positive impact on the socio-economic status of the people of this VDC and also negative relationship with agricultural production because as the number of agricultural labor migration has increased, the agricultural production has decreased. The analysis of this research shows most of the foreign workers have got improvement in their economic status. Similarly it has beneficial effect on their children's education, aware about nutrition of food, sanitation, installed dish home television as well as mobile phone set their hand. As the negative effect of foreign employment, it has degenerated cultural value and beliefs, promoted illegal sexual activities and broke the family traditions also.

A large chunk of their earnings has been invested in unproductive sectors like purchasing built house, instruments, jewelries and also ignoring agricultural activities or hesitating to continue their former agricultural works. Therefore they should be encouraged to invest or productive and yield sector and the way of investing or productive sector should be initiated by the Government.

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ABBREVIATIONS/ACRONYMS

AGDP	Agricultural Gross Domestic Product
BS	Birkam Sambat
CBS	Central Bureau of Statistics
DDC	District Development Committee
DoA	Department of Agriculture
FDI	Foreign Direct Investment
FEPB	Foreign Employment Promotion Board
FY	Fiscal Year
GDP	Gross Domestic Product
GoN	Government of Nepal
HH	Household
MoF	Ministry of Finance
MoA	Ministry of Agriculture
NLFS	Nepal Labor Force Survey
No.	Number
NRB	Nepal Rastra Bank
NLSS	Nepal Living Standard Survey
NPR	Nepalese Rupee
SANEI	South Asian Network of Economic Institute
VDC	Village Development Committee