

CHAPTER I

INTRODUCTION

1.1 Background of the Study

A remittance is a transfer of money by a foreign worker to an individual in his or her home country. Money sent home by migrants competes with international aid as one of the largest financial inflows to developing countries. Workers' remittances are a significant part of international capital flows, especially with regard to labour-exporting countries. In 2014, \$436 billion went to developing countries, setting a new record. Overall global remittances also totaled \$583 billion. Some countries, such as India and China, receive tens of billions of US dollars in remittances each year from their expatriates. In 2014, India received an estimated \$70 billion and China an estimated \$64 billion (Abdullah, 2014),

Remittance is a sum of money that you send as payment for something". However, to express the layman's meaning (for specific purpose) of remittance is a sum of money that is earned by the home workers in host countries in exchange of their services and remitted to the home country. Nowadays, people are even excited to use the jargon as a substitute word for worker's remittance earning as "Migradollar" (NRB, 2007). Likewise, remittances are "the portion of international migrant worker's earnings sent back from the country of employment to the country of origin" (Puri & Ritzema, 1999).

Remittances can generate a positive effect on the economy through various channels such as savings, investment, growth, consumption, and poverty and income distribution. Remittances have been crucial in reducing poverty levels in rural Nepal. Like in the other countries of the world, a large portion of remittance has been utilized in Nepal for consumption purposes, purchase of real estate and house, paying off the loan, purchase of jewelry and as bank deposits (NRB, 2002). Thus, real growth of the economy has not been realized yet due to the remittance flow. Experts still argue, remittance money only supports direct consumption that- very little is actually diverted to development oriented and job-creating investments. Among the least developed countries, Nepal is placed second after Bangladesh. Along with agriculture

which contributes more than 30 percent of the GDP, remittance and service sector have emerged as major contributors to GDP. Remittance has contributed significantly to the reduction of poverty in the last 15 years. The Second Living Standard Survey has shown that remittance is one of the major contributors behind the decline of poverty-rate from 42 to 31 percent (CBS, 2011).

Remittances are playing an increasingly large role in the economies of many countries. They contribute to economic growth and to the livelihoods of less prosperous people (though generally not the poorest of the poor). According to World Bank estimates, remittances totaled US\$414 billion in 2009, of which US\$316 billion went to developing countries that involved 192 million migrant workers. For some individual recipient countries, remittances can be as high as a third of their GDP (Capital Market, 2015).

So, My study reveals the changing socio economic status of remittance users in Kalyanpur VDC-5 Saptari district.

1.2 Statement of the Problem

It is very difficult to estimate the accurate number of Nepalese people working outside the country. The statistics released by Labor Department is not also clear to provide the accurate data. The first, reason for this is there is not any record of numbers of people migrated for foreign employment to the countries like India, USA, UK, Australia, Japan etc. Secondly, people gone to these countries for the purpose to gain education or treatment also do not return back and remain there as income earner. Thirdly, people also migrated to European countries pretending as refugees. Fourthly, a lot of people are migrated to these countries through the way of India. Since, there is no any boarder restriction between Nepal and India. Fifthly, people remains for more than the proposed year they are appointed to work.

A recent feature of international labour migration is the increasing feminization of migration whereby the participation of women is constantly increasing. But some of the discriminatory policies with regard to foreign labour migration have created unnecessary and sometimes insurmountable difficulties for women who wish to go abroad to work.

Remittances can generate a positive effect on the economy through various channels such as savings, investment, growth, consumption, and poverty and income distribution. Remittances have been crucial in reducing poverty levels in rural Nepal. Like in the other countries of the world, a large portion of remittance has been utilized in Nepal for consumption purposes, purchase of real estate and house, paying off the loan, purchase of jewelry and as bank deposits (NRB, 2002). Thus, real growth of the economy has not been realized yet due to the remittance flow. Experts still argue, remittance money only supports direct consumption that- very little is actually diverted to development oriented and job-creating investments.

The remittance has contributed remarkably in the promotion of socio-economic condition of Nepalese societies but it has not yet been systematically estimated. National media and some research reports concluded that major portion of the remittance is used for meeting household consumption and paying of loans borrowed while going abroad. Only a few migrants use remittance in directly productive sectors like agriculture and manufacturing. In this regard, this study mainly attempts to address the following research questions.

- i. What is the socio-economic status of remittance households in the study area?
- ii. What is the present status of remittance in the study area?
- iii. What is the changing socio economic status of remittance users in the study area?

1.3 Objective of the Study

The main objective of this study are to analyze the role of remittance users in the Kalyanpur VDC-5 Saptari. The specific objectives of this study are as follows:

- i. To examined the socio economic status of remittance households.
- ii. To analyze the changing role of remittance households.

1.4 Significance of the Study

This study may be useful to some extent for the researchers, students and for those who want to carry out further study. This study may be fruitful to government, planners, policy makers, social workers and others. This study will help to supplement source of information to understand the impact of remittance, foreign employment and its cause and process in Nepal. It is also hoped that this study may be able to explore the socio-economic characteristics of foreign migrants.

1.5 Limitation of the Study

Following are some limitations of the study:

- a) The study will be in Kalyanpur VDC- 4,5 and 6 Saptari district.
- b) The study will be limited in 38 respondents.
- c) The study will be conducted within the given time period and financial constraints.

1.6 Organization of the Study

This study is classified into five chapters.

The first chapter deals with the introduction including general background, statement of the problem, significance of the study, objectives, limitations and organization of the study. Theoretical and empirical literature review and general review are included in chapter two. Chapter three is methodological chapter where method of data analysis, tools of data collection, sampling design, profile of study area conceptual framework etc. are included. Chapter four will be included presented and analyzed. of the data. chapter five will be included summary, conclusions and recommendations.

CHAPTER II

REVIEW OF THE LITERATURE

This chapter has been divided into two sections: theoretical and empirical reviews. In theoretical part the books, theories, articles and journals will be reviewed and In empirical part the thesis, report and dissertation will be reviewed.

2.1 Theoretical Literature

Remittances to Nepal are money transfers from Nepalese workers employed outside the country to friends or relatives in Nepal and forms part of the wider global remittance transfers by migrant workers back to their home countries. It is said that remittances has represented more than 10 percent of GDP in Nepal in the late 1990s. Moreover, it would be highly beneficial to the country, where there is natural calamities, political conflict, people war, low investment in entrepreneurial activities and economic recession. In the financial year (FY) 2000/01, the banking sector showed that NPR 15.9 billion was received.(Gaudel, 2006). In Nepal, the dollar value of remittances expanded 17 percent, supported in part by vibrant growth in India, a key source-country for Nepalese remittances. Money is sent to Nepal by either electronic funds transfers, for example by SWIFT or by demand draft. By the 2000s many banks and Money Transfer Operators were offering Money transfers and this has grown into a huge business. Remittances in FY 2012/13 contributed around \$3.5bn a year to Nepal's annual income, up from just \$50m in the mid-1990s, and equivalent to almost a quarter of GDP. In fact, the figure is probably substantially higher as remittances are routinely underestimated; the rule of thumb is to add 40% to the official figures. Not all money is sent through legal / verifiable sources .(Gaudel, 2006).

According to World Bank figures, extreme poverty has declined from almost 70% to 25% in the last 15 years, and the extra billions arriving direct to Nepalese households during this period are undoubtedly part of the story, along with large-scale state investment in social sectors and infrastructure. The social impacts of such migration are likely to be at least as profound as the financial ones, particularly with regard to family and gender relations. In some Nepalese villages, up to 90% of the young men

have left, returning at most every six months. In a case that hit the Nepalese media, there were not enough men left in one particular village to carry a coffin, meaning women had to – women traditionally do not even attend funerals.

Chaudhary & Srivastava (2013) deals in his article with the analysis of direct impact of remittance on three development indicators viz. GDP, GNP and PCI of the nation which are also the dependent variables of the proposed models. 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 realterms). The growth rates of independent variables (Rm, K, L and X) have also been tested in the same model to find the effects on the dependent variables. The findings are positive except for labor 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.

Rubyutsa (2012) has writes a article about Remittances and development are progressively becoming inseparable areas. In other words, remittances are increasingly associated with development factors. This is because money transferred by the Diaspora to their native country is contributing to improving the living conditions of beneficiaries as well as the economic growth of the recipient country. This paper examines the contribution of remittances from Rwandan Diaspora to the national development of the country. The results revealed that the amount of money remitted during the four years assessed i.e. from 2006 to 2009 is an important contribution to the national income which exerts a positive impact on consumption and production as money circulates in various sectors. The rationale for remittances included health care issues and education; building houses; improvement of family life, i.e. poverty reduction; investment in business; purchasing animals and other important items. Findings further indicated that the problems faced during the process of transferring money were transaction costs, foreign exchange costs, taxation on remittances, and restrictive legislations in the host country.

2.2 Empirical Reviews

Dhakal (2012). This thesis examines the general relationship between remittances and household expenditures and savings in Nepal by doing a cross sectional analysis of the household survey conducted in 2012 by the researcher. It provides a comprehensive overview of the effect of remittance on spending behavior by looking at common categories like food, non- food and education, and the saving behavior of the remittance receiving households against the non remittance receiving households by using the matching methods. The study found that the households which receive remittances and which do not receive remittances are different in terms of their income sources. The remittance receiving households depend primarily on nonfarm income like remittances unlike the non- remittance receiving households which depend on the on farm income for their livings. The remittance receiving households spend more and save more. The remittance income alone cannot explain the difference in the household expenditures and savings between the remittance receiving and non- remittance receiving households.

Ghimire (2013) has resulted that, the families receiving remittance are enjoying a comparatively better quality of life now than in the past. One can observe that these families have been slowly overcoming the debt burden, relatively comfortable houses with good toilets are being constructed, children are studying in private schools if they are available nearby, and televisions and mobiles have become common amenities. New market centre are emerging in the periphery; new kinds of small businesses such as public telephone booths and cyber cafes; beauty parlors and cosmetic shops, readymade garment outlets and stationery stores have increased.

Thakur (2014) has employed the concept of comparative judgment between remittance and non-remittance households to examine the influence of remittance income in various economic indicators in the study area. In conclusions, remittance has emerged as one of the major sources of foreign exchange. In recent years it is being an important avenue of support for family members remaining at home. Form above findings, it is difficult to conclude that remittance has played significant role to enhance the productive cycles of rural economy. For instance, present study found that there is no significant difference between remittance receiving households and non- remittance receiving household through comparative judgment. To be this, there

might be several reasons to behind it such as small sample size, proxy response, takes few economic variables and micro level study. Although there is positive impact of remittance on living standards (food, clothing and education) of people,

Panta (2015). Has examined remittances are more predictable as compared to other financial flows and, more importantly, they are counter-cyclical providing buffer against economics shocks. In conflict or post conflict circumstances, remittance can be crucial to survival, sustenance, rehabilitation, and reconstruction. In providing primarily for household livelihoods, remittances are spent on general consumption items in local communities that contribute to local economies by backing small businesses. A reasonable proportion of these expenditures is directed to the construction of homes, health care and education, together with saving in financial institutions, thereby creating employment in this moreover, in contributing to foreign exchange earnings, remittances can spur economic growth by improving sending countries creditworthiness and expending their access to international capital markets. Studies that argue against remittances having poverty-reducing impact indicate that because of the high transaction cost of migrating, the 'truly poor' do not migrate.

CHAPTER III

RESEARCH METHODOLOGY

This chapter will be provided the research methodology. It will be included the research design, rationale of site selection, nature and sources of data, universe, sample, and sampling procedure, data collection methods and tools.

3.1. Research Design

This study will be carried out on the basis of analytical as well as descriptive research design because the study will be focused on the socio economic status of remittance users. Moreover the study will be focused on the changing patterns of the remittance in the study area.

3.2 Rationale of Site Selection

This study will be based on Kalyanpur VDC-4,5 and 6 Saptari district where the remittance inflow is high. The rationale behind selection of these wards 4,5,and 6 is high the researcher has a close relationship with the community of VDC and there are more remittance users households than other wards.

3.3 Nature and Source of Data

This study will be based on the qualitative and quantitative both methods. This study will be based on the primary as well as secondary data, but the focus is given to the primary data, which will be collected from field survey using structured questionnaire, observation and interaction with different respondent. The secondary data for research will be collected from the published, unpublished documents, articles, dissertation, journals, books, economic survey etc.

3.4 Universe, Sample and Sampling Procedure

There are 213 households in Ward No. 4,5 and 6 Among them 76 households will be used remittance services. 38 households will be selected for my study, by purposive sampling method. the sample size is 50 percent of the total universe. Thus, all the

respondents are migrant's family as the purpose of the study is to analyze the socio economic status of remittance users.

3.5 Data Collection Methods and Tools

For the completion of this study, data will be collected from various tools and techniques. First of all the researcher will be visited the selected samples and after taking the information about the programme, the field survey will be made.

3.5.1 Household Survey

To get the primary data, the structured questionnaire will be developed, and the questionnaire will be filled up by the researcher visiting all selected respondents or households.

3.5.2 Key Information Interview

During field study, informal interactions with a number of people will be made. Key Informants for this study will those who were able to express thoughts, feeling, opinions regarding different aspects of remittance.

3.6 Data Presentation and Analysis

The collected data will be coded, edited and finalized the qualitative data will be analyzed and presented at paragraph and quantitative data will presented in table and graphs, chart etc. by the help of computer software. The computer software will be applied to the processing, classification, tabulation and analysis of data and information will MS-Word and Excel.

CHAPTER- IV

DATA PRESENTATION AND ANALYSIS

In this chapter the data, the data were collected during the field survey, which present by using simple statistical tools such as tables line graph , diagram and so on .The basic socio-economic information of migrants and their households are presented in this chapter.

4.1 Socio-economic Information of Remittance Households

This section represents the socio economic information of foreign employee. Foreign employees as household population, Age, Sex, Occupation, Marital Status, Destination, number of family member going aboard, skill, and cause of foreign employment were discussed in this section. On the basis of this background of the respondents we can discuss how many changes in the level of awareness brought by remittance among the foreign employee.

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

4.1.1 Household Population

The household population indicates the total population of selected households by male and female. The data were presented in the following table:

Table No: 4.1 Household Populations

S.N.	Category	Population	Percent
1	Male	113	40.94
2	Female	163	59.05
3	Total	276	100

Source: Field Survey, 2016

Above table shows the total population of the selected households. The total population is 276 among them 163 female and 113 is male population. There is majority of female population.

4.1.2 Age Structure

All age foreign employees are not economically active and generate income to the family. Young age was involved in education or household activities such as cooking and taking care of their little brothers or sisters. Foreign employee above 40 years is also less active for income generation because they have household responsibility rather than earning. Their sons and other family members were considered earners. They mostly take care of small children in their home. Age ratio of the selected foreign employee is presented in the following table:

Table No.4.2: Age Group

S.N.	Age Group	Age group	Percentage
1	18-25 years	2	5.2
2	25-30 years	8	21.05
3	30-35 years	16	42.10
4	35-40 years	8	21.05
5	Above 40 years	4	10.52
	Total	38	100

Source: Field Survey, 2016

The age distribution ratio of the study area shows that, the highest numbers of the foreign employee are between the age of 25-30 years 21.05 percent. The age between 30-35 years are constituted 42.10 percent of the total respondents, between the age

35-40 years constituted 21.05 percent of the total respondents, at last 5.2 percent of my respondent is between the age of above 18-25 years.

So from the above age grouping we can say that foreign employee from 30-35 years ages are mostly responsible for taking care of their family and become more mature to think about their children's future and their responsibility to be a family member.

4.1.3 Sex Structure

In this section deals with sex structure of migrants' workers has been included and the following table, which helps to know how many peoples, are male and female workers are gone for overseas employment.

Table No. 4.3 Sex Structure

Sex	No. of Respondents	Percentage
Male	38	100
Female	-	-
	38	100

Source; Field Survey, 2016

The above table shows the gender descriptions of migrants, out of the total migrants 100 percent of them are male. It means only male were in foreign country. This study shows that most of the migrant workers are male because main responsibilities of family and also shows there is male dominated society. There are two reasons of male foreign employee is higher than female: there is restriction of Nepali law and patriarchal structure of Nepali society where female are rarely allowed to work outside the domestic spheres.

4.1.4 Occupational Status of Labor Migrants

Occupation is another important component of socio-economic factors of migrants. People move from one place to another for better job opportunities.

Table No. 4.4 Occupational Status

Type of Job	No.	Percent
Hotel/Restaurant	5	13.15
Driver	12	31.2
Labor	14	36.4
Security Guard	5	13
Others	2	5.2
Total	38	100

Source: Field Survey, 2016

Table 4.4 shows that the occupational status of labor migrants engagement in their work in their migrant country. Hotel and restaurant workers are 13.15 percent. security guard 13 percent, and others 5.2 percent have these occupations in that foreign country. So, the majority is hotel and restaurant workers due good facility and salary.

4.1.5 Marital Status

Marital status affects the migratory movement of people. It is found that married are more migrated than unmarried because they are compelled to care after their conjugal and family life. The marital status of respondents are as follows:

Table No: 4.5 Marital Status

Marital Status	No.	Percent
Married	28	73.69
Unmarried	10	26.31
Total	38	100

Source: Field Survey, 2016

This field Survey shows that, 73.69 percent of the migrant people are married and 26.31 percent were unmarried.

It shows that majority of the married people are migrated for foreign employment. The above table shows that the majority of foreign employee are married, and this also show that married foreign employee are more interested remittance Because they also have to look after their family and children, they have to pay tuition fee of their children and have to meet health budged the sickness for older members of their family, this reason also forced them to go abroad.

4.1.6 Educational Status

Education is one of the most important social characteristics of population. It is a vital and key factor for foreign employment. The quality of work and wages depends upon the migrant's skill and education. The following table shows educational status of the respondents:

Table No 4.6 Educational Status

Level of Education	No	Percent
Under SLC	14	36.4
SLC pass	17	44.2
10+2	6	15.78
Above Bachelors	1	2.6
Total	38	100

Source: Field Survey, 2016

My field research shows that, 36.4 percent of foreign employee was under SLC who can read and write as well as passed primary level, out of this 44.2 percent of the foreign employee is SLC passed, 15.78 were passed 10+2 level and 2.6 percent were able to complete their bachelors' level.

So, the Majority of the respondents is SLC passed and minority is Bachelor passed lack of knowledge, lack of employment opportunities, poverty and unstable political conditions are the major factors of doing labor in foreign country.

4.1.7 Destination Country

In the process of migration, destination is another important and crucial factor. The destination is that country where migrant workers go for the work. The destination countries of the labor emigrants in the study area are shown in following table:

Table No. 4.7 Destination Countries

Countries	No.	Percent
Quarter	22	57.2
Malaysia	6	15.8
India	2	5.2
Others (Gulf Countries/Us/Europe/Australia)	8	20.8
Total	38	100

Source: Field Survey 2016

Table 4.7 shows the destination countries of Nepalese migrants. Highest proportion 57.2 Percent migrants go in Quarter, 20.8 percent migrants go others countries and 5.2 percent migrants go in India.

The reason of going Quarter is the high demand of workers and easy process of emigration.

4.1.8 Number of Family Member/s Going Abroad

This section shows that the family member going abroad. The Data are presented in the following table:

Table No. 4.8 Family Member Going Abroad

Member	No.	Percent
1	31	80.6
2	7	19.04
above 3	-	-
Total	38	100

Source: Field Survey, 2016

In the above table shows that the family member going abroad, 80.6 percent was 1 member, 19.04 percent were 2 members. In my study area, the working family members are less and some have no interest of going abroad.

4.1.9 Skill of Foreign Employee

These headings mentions about the skills of foreign employees. The following table shows that the total skills of foreign employee:

Table No 4.9 Skill of Foreign Employee

Member	No.	Percent
Hotel/Restaurant Training	5	13
Security Guard	5	13
Semi- Skill	14	36.04
Driving	12	31.2
Others	2	5.2
Total	38	100

Source: Field Survey, 2016

In the above table shows that the skill of foreign employee, 13 percent have a hotel and restaurant training, 13 percent have a security guard training, 36.04 percent migrant are non skilled, 31.2 have a driving training and remaining 5.2 percent are others.

So, the majority of the respondents are semi skilled and minority is computer training because the most of the foreign employees are working in driving area and less is working in office.

4.1.10 Causes of Foreign Employment

There are various causes for going abroad for employment in the Nepalese context. Some major causes are lower living standard, insufficiency of food, cloth and lower quality of housing, insecurity and unemployment, landlessness and ineffective

education system. The following Table shows the No. distribution of important causes of migration found in the study area.

Table No.4.10 Causes of Foreign Employment

Causes	No.	Percent
Indebtedness	5	13
Social Conflicts	6	15.6
Family Conflicts	8	20.8
Unemployment	12	31.2
Lack of Facilities	7	18.2
Total	38	100

Sources: Field Survey, 2016

Table 4.10 shows that, 31.2 percent youth are going abroad due to the unemployment in Nepal while 15.6 percent are gone abroad because of social conflict, 18.2 percent of the households found going out due to lack of facilities and 20.8 households were found gone out due to the family conflict and 13 percent went out because of indebtedness. So, the majority of respondents is going abroad is unemployment and minority is ineptness. In my study area there is problem of unemployment. There is less people have loan.

Table No. 4.14: Educational Status

Institution	Before	Percent	After	Percent
Government School	34	88.4	10	27.2
Boarding School	4	10.4	28	72.8
Total	38	100	38	100

Source: Field Survey, 2016

Above table shows that, the educational status of remittance users before and after. Before going abroad the majority of the respondents is government schools i.e. 88.4 percent and minority is private schools i. e. 10.4 percent. After the remittance the minority of the respondents is government school i.e. 27.2 and majority is private

schools i.e. 72.8 percent. So, the research shows that after the remittance used, the respondents of the study area were changed their educational quality.

4.2.4 Change in Health Condition

There were some changes in their life related to health status. Health check-up is necessary from the conception to everyday life. Due to the lack of awareness, poor economic condition, lack of facilities, etc. most of the persons don't go to check-up their health regularly. The status of health check-up is presented at follows:

Table - 4.15: Distribution of Respondents Changing Health Status

Health Institution	Before	Percent	After	Percent
Health Post	34	88.4	18	46.8
Hospital	4	11.6	8	20.8
Clinic/Medical	-	-	12	31.2
Total	38	100	38	100

Source: Field Survey, 2016

Above table shows that, the distribution of respondents changing health status. Before the receiving remittance 88.4 percent were check up health post, 11.6 percent were check up in hospital and after the remittance 46.8 percent were check up in health post and 20.8 percent were checkup in hospital. So, the study finds that the there were little change in health status of foreign employees households.

4.2.5 Change in Economic Status

These social concerns must be addressed to minimize the ill effects of out migration. The following table shows that the distribution of respondents by change in economic status:

Table No 4.16 Economic Status

	Before	After
Land	38	38
Furniture	38	38

Bank Balance	3	38
Insurance	.	13

Source: Field Survey, 2016

Above table shows that, the change in economic status of the households respondents. They were changed their daily life style and extra property. The research shows that, economic status is increasing trend. The poor have improved their living conditions owing to remittances from migration. However, there are several problems encountered by the migrant's working abroad. There are also social costs associated with the migration of wives and others, such as the breakup of families, domestic violence, and neglect of children.

4.2.4 Change in House Hold Income

Remittances consist of goods or financial instruments transferred by migrants living and working abroad to residents of the home economies of the migrants. It is limited to transfers made by workers that had stayed in foreign economies for at least one year stayed transfers from migrants that are self employed are excluded. They largely consist of funds and noncash times 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. The comparison of household income were explained below table:

Table No 4.17 House Hold Income (Per Month)

Amount	No. of Households			
	Before	Percent	After	Percent
Below10000	4	8.48	-	
10000-20000	11	23.87	-	
20000-30000	7	32.55	4	8.48
30000-40000	12	26.04	9	19.53
Above 40000	4	8.28	25	71.61
Total	38	100	38	100

Source : Field Survey, 2016

Above table shows the household income, In before 59.15 percent households have 20,000/- to 30,000/- income, 31.85 percent 30,000/- to 40,000/- income, 9.1 percent Above 40,000/- income. After remittance 63.7 percent were above 40,000/- income and 36.4 percent were 30,000/- to 40,000/- income.

This research shows that the after the remittance the income of respondents were increasing trend.

4.2.5 Change in Household Expenditure

The relationship between remittance and expenditure can be explained theoretically by treating remittance as a source of income of remittance receiving households. Consumption models such as the life-cycle hypothesis and permanent-income hypothesis maintain that source of income does not matter in consumption behavior. The only objective of the household is to smooth income and consumption. Since remittances are a source of income among many sources for a household, the survey does not ask how households spend income according to the source. Moreover, since remittance income is fungible, it does not make sense to ask questions regarding which source of income is used for purchasing of what kind of goods. The expenditure of foreign employment in the study area is as follows:

Table No: 4.18 Household Expenditure (Monthly)

Expenditure	No. of Households			
	Before	Percent	After	Percent
Below 10000	18	56.42	5	28.21
10000-20000	13	28.21	17	36.89
20000-30000	7	15.19	14	30.38
30000-40000	-		2	4.34
Above 40000	-		-	-
Total	38	100	38	100

Source: Field Survey, 2016

The above table shows that household expenditure of remittance users. the study compares the expenditure condition of family before and after. Above table shows the household income, In before 56.42 percent households have below 10,000, 28.21

percent have 10,000/- to 20,000/- income, 15.19 percent 20,000/- to 30,000/- income. After the foreign employment, 28.21 percent households have below 10,000, 36.89 percent have 10,000/- to 20,000/- income, 30.38 percent 20,000/- to 30,000/- income and 4.34 percent have household expenditure. It clears that an average cost of going foreign employment is around one lakh. The majority of the research on remittances is devoted on for what purpose the remitted money is used. The thesis also tries to identify the uses of remittances by classifying the household expenditure mainly on three sub headings: expenditures on food, expenditures on non-food items and expenditures on education. The expenditure on food is assumed to be consumption expenditure while the expenditure on non-food and expenditure on education is assumed to be investment expenditures

4.2.6 Changes in Fuel Users

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

Table 4.19 Changes in Fuel

Fuel	No. of HHs	
	Before	After
Firewood	37	25
Bio gas	1	3
LP gas	0	9
Others	0	1
Total	38	38

Source: Field Survey 2016

The above table shows that 27 households were used firewood for cooking before they go to foreign employment and after receiving remittance fire wood users reduce from 37 to 25 household and LP gas users. Thus, foreign employment has positive impact on use of fuel.

4.2.7 Toilet Users Before and after receiving Remittance

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

Table No. 4.20 Changes in Toilet Facility

Toilet	No. of HHs	
	Before	After
Household Flush	8	38
Household non Flush	18	-
Have not Toilet	12	-
Total	38	38

Source: Field Survey 2016

The above table shows the use of toilet facility. Before going foreign employment 8 household were used non flush toilet, 18 household are flush toilet and 12 household did not have any toilet. But, after going foreign employment and receiving remittance it increase from 8 to 38 household who are using non flush toilet At present time, there are no household have no toilet until now. It shows that there are increasing trend of using toilet it is because foreign employment awareness education, health and economic conditions.

4.2.8 Drinking Water Before and after receiving Remittance

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

Table No. 4.21 Drinking Water

Drinking Water	No. of HHs	
	Before	After
Hand Pump/Call	38	32
Tap (Public)	-	4
Tap (Private)	-	2

Total	38	38
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Source: Field Survey 2016

The above table shows that 32 households were used well as sources of drinking water before they go to foreign employment but after receiving remittance it reduce at 32 households.

It is not only cause of remittance but also government project and VDC projects. Similarly, 4 households were used private tap but after receiving remittance. It has reached 2 households. It clears that remittance income and drinking water facility is positively related.

Remittances can generate a positive effect on the economy thorough various channels such as savings, investment, growth, consumption, and income distribution. These inflows can also contribute to stability by lowering the probability of current account reversals. Since they are a cheap and stable source of foreign currencies, remittances are likely to stem investor panic when international reserves are taking a downward trend or external debt is rising. At the community level, remittances create multiplier effects in the domestic economy, producing employment opportunities and spurring new economic and social infrastructure and services, especially where effective structures and institutions have been set up to pool and direct remittances. A significant portion of relevant literature on remittances argues that they are primarily spent on consumption, housing and land, and are not utilized for productive investment that would contribute to long-run development. In this context, the distinction between “productive and non-productive” uses of remittances needs to be reexamined.

Receiving remittance and its use is very challenging and risky. The challenges such as robbery and crime and misuse of remittance due to lack of proper use are some of the factor responsible for receiving remittance. Remittances do not automatically contribute to national development. To carry out effective and efficient public policies to channel remittances into productive projects, the government has to look at what motivate.

CHAPTER - V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

A thesis conducted in **Changing Socio Economic Status of People Through Remittance : A Case Study of Kalyanpur VDC Saptari District**. The general objectives of the study are to find out the various socio-economic impacts of the remittance on rural livelihood on society. The specific objectives are to examine the socio-economic status of foreign Employee and to analyze the role of remittance in changing socio-economic status and to explore the challenges of remittance for its productive use. This Study has limited in 38 households. This study has been carried out on the basis of exploratory research design. This study has been based on the qualitative and quantitative both methods. This study has been based on the primary as well as secondary data, The structures questionnaire or unstructured interviews and observations methods has been applied to generate the primary data. The major findings of the study are as follows:

-) The total population is 276 among them 163 female and 113 is male population. There is majority of female population.
-) The age distribution ratio of the study area shows that, the highest numbers of the foreign employee are between the age of 25-30 years 21.05 percent. The age between 30-35 years are constituted 42.10 percent of the total respondents, between the age 35-40 years constituted 21.05 percent of the total respondents, at last 5.2 percent of my respondent is between the age of above 18-25 years.
-) Out of the total migrants 100 percent of them are male. It means only male were in foreign country. This study shows that most of the migrant workers are male because main responsibilities of family and also shows there is male dominated society.
-) Hotel and restaurant workers are 13.15 percent. security guard 13 percent, and others 5.2 percent have these occupations in that foreign country. So, the majority is hotel and restaurant workers due good facility and salary.

-) 73.69 percent of the migrant people are married and 26.31 percent were unmarried.
-) 36.4 percent of foreign employee was under SLC who can read and write as well as passed primary level, out of this 44.2 percent of the foreign employee is SLC passed, 15.78 were passed 10+2 level and 2.6 percent were able to complete their bachelors' level.
-) Highest proportion 57.2 Percent migrants go in Quater, 20.8 percent migrants go others countries and 5.2 percent migrants go in India. The reason of going Quater is the high demand of workers and easy process of emigration.
-) 80.6 percent was 1 member, 19.04 percent were 2 members. In my study area, the working family members are less and some have no interest of going abroad.
-) 13 percent have a hotel and restaurant training, 13 percent have a security guard training, 36.04 percent migrant are non skilled, 31.2 have a driving training and remaining 5.2 percent are others.
-) 31.2 percent youth are going abroad due to the unemployment in Nepal while 15.6 percent are gone abroad because of social conflict, 18.2 percent of the households found going out due to lack of facilities and 20.8 households were found gone out due to the family conflict and 13 percent went out because of indebtedness.
-) 2.6 percent were used that money for daily consumption, 46.8 percent were used build or renovate house, 7.8 pay loan, 20.8 percent were used education of children /marriage/ buy gold, 15.6 used buy land and remaining 5.2 percent used medical treatment. So the majority is build or renovate house and minority is medical treatment.
-) 143.4 percent houses are *Kachhi* in the past and 13.02 percent are pakki after foreign employment, 39.06 percent in the past and 30.38 are ardha pakki in after, 17.36 percent are *Pakki in before* and 56.42 in after .
-) 21 respondents have motorcycle in past and now 38 respondents, 38 respondents have TV/ Radio in past and now 38 respondents but the version of TV were changed nowadays they were used latest televisions like: LCD, LED. Similarly, the using patter of mobile/ camera and Furniture were changed.

-) The educational status of remittance users before and after. Before going abroad the majority of the respondents is government schools i.e. 88.4 percent and minority is private schools i. e. 10.4 percent. After the remittance the minority of the respondents is government school i.e. 27.2 and majority is private schools i.e. 72.8 percent. So, the research shows that after the remittance used, the respondents of the study area were changed their educational quality.
-) 88.4 percent were check up health post, 11.6 percent were check up in hospital and after the remittance 46.8 percent were check up in health post and 20.8 percent were checkup in hospital. So, the study finds that the there were little change in health status of foreign employees households.
-) They were changed their daily life style and extra property. The research shows that, economic status is increasing trend. The poor have improved their living conditions owing to remittances from migration. However, there are several problems encountered by the migrant's working abroad.
-) In before 59.15 percent households have 20,000/- to 30,000/- income, 31.85 percent 30,000/- to 40,000/- income, 9.1 percent Above 40,000/- income. After remittance 63.7 percent were above 40,000/- income and 36.4 percent were 30,000/- to 40,000/- income.
-) In before 56.42 percent households have below 10,000, 28.21 percent have 10,000/- to 20,000/- income, 15.19 percent 20,000/- to 30,000/- income. After the foreign employment, 28.21 percent households have below 10,000, 36.89 percent have 10,000/- to 20,000/- income, 30.38 percent 20,000/- to 30,000/- income and 4.34 percent have household expenditure. It clears that an average cost of going foreign employment is around one lakh. The majority of the research on remittances is devoted on for what purpose the remitted money is used.
-) 27 households were used firewood for cooking before they go to foreign employment and after receiving remittance fire wood users reduce from 37 to 25 household and LP gas users. Thus, foreign employment has positive impact on use of fuel.
-) Before going foreign employment 8 household were used non flush toilet, 18 household are flush toilet and 12 household did not have any toilet. But, after

going foreign employment and receiving remittance it increase from 8 to 38 household who are using non flush toilet At present time, there are no household have no toilet until now.

) 32 households were used well as sources of drinking water before they go to foreign employment but after receiving remittance it reduce at 32 households.

5.2 Conclusion

Present study found that there is no significant difference between remittance receiving households and non- remittance receiving household through comparative judgment. To be this, there might be several reasons to behind it such as small sample size, proxy response, takes few economic variables and micro level study. Although there is positive impact of remittance on living standards (food, clothing and education) of people, it may be analyze that household receiving remittance has not shown much response to strengthen their productive activities except than maintain living standard. The remittance has not been properly channelized in the domestic economy productive activities rather than non productive venture buying land, buying durable goods, and to celebrate better fest and festivals. To make the remittance income more productive in macro level to carry out effective and efficient public policies to channelize remittance in productive projects, the government has to look at what motives Nepalese to send their money at home particularly beyond individual family remittances, and crafts its policies to take advantage from it.

In recent years, the distinction between consumption and investment has been criticized by researchers that expenditure on these beneficial impacts is particularly strong for countries. ‘Consumption’ items such as health and education should be understood as investment in human capital. The study finds that the there were little change in health status of foreign employees households

5.3 Recommendations

Based on the above analysis, the following recommendations are forwarded for the policy prescriptions.

- i) Nepal is facing problem of general unemployment among youth. The employment opportunities are virtually non-existent in rural areas and currently it is predominant in city areas as well.
- ii) Nepal is facing problem of general unemployment among youth. The employment opportunities are virtually non-existent in rural areas and currently it is predominant in city areas as well. This situation led many youngsters to leave Nepal seeking employment in foreign countries with an expectation to betterment of their life. Literally, Nepal is exporting unemployment by just allowing people to leave the country and seek employment opportunities abroad instead of trying to create employment opportunities for them within the country.
- iii) This situation led many youngsters to leave Nepal seeking employment in foreign countries with an expectation to betterment of their life. Literally, Nepal is exporting unemployment by just allowing people to leave the country and seek employment opportunities abroad instead of trying to create employment opportunities for them within the country.
- iv) There is a need for the policies that can provide access to the banking services in rural people.
- v) Remittances impact positively through human capital investments such as education. There is a need for policies to increase literacy level and encouraging remittance-recipient households to continue investing in education. Education policies that advocate for the continued and increased enrolment of household members in primary, secondary and tertiary education should be adopted.
- vi) Most of the respondent in the study area are migrated in unskilled condition, so they can not earn more income than skilled workers. Since, technical training institutions should be established in rural area and a person who wants mto go for foreign employment should be given training related to the nature work before sending him to foreign country.

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