

# CHAPTER-I

## INTRODUCTION

### 1.1 Background of the Study

The phenomenon of migration is old as the history of the mankind with the development of civilization. There has been rapid growth in transpiration sector in the world. People are moving from one place to another since ancient period and continues movement has been and international phenomenon. Migration is geographical or spiritual mobility between from the place of department to the place of destination (UN, 1956).

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 remittance are a significant part of international capital flows especially in the case of labour-exporting countries. In 2013 \$404 billion went to developing countries (a new record) with overall global remittances total \$542 billion. Some countries, such as India and China, receive tens of billion of dollars in remittances each year. In 2013 India received an estimated \$70 billion and china an estimated \$60 billion Remittances are playing an increasingly large role in the economy of many countries, contributing 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 \$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.As a share of GDP, the top recipients of remittances in 2013 were Timor-leste (216.6%), Tajikistan (42.1%), Kyrgyzstan (31.5%), Nepal (28.8%), Moldova (24.9%), Lesotho (24.4%) Samoa (23.8%), Haiti (21.1%), Armenia (21.0%), the Gambia (19.8%), Liberia (18.5%), Lebanon (17.0%), Honduras (16.9%), El Salvador (16.4%), Kosovo (16.1%) and Jamaica (15.0%) has published “The Rising Nepal” retrieved from ([www.wikipedia.com](http://www.wikipedia.com)).

Migration is search of employment and livelihood opportunities and permanent settlement is not new phenomenon for Nepal there has been constant mobility of people across the national border since unification of Nepal as a country in 1768 AD. Most of the early migration was the result of the push factor like political instability and exploitative for employment started before 19<sup>th</sup> century when Nepali travel to Lahore to join the army of Sikh Ruler Ranjit Singh. Lahore migration in true sense started after Anglo Nepal treaty of peace and friendship of 1816 that recruited 3000 Nepalese soldiers in British Gurkha Regiment. Signing of peace and friendship treaty between India and Nepal in July 1950 was a turning point for Nepalese and the Nepalese labour needs no work permit (Kayastha, 2002).

Foreign labour migration has a long history in Nepal. Migration for work is not a new culture for Nepal. But the difference today that there is more migrant Nepalese working in different parts of the world than in any period of history. Nepali migrant workers are involved for the most part in the Asian region, going to India, to the (and Middle East), and to South East and East Asia for the most part all through there is significant migration to Western Europe and North America. From the early part of 19<sup>th</sup> century until the end of the First World War, the majority of Nepali employed abroad as soldiers. Where recruited into the army of the Sikhs in the first thirty years of 19<sup>th</sup> century. Later, others went to work on the tea states of northeast India, and to a lesser extent elsewhere in the private sector in India. After the Second World War, employment opportunities in India grew significantly. After Indian independence (1947) and the Treaty of friendship (1950) with India, Nepal found to find work in India. Nepalese people joined the Indian Army and police force; an even larger number sought employment in the private sectors.

In the 1980s, The Foreign Employment Act identified a number of countries to which Nepalese were encouraged to migrate for employment purposes. These included the Gulf States, where the oil boom had created a massive demand for foreign labour. Overseas migration grew slowly as there were many constraints. The boom period for foreign labour migration is between 1997 to 2003, numbers of those migrating to the Gulf and even furthers a field within the Middle East. The Maoist insurgency and response by the security forces during the last years have together resulted in an intensification of the

conflict, which has in turn generated considerable internal displacement of population within Nepal (Karna, 2005)

Remittance inflow in Nepal has increased by 29.7 percent to reach 4.44 billion US dollar during the tenth month of the current fiscal year, a fresh report from the Nepal Central Bank. A recent by the World Bank has ranked Nepal in third position in terms of the contribution of remittance to the GDP in the world. The country recorded 4.34 billion dollars in remittance in the fiscal 2012-13. 'The amount the country received as remittance during the tenth month in this fiscal year has surpassed the amount it received during the whole fiscal year 2012-13'. Remittance inflow has been growing due to the huge devaluation Indian currency against US dollar from the beginning of 2014 has published in "Gorkhapatraonline.com" retrieved from (www.Globletimes.cn/content/866600.shtml).

The number of migrants workers and their remittance globally has increased over the past 15 years, over all last decade remittance increased from \$31.2 billion in 1990 to US \$ 166.9 billion in 2005. The actual global remittances were around US \$ 400 billion in 2012 over 59 percent migrants' workers from Asian respectively one third of all migrants from developing countries remittance well over \$ 260 billion accounting for 63 percent of all remittance flows to developing countries. India, China, Philippines, Mexico, Nigeria, Egypt, Bangladesh, Pakistan, Vietnam and Lebanon are the top 10 remittance receiving countries in the world (Rajkarnikar, 2014).

## **1.2 Statement of the Problem**

Migration is a trend and process in order to go for earning money. In present context, the numbers of migrants are increasing because of modern communication facilities, transportation and liberal government policy. Another face of labor migration is increasing in Nepal mainly due to lack of employment opportunities. The problem of labor migration is increasing in Nepal due to lack of employment opportunities.

Increasing trend of labor migration increase amount of remittance in the economy the contribution of remittance in the economy mainly depends on the role it plays increasing employment or the national income. The consumption of remittance is higher with

comparison investment of remittance. It has been said that 80 percent (Panta 2011) of remittance is on paying debt, consumption purpose like purchasing land, expenditure on social purpose like marriage and other ceremonies etc. Only remaining remittance from consumption is used in productive purpose like small business, investment in industries, agriculture business and etc. higher the consumption of remittance shows higher living standard of the people in the society. On the one hand, it is also positive impact of remittance because there is found lower living standard of the people in study area. But on the other hand, it reduces the investment of remittance in productive sector.

On the top of this, Magapauwa VDC is the place where is found higher external migration. In such areas, we can expect remittance and remittance related different kinds of social and economic issues as well as events. There is not done such search before to asses the effect of migration and remittance on household's livelihood and local economy. So, migration and remittance effects on household's consumption pattern and locality development remain knowledgeable. This research fills up gap, the study is devoted to. They are also changing their lifestyle consuming available facilities. In this context, this study to answer the following questions. This research helps to investigate thoroughly the role of migration and remittance plays in socio economic wellbeing of the migrant sending households and district at large.

- a) How the remittance is utilized for the quality life?
- b) Is remittance changing the behavior of people in saving and investment?

### **1.3 Objectives of the Study**

The general objective of this study is to analyze socio economic contribution of remittance of Magapauwa VDC in Dolakha District. However, the specific objectives of the study are the listed below.

- a) To know consumption pattern of remittances of Magapauwa VDC.
- b) To find out utilization of remittances for productive purpose in Magapauwa VDC.

### **1.4 Significance of the Study**

In the past, the kind of job of Nepalese workers used to get abroad was armed force. After the restoration of the democracy, international job market was opened in many

countries. Thus in the new phenomenon entering into the WTO, efficient labor forces are required diversification in skilled and destination.

This study sketches the new outline of the condition of the foreign employment in Magapauwa VDC. It is not only useful to those who want to know the condition of consumption pattern of remittance of Magapauwa DVC but also to those who are interested to know about the situation of the consumption pattern of remittance of the country as a whole. The study is supposed to helpful to understand why the consumption of remittance is increasing in one hand and in which sector consumption of remittance is higher in the economy. The study will also reveal why the remittance is not utilized in productive purpose. There may be so many reasons behind these questions the study will try to answer and why the remittance income is not playing its actual role for development of the country. The study also focuses on positive impact of consumption of remittance in case of increasing standards of living of the society.

This study helps planner designing their programs and policy targeting the various issues presented in this study as well as people who are going for foreign employment and family members of migrated people. In addition, the study also helps different organizations which are conducting programs in related field. Similarly this study helps to researcher who is interested to research on this field because this study shows the consumption expenditure on food items, non food items and social functions. This study gives all consumption of remittance in every field.

### **1.5 Limitations of the Study**

Every individual study is conducted under certain specific assumptions accompanied by cascading constraints and limitations. Likewise, this study also confined by some constraints. Some of the constraints can be recapitulated as under:

- a) Sampling error may occur in the study.
- b) For the study purpose, consumption pattern of remittance receiving households is considered.
- c) Total amount of remittances collected as the respondents do not disclosed that amount.

## **1.6 Organization of the Study**

The study is divided into five chapters. The first chapter is the introductory chapter. The chapter one deals with the introduction which covers general background of the study, statement of the problems, objectives of the study, significance of the study, limitations of the study, organization of the study, introduction of the study area. Chapter second deals with review of literature and that contains national and international review of the literature. Chapter third deals with research methodology that includes research design, nature and sources of data, population, sample and sampling procedure, data collection procedure, data organization, management and processing, and tools and methods of data analysis. Chapter four is the data presentation and analysis that deals with consumption pattern of remittances in study area .It includes causes of foreign employment, class of family of respondents, sources of income of respondents, sources of loan collection, destination of foreign employment, remittance earning by age, remittance earning by education, change in life style after receiving remittance, consumption in food items, reason of increasing consumption in food items, consumption in non food items ,objectives of land purchasing by using remittance, expenditure in social purpose and investment of remittance. Chapter five contains summary of the major findings and conclusion based on this research and recommendations.

## **1.7 Introduction of the Study**

**About District:** Dolakha district is one of the 75 districts of Nepal that lies in Central Development Region of Nepal. It is lying in the Himalayan region. It covers an geographical area of 2,191 km<sup>2</sup> (846 sq mi). It has a total population of 186,557 in 2011 (CBS, 2012). The latitude of the district is 27.77 and the longitude is 86.17. It is popularly known with the temple of Dolakha Bhimeshawor. The Bhimeshwar temple is located in Dolakha Bazaar of Bhimeshwar. The main statue of this temple is God Bhimsen. The headquarters of Dolakha district is Charikot which is 140 km far from Kathmandu, capital city of the nation. The total Households of the district is 45,688 and total population is 186,557 out of which the male population is 87,003 and female population is 99,554. The density of population is 85/km<sup>2</sup> (220/sq mi) (CBS, 2012).

## About VDC:

a) **Geographic Location** :- Magapauwa VDC is one of the 58 Village Development Committees of Doakha district. Magapauwa VDC is located in central region of Nepal. Magapauwa VDC is a village development committee in Dolakha district\_ in the janakpur zone of north-eastern Nepal . The distance from Kathmandu to Magapauwa VDC is 112 km and Charikot to Magapauwa is 45 km. Primary occupation of the people is agriculture, business and public services. Nowadays, most of the people go to abroad for foreign employment for higher income, which shows the positive and negative impact in the study area.

b) **Demographic Features:** - Total Households are 780 and the total population of this VDC is 2950. The male population is found 1339 and 1611 female population out of total population. Its density is 85/km square (220/sq mi). The Dolakha district is surrounded by Sindhupalchock, Ramechhapand Sindhuli district. Here is found different kinds of climate according to the level of surface that is upper tropical, subtropical, temperate, subalpine and etc.

c) **Cast and Ethnicity:** - The population of the VDC consists of different caste and ethnicity such as Brahmin, Chhetry, Newar and Dalit . Different kinds of cast of people are living in the Magapauwa VDC, which are shown in details in following table.

**Table: 1.1 Household Composition of the VDC**

S.N.	Castes	Frequency	Percentage
1	Brahmin	180	23
2	Chhetry	225	29
3	Newar	205	26
4	Tamang	115	15
5	Dalit	55	7
9	Total	780	100

Source: VDC Record, 2012.

The above table shows that Chhetry community is highest in the study area, which covers 29 percentage. Second highest cast is found Newar community that is 26 percentage. The Brahmin community is found in third position that covers only 23 percentage. Tamang

cast group lie in fourth position. The percentage of Tamang is 15. In this way, the lower cast group is dalit in the study area.

**d) Cultural:** -Magapauwa VDC has multiethnic, multiracial and multi-religious characteristics. All the ancient settlements of the VDC celebrate national festivals as well as some specific local *Jatras* or street festivals. The main festivals celebrated in this VDC are Dashain, Tihar, Chhath, Teej, Janai Purnima, Shrawan Sanghantri. Maghe Shanghanti, Gai Jatra, etc. are also celebrated. There are found high level of Newar community but they don't talk in Newar language since their ancestors.

**e) Religious:** - Almost all (95%) people of this Bhadrawas VDC belong to Hindu. They go to the temple of the village and worship Hindu God / Goddess. They celebrate together Krishnastami, Ram Nawomi, Shiva Ratri, Buddha jayanti and Christmas etc. There are many Hindu temples in the VDC like JMahadev Temple, Ganesha Temple, Saraswati Temple and Krishna Temple etc. All temples are made up with the effort of local people utilizing local resources. IN this way there are many Buddhist temples, Gomba and Church for Budhist ans Christians. However, all people of the VDC live together and they celebrate their own festival with a good harmony among them..

**f) Education:-** Magapauwa VDC has 5 government school and there are two private school in this VDC. There is one bachelor level campus which is government. The literacy rate of the VDC is found to be increased in comparison to the past. The educational degree attainment below SLC was considered as literate during the data collection. The male illiteracy was found more than the female illiteracy. The number of illiterate is found to be increased with the increment in the age.

**Table: 1.2 Educational Status of the VDC**

Literate Persons	SLC	Intermediate	Bachelor	Master
Female	110	45	20	6
Male	210	120	110	25
Total	320	165	130	31

Source: VDC Record, 2012.

The table 1.2 shows that the number of male literate is high in each educational level than that of female though there is found female population higher in the study area.



**g) Social Aspect:** The social aspect of this VDC is available such as road, drinking water, health post, public services and etc. Most of the people are found as helpful in this VDC. There are different kinds of clubs which are related to Youth and children .They perform various social, cultural, religious and sports activities.

# **CHAPTER-II**

## **REVIEW OF LITERATURE**

### **2.1 International Context**

Lewis (1984) formulated a model of labour between the rural and urban sector within the economy. The reason for migration is due to wage differences. Unlimited supply of labour force is prevailing at low wage rate like that of urban sector. Arthur Lewis made a very major argument when he discussed migration as a means to draw labour from traditionally labour surplus agriculture sector to modern industrial sector without compromising the productivity of the former. Many theorists have treated and advocated migration as an indispensable part of industrial growth and thus national development, for people of at least development countries encumbered by high fertility and acute unemployment, international labour migration is a survival strategy. Migrant's decision to migrate is influenced mostly by their class position and background rather than their age or educational attainments. Migration decisions of dominant class migrant reflects their 'strategic choice' whereas for the subordinate class. It percents a 'survival move'.

UNO (2002) states that many countries around the world are facing the rapidly changing dynamics of labour migration pressure are increasing in all regions of the world. Migration workers are often still sub standard, housing, from social protection and denial of many basic human rights. All too frequently, national migration policies legislation and practices are outdated. Many governments acknowledge that existing law and practices are manifestly inadequate asses' effective management of today's labour migration condition. During 2000 to 2001, a number of government in central and south-East Asia, the caucuses, the pension Gulf and Latin America have asked to ILO to provide device end technical assistants towards reformulation and modernization of labour migration legislation, structure, polices and practices. Our aim is to offer the relevant government a comprehensive review analysis recommendations package to address labour migration issues and needs, update legislation, policy and practices and implement measures for effective management of labour emigration and immigration. The ILO International Migration Branch has the accumulated knowledge, expertise and

framework to respond to these challenges. It however requires additional resources to provide adequate and timely cooperation to constituents.

Seddon (2003) wrote that the flow of migrants to industrial countries has risen and its composition shifted to developing countries while the period of study in the receiving has become of shorter duration. More than half of the global flow of migrants is between “Developing Countries”. The World Bank argues that international migration is not a global business, subsistence most migrants study within their region. At the beginning of the millennium, Nepali workers are employment in the Gulf countries. Significant numbers are also working elsewhere. The pattern of the migrations has been changing fast over the 20 years and is likely to continue now to change faster. There is not doubt that volume and value of remittances flowing into Nepal from migrants workers abroad is significant and increasingly rapidly. Clearly, as the official figures indicate a significant proportion of money transfer and remittance come through formal channels. These provide the basis for the official statistics on remittances and related inflows. Banks, post offices, and other commercial money transfer system are used, particularly by those in public sector employment. Hundi system is the usual method, however widely used throughout the Far East and south East Asia also from the Gulf and “The West”. This has been described on many occasions, but involves simply a system of intermediaries who collect money from migrants, workers, transfer it to commodities and deliver it to the migrants relatives-“back home”. This system is informal in that sense that it avoids the formal banking channels although it takes advantages of banking facilities to exchange currencies and make transfers. It is also arguably illegal.

Teriman (2007) tried to examine the effect of 1 percent labour migration and remittances on Children’s education among Black in South Africa. The cross-sectional data from the 1993-1994 Integrated Household Survey and Panel data from 2002 and 2003 South Africa Labour Force Survey. The total number of Black children age 7 to 18 in our sample is 10, 132. We drop all case with missing response on enrollment sand 182 cases with missing values on one or more covariate. This results in a sample of 9,859 cases. The overall effect of migration and remittances on children’s school starting age in South Africa is six; it is not uncommon for Black children to delay their school beginning to seven. Analysis is unlimited to primary and secondary school enrollment because tertiary

education tends to depend less on family response and more on external support. It is found that both labour migration and likelihood of sending of remittances home are much more prevalent among Black than any other racial groups and thus restrict study of the impact of migration and remittance on children's education to Blacks. Receipt of remittances substantially increase the likelihood education are in school through three paths way: increase household educational spending reduced child labour and migration of the negative effect of parental absence due to out migration. Also, remittances sharply differentiate labour migrant households.

Aslam (2008) examined perceived effect on socio economic life of the families due to emigration which show that foreign remittance has a positive effect on the household welfare and the social conversation investment. Household production as well as consumption level improved. Similar result shows in case of social conversation investment of the household. It is quite interesting to note that both the use of family labor and hired labor have increased with the increase in remittance income of household in the village. The majority of the people 51 per cent reveal that remittance change in eatable things. Social status is improved of more than 50 per cent of the people due to increase per cent of remittance. Majority of the people feel social and economically better because remittance helps for self confidence. Women empowerment also increased due to increase decision making habits of women in the absent of husband. There is increased in liquidity with the household having remittance income.

World Bank (2011) reports more than 215 million people live outside their home countries in search of economic opportunities. Migrants endeavors goes beyond self improvement and they also try to help their families at home through their remittance earnings. Thus, international migration has become strategy for individual and families, to resist shocks and economic crises as well as reduce poverty, mainly in developing countries. Migrant workers' remittance sent back from the country of employment to the country of origin, accounted for more than 2 percent of GDP in all developing countries in 2009.

Ncube & Gomez (2011) the study shows effects of remittances mainly two categories stand: optimistic and pessimistic views. Optimistic views generally up hold the positive

impact of remittances. In one hand, though determined by social context, migration is part of the people's livelihood strategy as its remittance generally income and possibility includes local investments. Given the variation of the remittance impacts across of the world, due to differences in culture, migration pattern and the stage of the economic development, remittance has the potential effect a large numbers of variables in the recipient countries. On the contrary, pessimists see remittance as promoting dependency and poor lives that are not result of local economic activities. Because, remittances are only for daily consumption and hence, do not guarantee sustainability, rather, leave as with dependency syndrome.

World Bank (2011) global economic prospect report of World Bank shows that extreme poverty has declined from almost 70% to 25% in the last 15 years, and extra billions arriving direct to Nepalese households during this period are undoubtedly part of the story, along with large scale state investment in social sector and infrastructure. The social impacts of such migration are like at least as profound as the financial ones particularly with regard to family and gender relations. In some Nepalese village, up to 90% of media, there were not enough men left in one particular village to carry a coffin, meaning women had to – women traditionally don't even attend funerals. Migration positively affects that ongoing process of women's empowerment has been speed up in some parties of Nepal. Fertility has been fallen by 30% in the last decade, which is mentioned in World Bank report 2011. With fewer men around, women are forced to take more of a lead in households and community decisions, including managing limited funds. Women's increased decision- making control is one key factor in the rapid improvement in maternal health in Nepal in the last two decades, including a halving of maternal mortality. The report also shows that migration negatively affects agriculture yield and remittance receiving agriculture households have not demonstrated improvements in agriculture productivity despite increased household incomes. This paper recommends the need for measures to incentivize remittance receiving agriculture households to invest in capital goods and inputs to improve agriculture productivity so that more than compensates for the yields losses arising from labour migration.

Weldesilasi (2014) studied with the objectives to investigate effects of migration, through remittance and returnee migrants, on migrant sending households and the wider community examined that international migration and remittances have in economic and social welfare of households in Irob Woreda using questionnaire survey key information interview. Socio demographic characteristics of this study's respondents and subjects was dominated by more active labor age, proportional sex ratio (80:65), married group and high adult literacy rate. The study revealed that most of the migrants transmigrated illegally as reported 73 (50.3 percent) of the households heads whereas legal route via visa was stated by about 23.4 percent of the respondents. The main reasons mentioned for the increase were migrating of additional households members, raised cost of living in the study area, special request of recipients often housing, health care and business purposes. This study results that additional remittance income, income of the households is raised and this in turn, has fairly improved their consumption pattern, health care, education, housing and business opportunities. The significant number of the migrant sending households resettles as soon as they manage to purchase or at least rent house in towns. The people of the study area get improvement in the households' basic needs do not necessarily account for development. The people implement knowledge, technology and etc for their economic development. Most of the people of the study area go to city area for the settlement. As a result, the contribution of remittance in the community as an ethnic group with its identity is sabotaged.

IOM (2012) report shows the potential migration beyond the country of origin asserting that properly managed migration can stimulate new economic opportunities in destinations and shape the economic, social and cultural conditions in developing countries. As reflected to Tacon and Warn (2009) and JMDI, (2011), migration has the potential to contribute to the human development of migrants themselves, their families and, indirectly, the whole communities. Migrants are therefore, accredited with a unique potential to bridge the various contexts in which they simultaneously invest, and to engage in long term philanthropic activities.

World Bank (2014) after FY 2013 economic growth in Nepal is expected to recover to 4.5 % in 2014, which shows Nepal Economic Update April 2014. The rebound is expected to be driven by increased agricultural production and continued service sector

growth supported by strong remittance inflows. Inflation remains high in FY 2014, with the average for the fiscal year expected to be around 9.8 %. This year, unlike in FY 2013, the main driver of inflation is food prices, despite expanded agriculture production, reflecting the extent to which prices of food in Nepal are tributary to those prevailing in India. The enabling environment for development has improved. The successful election and subsequent formation of a popularly mandated government provide a more conducive environment for private sector activity and economic policy. In the short term, the central bank, Nepal Rastra Bank (NRB) will need to strike a delicate balance between encouraging sound credit growth so as to not compromise economic activity objectives and containing inflation. At present this balance is particularly difficult to achieve because of uncertainties over the true health of the banking sector, weak risk management system and market failure.

## **2.2 National Context**

Sasikumar (1998) made a macro economic study demonstrating that though remittances are affected by the economic cycle of sources of foreign currency, raise national income, finance import and contribute to the of payments, which other capital flows tend to increase during favorable economic downturn remittances seem to react less violently and reveal incredible stability over time. For instance, remittance to developing countries continued to go up despite the decline in the wake of the Asian financial flows declined in 2000-2002, while remittance continued to rise.

Bhattra (2005) mentioned an increase attester to the volume and directions of international population movements has been accompanied by growing awareness that migration is linked often in ways that are poorly understood to the process of development itself. Developing countries, which both send and receive the majority of international migrants, are trying to understand better the role of migration in the development process. Industrial countries, for their part, are examining the way in which their trade investment and development assistance policies affect and are affected by international migration, especially from developing areas. In case of migration globalization and its dominating facet, foreign direct investment, may mean two opposing things. It can be viewed as the necessary complementary between movements of

production factor labour and flow of capital and goods or conversely, as an alternative to the movement of workers. In the first case, globalization would lead to the growth and diversification trade and capital movements would substitute migration.

Khanal & Kanel (2005) studied on remittance as it is increased by more than three and half folds among the remittance receiving percent from 23.4 percent at the same period. The share of remittance income in private consumption and import of goods reached 14.6 and 41.8 percent respectively in 2003. The large inflow also helped to overcome the worsening current account deficit. In view of imports from third countries and private consumption being highly influenced by remittance income, remittance income had contributed considerably to raise revenue stabilize prices and augment output in the economy. Thus a detailed empirical analysis evidently provide that remittance income is playing a crucial role in minimizing the vulnerability of the economy and also supporting long term growth to some extent

Rajkarnikar (2010) analyzed and examined the socio economic consequences of foreign employment on national economy. The study showed that majority of the migrants' social responsibilities has been shifted to the migrant's wives after his migration for foreign employment, which affects in the changes in gender role of the family. Assisting in the children's study was father's responsibility, which have been shifted to 84.6 % of the migrant's wives after migration in nuclear family. Social impact of migration is considered indirect impact of migration .Such impact is can be seen in the women groups of the family. The migrant's wife though they are not migrant themselves, they are deeply effected migration. The study reveals that remittance have positive impact at household and community level only, it has not created socio economic impact and long term development of the country due to lack of strategic planning for the utilization of remittance.

Karki (2012) analyzed the fact on overseas employment and remittance by using cross sectional data with descriptive types of research design of the given study area. The study reflected that marital status out of total migrants 58 percent were Unmarried and remaining portion are married, show percent of unmarried percent have been gone for overseas employment more than the married persons. Most of the respondents were



engaged in social activities through anyone medium and they are still contributing to the society after return from overseas employment. Except overseas employment the families of the respondents were also earning money to some extent from agriculture, labour etc. But for the most respondents, it is at very low level and tightly sufficient for daily necessary consumption. Poor and vulnerable groups are migrating Gulf States and Malaysia. Similarly, higher middle class people are migrating to South East Asian countries like Japan and South Korea and the people from rich family to Europe and North America. So a distinctive class division among labour migrant is found terms selecting their place of work. The expectation earning is found different in is work place. But the common motive of ease migrant is targeted to uplift and economic and social status of their family is compared to present situation.

Lohani (2014) has also studied foreign employment and remittance in Nepal with the objectives to assess the role of remittance in Nepalese economy. The researcher uses primary and secondary data and findings show that majority (52.62) percent use their remittance for the purchasing of land and making home in urban areas. The study also shows that only 3.35 percent respondents use remittance in business and 14.83 percent have invested in education.57.84 percent of the respondents want to shift from their origin where as 42.16 percent do not like to shift own origin.41.38 percent respondents have not decided what they would to do after the foreign employment where as37.93 percent want to go abroad again.14.66 percent want to be engaged in business whereas 4.31 percent want to do advance agriculture.

Basnet (2014) has made study on implication of foreign employment and inward remittance business in Nepal with the main objective to identify the impact of foreign employment and remittance in the study area. With the field survey researcher found that growth rate of remittance is around 7 percent. The remittance have been increased the household's economic and after receiving remittance and also respondent's social and economic indicators have been increased after returning from abroad. Remittance have been changed the worker's living standard and economic status of 55 percents.75 percentage have been felt that increased in social attitude. Further he found that returned workers are not utilized their newly learnt skills lack of positive social attitude, technology, capital and market

## **CHAPTER - III**

### **RESEARCH METHODOLOGY**

Research is defined as human activity based intellectual application in the investigation of matter. It is the framework for controlling data. The primary aim for the research is discovering, interpreting and the development of methods and system advancement of human knowledge on a wide variety of scientific matter our world and universe.

#### **3.1 Research Design**

This is case study of Magapauwa VDC. A complete research is accompanied by the effective research design indeed. It constitutes the procedure, technique and overall of the study. The unit of information is household sector. The descriptive type of research design used to make analyzed fact more meaningful and useful for the purpose. It is a micro level study .This is descriptive type of research design. Required data are taken from primary and secondary data to meet the objectives of the study. Statistical tools are used to describe and analyze the results.

#### **3.2 Nature and Source of Data**

The information is based on the fieldwork procedure. The mainly two important sources: primary and secondary sources in order to meet the objectives of the study.

##### **3.2.1 Primary Data**

The primary data has been collected by using the questionnaire (see: Appendix-A) and interview method. The required data is collected by the researcher herself.

##### **3.2.2 Secondary Data**

Secondary data are acquired from various sources like official and unofficial sources, Nepal Planning Commission, Central Bureau of Statistics, Annual Publication of Nepal Rastra Bank, Foreign Employment Department, Journals, Articles, Websites, Books, Newspaper and information for donor agency like WB, ADB and UNDP etc.

### 3.3 Population, Sample and Sampling Procedure

The study is on the basis of simple random sampling. The total household of the study area is 780. The size of population is 500 out of which 10 percent (50 households) households is selected as sample units which is proportionately distributed based on the total population. In order to make study meaningful as well as advanced, large sample size was not possible to conduct. The selection of sample household is each ward is made proportional to the size basis. The size is the total number of household in each ward. The selection of the sample size is given in the following table.

**Table: 3.3 Population and Sample Sizes**

Ward No	Total Number of Households	Remittance Earning Households	Percentage	No of Sample Households
1	106	75	15	10
2	99	68	13.6	8
3	68	37	7.4	2
4	80	49	9.8	4
5	79	48	9.6	4
6	96	65	13	7
7	99	68	13.6	8
8	68	37	7.4	2
9	85	53	10.6	5
Total	780	500	100	50

Source: CBS, 2012.

### 3.4 Data Collection Procedure

The required data is collected using both primary and secondary data. The study is focused in the primary data for the reliable of the study. Secondary data has been used in small size than primary data.

### **3.4.1 Primary Data Collection**

All the selected 50 households of respondents were interviewed and relevant information was collected through the medium of questionnaires. The questionnaires include open and closed ended questions. Personal interview was taken by researcher and the questionnaires were filed. The format of the questionnaire is given in the appendix.

### **3.4.2 Secondary Data Collection**

Except primary data, some other data related to the study had been collected from the secondary sources also, which can be official and unofficial. Relevant data are compiled from publication of the National Planning Commission Secretariat, Central Bureau of statistics, Budget speech of Government of Nepal, Economic Survey of Published by Ministry of Finance, Nepal Living Standard Survey by CBS, Economics Reports by NRB, other quarterly and annual Publication of NRB, Journals, Books, Magazines and information from the different donor agencies like WB, ADB, UNDP and etc.

### **3.5 Data Organization, Management and Processing**

The huge mass of data has been generated during the study period. To handle it conveniently the collected data are organized and processed in the means of sorting, grouping, frequency distribution and tabulation presented in the form of table with supporting interpretation. The data were in huge form with different purposes that's why the available data have been tabulated according to the nature of the data to meet the objectives of the study. After tabulated, all the data are arranged in serial wise and sequences according to chapter and objectives of the study to give excellent conclusion.

### **3.6 Tools and Method of Data Analysis**

The direct personal interviews have been taken with remittance receiving households for the study by the field survey. The questionnaires are based on socio – economic. The data are submitted emphasizing on the questionnaires asked to households in interview. A huge mass of data have been generated during the study period. The informational data collected from field survey were grouped and classified to analyze. To handle it conveniently the raw data are processed in a computer in the beginning by means of sorting grouping, frequency distribution tabulation presented in the form of table pie-

chart and bar-diagrams with supported interpretation. The received data from field survey are classified, coded, tabulated, edited, and analyzed according to the scope and objectives of the study. Descriptive method of analysis has been applied for qualitative data. The data has been tabulated according to the nature of the data of the study.

While analyzing the data, the available data from the various sources is collected, classified and tabulated to meet the needs of the study. Data are studied comparatively to get the required results about of study. Table, simple bar-diagram, percentage, pie-chart, frequencies etc are used to analyze of data.

## **CHAPTER-IV**

### **DATA PRESENTATION AND ANALYSIS**

This chapter shows the status of remittance in different aspects : remittance earning by age, foreign employment remittance by level of education, destination of foreign employment, causes of foreign employment, sources of money collection, class of family of responds, sources of income of responds, Average salary received in month country wise etc are obtained by the field survey. There are different types of sectors to consume the remittance in the society. Consumption can be calculated as positive and negative; the consumption which is meaningless and not beneficial for the human being that is known as negative consumption. And the consumption which gives some benefit for the human being is known as positive consumption.

Utilization of remittance in productive sector is more beneficial for the society than consumption of the remittance. But there is also necessary of consumption of remittance in the society. The consumption of remittance in different sector shows the living standard of the people. Consumption of remittance in food items reveals the healthy life of the people in the society. The consumption of the remittance in the non-food sector shows the maintain personality and property. In this case people try to consume the remittance on education of children's, building of houses, purchasing land, ornaments, vehicles and etc. These all are the indicators of the higher living standard of the people.

In the present context, most of the Nepalese workers are educated in comparison with before 10 decades however they are unskilled and semi skilled. So, they can not face the interviews and try to go easily for the foreign employment and their main target is being Gulf countries. Most of the educated people are also going to Gulf countries because of the lack of specific skills.

#### **4.1 Destination of Foreign Employment**

Destination of the Nepali workers for foreign employment is determined by the level of education and skills. Most of the Nepali workers are unskilled and semi skilled as well as lower in education level. They have also language problems, so they can not face the

interviews. Because of these reason they are compel to migrate to those countries, where physical hard work is higher. Main targeted countries are Arabians countries as shown in given table.

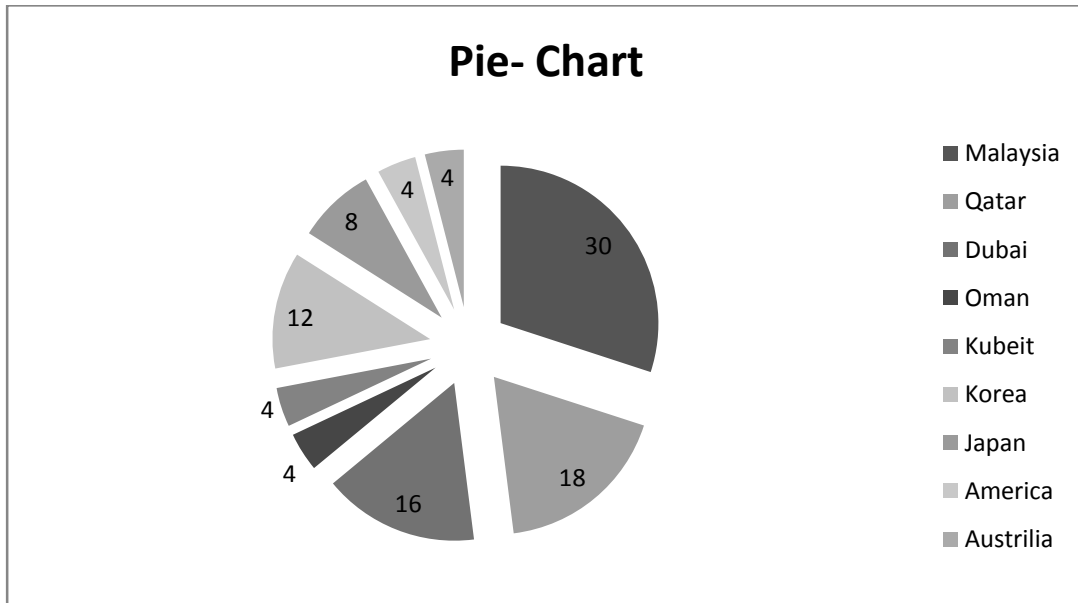
**Table: 4.1 Destination of Foreign Employment**

Countries	Frequency	Percentage
Malaysia	15	30
Qatar	9	18
Dubai	8	16
Oman	2	4
Kubeit	2	4
Korea	6	12
Japan	4	8
America	2	4
Australia	2	4
Total	50	100

Source: Field Survey, 2014.

Nowadays, Malaysia is found the first major destination of the country for Nepali workers. In the study, 30percentage of Nepali workers are migrated to the Malaysia. Second major destination of the country of the people in study area is Qatar that is 15percentage. And third major destination of the country is Dubai. Where is earning level also higher than in Malaysia and Qatar. And Korea is being main attraction for the destination of the migration EPS. The workers, who have higher level of education, are migrated to Japan, America and Australia with respectively 3percentage, 4 percentages and 4 percentages. If it is analyzed about the earning level of the workers, who have above higher secondary level of education earn high level of earning. The explanation can also be shown with the help of given pie-chart.

**Figure: 4.1 Destination of Foreign Employment**



Source: Field Survey, 2014.

The above Pie-Chart shoes that maximum people of study have been gone in Malaysia. Qatar, Dubai lies in second and third destination of the people for the foreign employment.

## 4.2 Causes of Foreign Employment

Normally there are so many reasons for foreign employment. Especially in the study area most of the youth are engaged in different types of works. This is presented in figure.

**Table: 4.2 Causes of Foreign Employment**

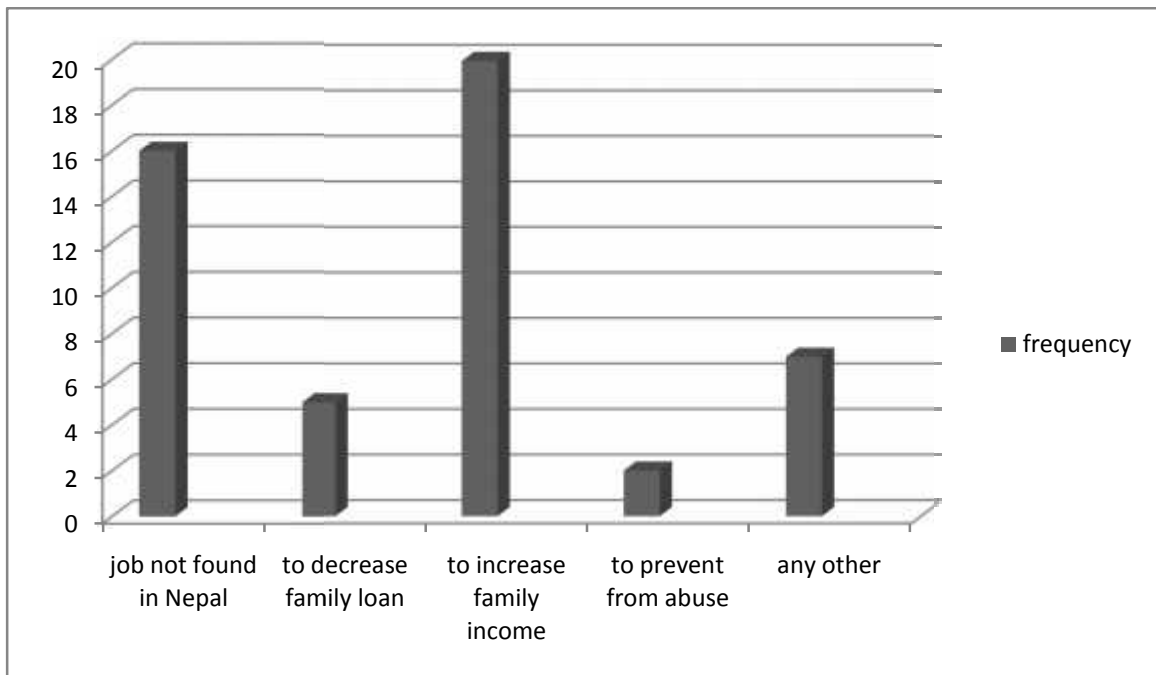
Topic	Frequency of households	Percentage
Job not found in Nepal	16	32
To decrease family loan	5	10
To increase family income	20	40
To prevent from abuse	2	4
Other	7	14
Total	50	100

Sources: Field Survey, 2014.



But they are not satisfied try to foreign countries for the higher level of income and also to increase the family income. Youth go to foreign employment to increase family income is found 40 percentages. In the past studies found most of workers go for foreign employment for the loan payment of the house but in the study area it is not found. It means only 10 percentage go to foreign employment for the loan repayment of the family. In this way, 32 percentage workers are going for foreign employment for the job not found in Nepal. Though educated people are increasing day to day but drug abuse is increasing. So, 4 percentage workers are going for foreign employment to prevent from the drug abuse. And 14 percentage workers are migrated because of other types of reasons. The table can also be explained with the help of given figure.

**Figure: 4.2 Causes of Foreign Employment**



Source: Field Survey, 2014.

### 4.3 Class of Family of Respondents

Dolakha is a Himalayan district and there are found different types of casts and ethnic groups. Class of the family also affects by the casts in the community of country. Classes of the people are determined by the profession of people.

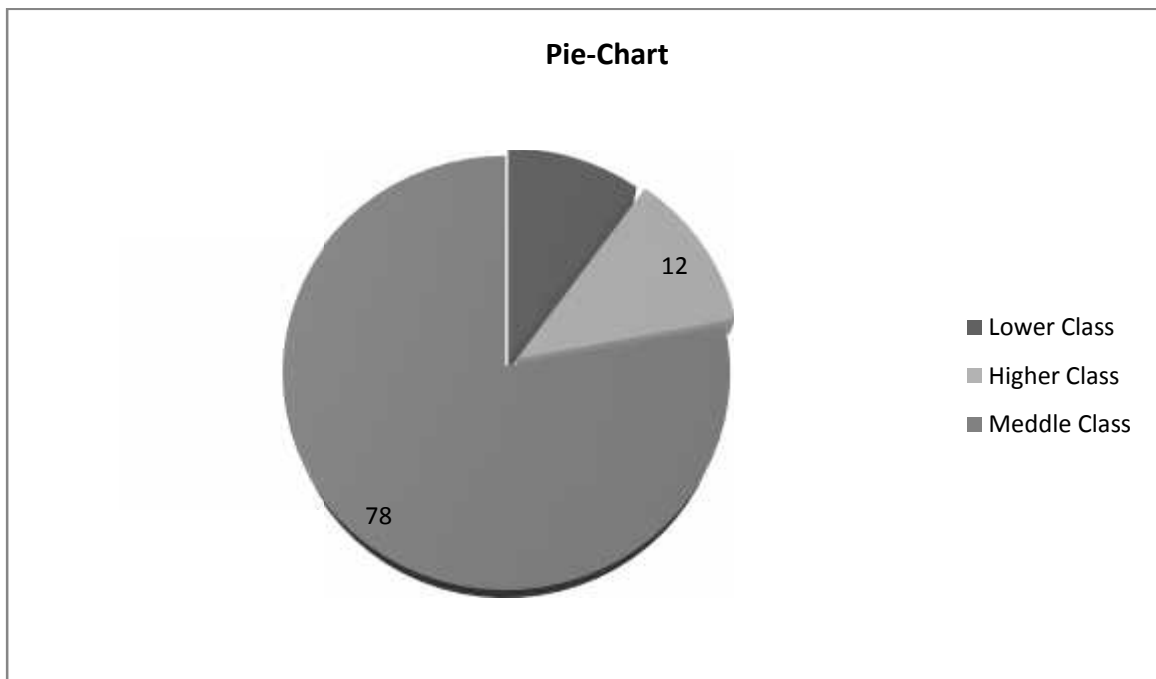
**Table: 4.3 Class of Family of Respondents**

Class of Households	Frequency of households	Percentage
Lower Class	5	10
Medium Class	39	78
Higher Class	6	12
Total	50	100

Source: Field Survey, 2014.

The medium class is higher in the study area, which cover the 78 percentage. The higher class is attained only 10 percentages. The lower class is also found only 12 percentages in the study area. The data also can be shown in the given figure.

**Figure: 4.3 Class of Family of Respondents**



Source: Field Survey, 2014.

In the above figure large area of the pie-chart is covered by the middle class group which is 78 percentages. Then second group is higher class group that is 12 percentages and third is lower class group that is only 10 percentages.

#### 4.4 Source of Income of Respondents

There are different types of sources of income of family of respondents. Commonly most of the households engaged in agriculture.

**Table: 4.4 Sources of Income of Respondents**

Topic	Frequency of households	Percentage
Agriculture	10	20
Business	10	20
Government job	15	30
Private job	5	10
Foreign Employment	10	20
Total	50	100

Source: Field Survey, 2014.

Most of the respondents have replied that their source of income is government job. It is showed in percentage in 30percentage. In government job normally found as Nepal Police and army as well as the teachers. Commonly business and agriculture sector have equal in earning sources of income among the respondents, which is denoted by 20 percent. Now a day's foreign employment rate is increasing and level of remittance also increasing, so sources of income from foreign employment is 20 percent, which percentage is increasing day to day. In the study area there is found lower level of private job holders because of lower level of above higher level of education. Which percentage is only 10 percent.

#### 4.5 Sources of Loan Collection

Sources of loan collection depend upon location of the study area. If the study area is found in higher level of middle class family group, there is easy to collect loan for foreign employment than lower class group. If the higher class group is higher, that makes easier to collect loan for foreign employment

**Table: 4.5 Sources of Loan Collection**

Topic	Frequency of households	Percentage
From own income	5	10
From cooperatives	7	14
From higher class	4	8
From relatives	29	58
From selling ornaments	5	5
Total	50	100

Sources: Field Survey, 2014.

In the study area, 10 percentage of workers are collected loan for foreign employment from own incomes. In this way, middle class group are higher in the study area so 58 percentage found that they collected money from their relatives. Because the middle class group always respect their relatives and help to each others. Numbers of cooperatives are increasing in the village, so 14 percentage of workers collect money from the cooperatives. In this way, 8 percentage and 5 percentage workers found to be collected money from higher class group and selling ornaments respectively.

#### **4.6 Remittance Earning by Age**

In these section, remittance earning by age group has been analyzed which helps to know how many people have gone to work in foreign employment by age group and average annual earning in the last year. Within the 50 sample households, there were 77 respondents out in abroad.

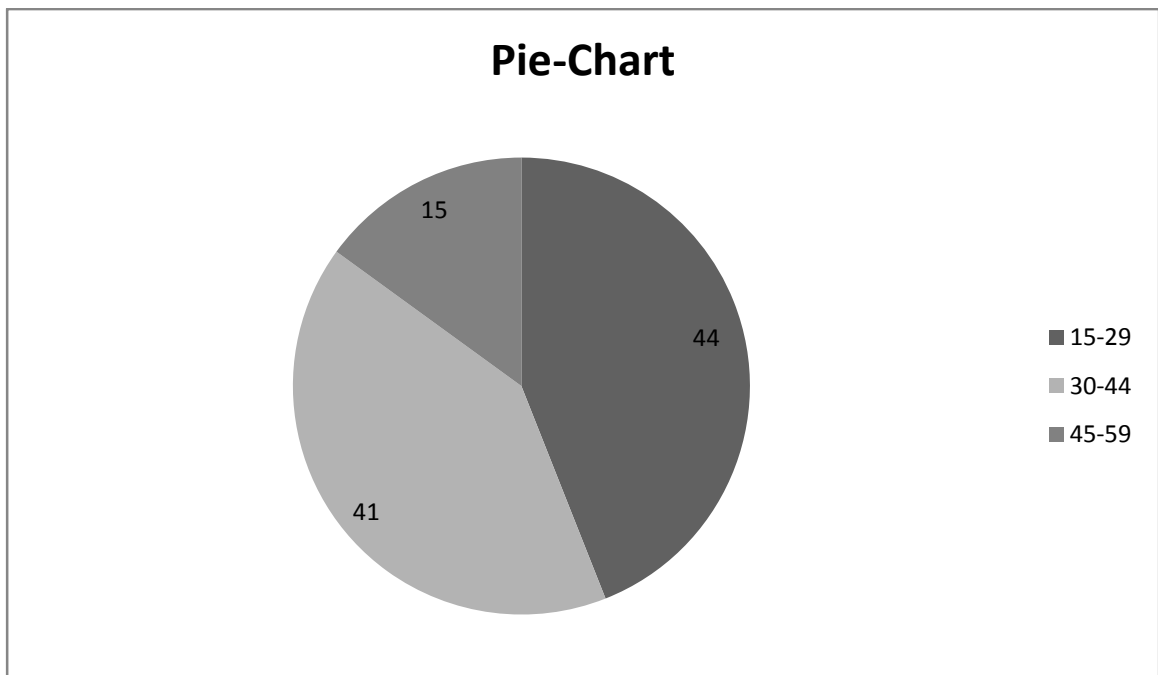
**Table: 4.6 Remittances Earning by Age**

Age Category	Group of Migrated person	Percentage	Average Earning in the Last Year (Rs)
15-29	34	44	4005000
30-44	31	41	75010000
45-59	12	15	3209500
Total	77	100	82,224,500

Source: Field Survey, 2014.

Table 4.6 shows that 15-29 age categories go to abroad for the foreign employment. This shows highest percentage that is 44. In this age group, there are two categories of people first one is teen age and another is energetic young age. Specially, teenagers are not far sighted and creative. They do not know the actual meaning of life and they that life is relax and want to earn money just for entertainment. This age group people try to enjoy the life. In this way, another group is above 20 years and they are responsible for their household activities. They are physically and mentally strong. They go to abroad because of the poor economic condition and responsibilities .They have been facing different types of responsibilities, which must be fulfilled by their earning. They have to compel to go abroad for the fulfillment responsibilities and duties. In this way, the age group of 30-44 also is having higher than 45-59 because of higher responsible pressure of the family, that percentage is 41. All kinds of problems have to face this age group of people. The lower migrated age group is 45-59 because low level of energy. They are not physically strong. So can't go abroad for the hard work. So, the rate going to abroad is only 15 percentage.

**Figure: 4.6 Remittances Earning by Age**



Source: Field Survey, 2014.

In this section, the research has been analyzed to know that how the earning of the workers are differing as their academic qualification in the different level.

#### **4.7 Remittances Earning by Level of Education**

The earning level of remittance is different according to the level of education. Higher the level of education shows higher level of earning level of remittances and vice versa.

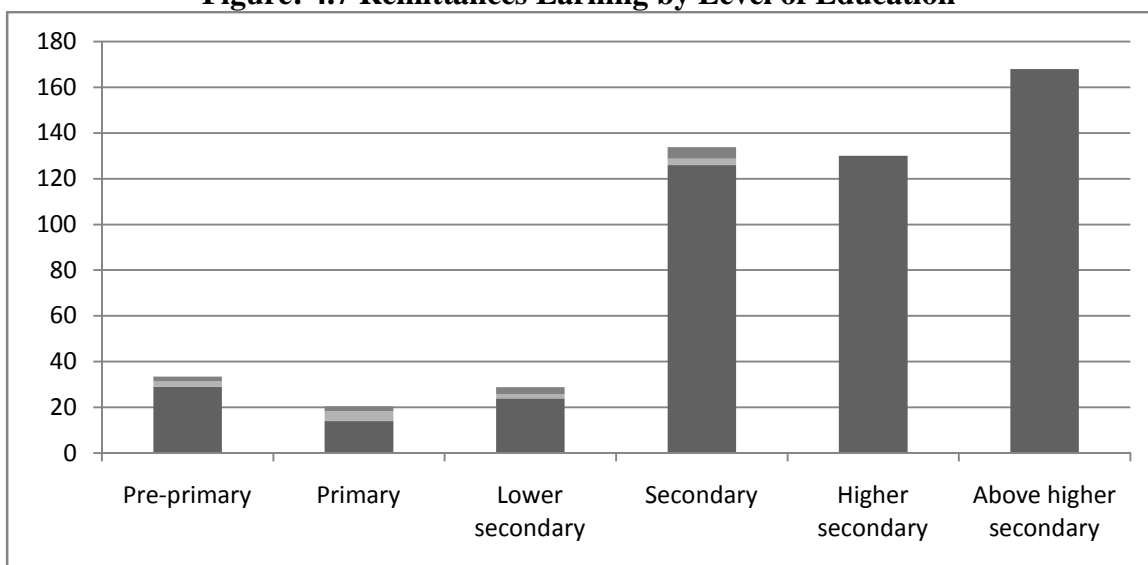
**Table: 4.7 Remittances Earning by Level of Education**

Level of Education of Migrated People	Frequency	Percentage	Average Earning in The Last Year (in Rs.)
Pre Primary	7	9.09	2940000
Primary	3	3.89	1404000
Lower Secondary	5	6.49	2400000
Secondary	25	32.46	12600000
Higher Secondary	23	29.87	13000000
Above Higher Secondary	14	18.18	168000000
Total	77	100	195444000

Source: Field Survey, 2014.

Table 4.7 shows that highest frequency of migrated workers from secondary level of education. Their average earning is 12600000. The second highest frequency for the foreign employment is higher secondary level of education. Their average level of earning is 13000000. The difference between secondary and higher secondary level of education is directly seemed in annual level of earning. Though highest frequency of migrated workers is secondary level of education, higher level of annual earning is found from higher secondary level of education. It clearly shows that salary of the workers determined by the level of education. Highest frequency of secondary level of education of migrated people shows that most of the young people are stop their education, which directly affects in level of education of the country. Third highest frequency of migrated workers is above higher level of education. And they have annual earning is 195444000. The number of pre-primary, primary and lower secondary educated migration is comparatively lower than secondary, higher secondary and higher secondary level of education. Their annual income also less than well educated migrants.

**Figure: 4.7 Remittances Earning by Level of Education**



Source: Field Survey, 2014.

#### **4.8 Changes in Lifestyle before and after receiving Remittance**

The change in lifestyle depends upon the class of the people in the society. Higher class people do not change their lifestyle after receiving remittance. Lower class people also are not interested to change their lifestyle because they are only concern to fulfill their basic needs and loan repayment after receiving remittance. There is found higher change of lifestyle in middle class groups. This change in lifestyle of middle class group been presented in below table.

**Table: 4.8 Changes in Lifestyle before and after Receiving Remittance**

Measurement of Lifestyle	Before Receiving Remittance	After Receiving Remittance	Change in Percentage
clothes	20%	70%	50%
Internet	5%	35%	30%
Dish home	10%	90%	80%
Mobiles	20%	100%	80%
Boarding School	5 %	50%	45%

Source: Field Survey, 2014.

Table 4.8 shows that more than 50percentage of households change their lifestyle in clothing after receiving remittance. The study reveals that most of the households change their lifestyle with the using internet services. The user of internet is seemed 5 percent before receiving remittance but after receiving remittance 35 percentages of households use internet services, the change in before and after receiving remittance 30 percentage. There are not found channels services to watch the Television in the study area before receiving remittance but after receiving remittance 90 percentages use Dish Home for the watching Television. The change seems 80 percentages. Using standard mobile set also represents the modern lifestyle. 80 percentage remittance receivers use mobile set before than after receiving remittance as well as more than 50 percentage people use standard mobile sets to use internet services and talk with family members.

There is found higher change in education of the children after receiving remittance in the study area. There are many government schools but remittance receiver send their children to English boarding school after receiving remittance. Monthly expenses in education of the children have been changed due to enrollment of children in the boarding school. Only 5 percentages of children used to go boarding school before receiving remittance but 50 percentages of children go to boarding school. There is found improvement of the children in English speaking habit. The households which receive the remittance and send their children in government school also change in daily lifestyle. They have been changed in habit of attending tuition class and read guide and guess paper. There is also not necessary to be busy for the households work due to the good economic condition.

#### **4.9 Consumption in Food Items**

The study area lies in hilly district. Specially, there is found low level of production in comparison with other district. Most of the people consume remittance in food items. That is shown in table.



**Table: 4.9 Consumption of in Food Items**

Topic	Before receiving remittance	After receiving remittance	Frequency of households	Percentage
Rice	3000	3000	3	6
Pulses	1500	2500	8	16
Fruits	2000	4000	10	20
Meat	1500	4500	20	40
Vegetables	500	1500	9	18
Total	5800	15500	50	100

Sources: Field Survey, 2014.

Table 4.9 shows consumption of remittance in food at different levels. In the above table there is not seemed different in consumption of remittance in the rice. Only 3000 amount consume for rice before and after receiving remittance by three households. It shows that the consumption of remittances in rice changes except 3 households. There can be seen different in consumption of remittances for rice remaining households from the remittance receiving households. There is seemed different in consumption of pulses and vegetables in same amount 1000 .The consumption of remittance in fruit items also changed by 2000 before and after receiving remittance. The above table shows that higher change in consumption of remittance before and after receiving remittance in meat items. That changed amount is 300.

#### **4.10 Reasons of Increasing Consumption of Remittances in Food Items**

Nepal is a rich country in geo-geographical perspectives. The productivity of the land is determined by the geo- geographical perspectives. In Terai Region found higher productivity in comparison with Hilly Region. There is lower productivity in the Himalayan Region. But the regions have own characteristics and if the crops are cultivated according to the characteristics, the productivity will be higher. The reasons of higher consumption of remittance in food items are analyzed in following table.

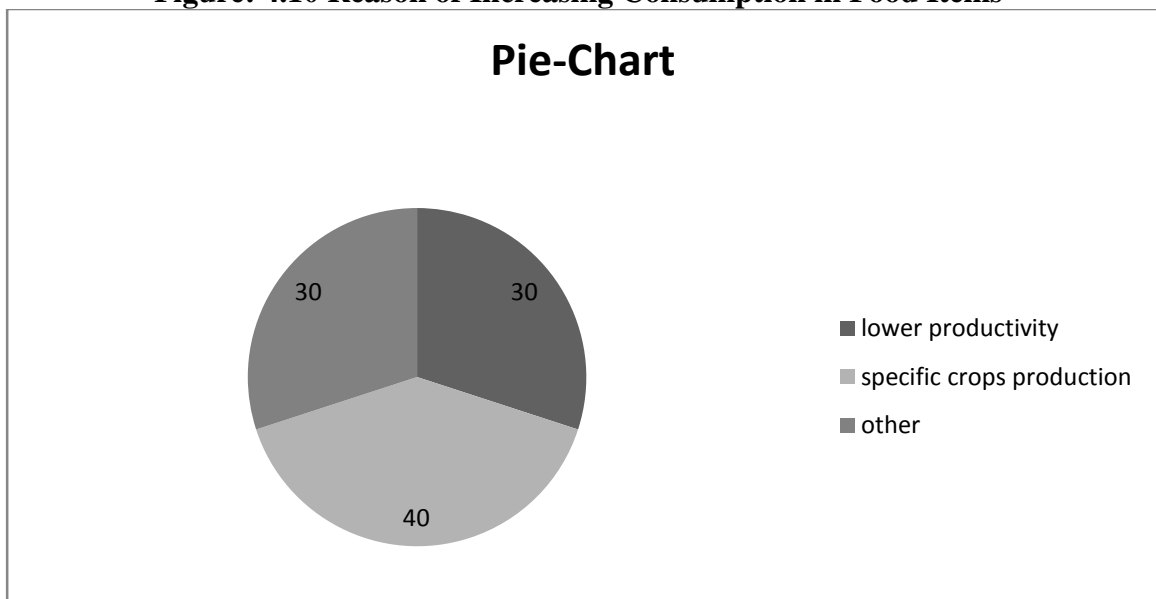
**Table: 4.10 Reasons of increasing consumption in food items**

Reasons	Percentage
Lower productivity	30
Due to production of specific crop	40
Other	30
Total	100

Sources: Field Survey, 2014.

Above table shows that increase in consumption of remittance in food items 30 percentage due to lower productivity. 40 percentage of receiving remittance goes to consumption in the food due to production of specific crop in the study area. The table also shows that 30 percentages of remittances go to consumption in food items due to other reason which are not specified. The explanation can be shown in the given pie-chart.

**Figure: 4.10 Reason of Increasing Consumption in Food Items**



Source: Field Survey, 2014.

#### **4.11 Consumption of Remittances on Non –Food Items**

Non food items refer to those things that includes except food items. That may be clothes, ornaments, houses, vehicles, land and etc. Some of the important non food items in the study are listed in the following table 4.11

**Table: 4.11 Consumption of Remittances on Non-Food Items**

Topic	Before receiving remittance	After receiving remittance	Frequency of houses	Percentage
Building Houses	Up to 300000	Up to 1000000	10	20
Purchasing Land	Up to 250000	Up to 1500000	15	30
Purchasing vehicles	Up to 200000	Up to 1500000	5	10
Purchasing Ornaments	Up to 75000	Up to 150000	10	20
Expenditure on Edu.	Up to 1500	Up to 5000	10	20
Total	826500	4155000	50	100

Sources: Field Survey, 2014.

The table 4.11 shows that expenditure of remittance on non food items in different ways. The higher changes found in purchasing land which is after receiving remittance up to 1500000 from 250000 before receiving remittance. The changes seemed in 15 households from remittances receiving households but there is not changed in other households. There is also higher expenditure on purchasing vehicles up to 1500000 from 200000. Purchasing land is different in purposes, some people purchase land for the agricultural prospective and some of the people for the building land in the city areas. In building houses also heavily changed after receiving remittance from 300000 to 1000000. In this way, people expends for the purchasing ornaments up to 150000 after receiving remittance from 75000 before receiving remittance. Expenditure on education is increased due to change school of the children to English boarding from government. Which represent quality education for the children secure their future. There is not found any kinds of changes except the frequency in the above table.

#### **4.12 Objectives of Land purchasing by using Remittance**

People have different types of income and use for their different work. But in this section, it is explained about the use of remittances for purchasing land.

**Table: 4.12 Objectives of Land purchasing by using Remittance**

Purpose	Percentage
For agricultural production	25
Fro Building houses	50
For Business Establishment	20
Other	5
Total	100

Sources: Field Survey, 2014.

Different people have different types of purposes for being to purchase land. Above table shows that 25 percentage of remittance has been used to purchase land for the agricultural production. In this way, 50 percentage of receiving remittance has been used to purchase the land for building houses. And 20 percentage of remittance has been used to purchase land for the business establishment. Remaining 5 percentage of remittance has been utilized for the other purposes.

#### **4.13 Expenditure in Social Purpose**

Nepal is a country, which have different types of culture and festivals. Most of the Nepalese people spend their income to celebrate the festivals and occasions. There is necessary to calculate the expenditure of remittance on different festivals and occasions.

**Table: 4.13 Expenditure in Social Purpose**

Reasons	Before Receiving Remittance	After Receiving Rremittance	Frequency of Households	Percentage
Pasni	Up to 50000	Up to 15000	8	16
Birthday party	Up to 15000	Up to 30000	7	14
Bratabandha	Up to 60000	Up to 15000	10	20
Marriage	Up to 150000	Up to 300000	10	20
Other festivals	Up to 5000	Up to 15000	15	30
Total	280000	645000	50	100

Sources: field Survey, 2014.

In the above table, there are different types of festivals and occasions with different types of expenditure. There is definitely found difference in expenses before and after receiving remittance. Table shows that expenses of marriage party before receiving remittance is found up to 150000 but the expenses amount have to be double 300000. The normal expenses of Pasni before receiving remittance up to 50000 but the amount has been changed up to 150000 after receiving remittance. In the birthday party also expenses have been changed from 15000 to 30000. The expenses of the bratabandha also found different from 60000 to 150000 after receiving remittance. In other normal festivals also found difference in expenses of remittance.

#### **4.14 Investment of Remittance**

The people invest in different topics and field according to their capacity and available sources. Some important topics are explained below table.

**Table: 4.14 Investment of Remittance**

Investment	Percentage
Cash crops	40
School	5
Hospital and Medical	10
Other	35

Sources: Field Survey, 2014.

In the study area there is found higher level of the consumption of the remittance. It reveals that there is lower level of investment of remittance in the study area. However, it can be analyzed with the above table. 40 percentage of receiving remittance has been invested in the cash crops like potato, aalaichi, cauliflower and etc. 5 percentage of remittance has been utilized in school for the better education of the local children. With the improvement of quality life there is found 10 percentage of remittance has been invested in the hospital and medical sector. In this way, other 35 percentage of remittance has been utilized in the other sector of the society.

# **CHAPTER - V**

## **MAJOR FINDINGS, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Major Findings**

The general objective of the study is to evaluate the consumption pattern of remittances in Magapauwa VDC of Dolakha district. However there are two other objectives of the study, first one is to know consumption pattern of remittances of Magapauwa VDC. And second one is to find out utilization of remittances for productive purposes. To achieve these objectives Magapauwa VDC of Dolakha district is selected and sample survey is conducted during 2014. The sample size is 50 households are chosen by simple random sampling and data were collected through questionnaire method. Some secondary data also used to show and compare the composition of foreign employment and remittance of the national level as well as of the local level in the study area. The data are analyzed by using tools like table, percentage, graph, pie-chart and regression etc. Following are the major findings of the study.

- The main destination of the migrated people is Malaysia, Gulf countries, Japan, Korea, India and Australia. Among them 45 percentage of the people are gone to Malaysia. 5 percentages of people are gone to Korea and 3 percentages to Japan. 4 percentages of people gone to Australia and 2 percentages to America. Other remaining people are gone to the Gulf countries. Most of the people migrated to Malaysia in the study.
- In the study area there is higher group of people is middle class that is 78 percent. Secondly, higher class group of people is 12 percent and lower class group is 10 percent
- Most of the respondents have government job that is 30 percent. In this way, the people engaged in business, agriculture and foreign employment are 20 percent respectively. This change has been become due to increase in foreign employment. When increase in foreign employment increase in business and finally decrease involvement in agriculture. The private job holders have been found only 10 percent in the study area.
- The households respond that only 10 percent people collect loan from income and 58 percent people collect from their relatives for the foreign employment. The households

collect loan from cooperatives, higher class and selling ornaments respectively 14, 8 and 5 percent.

- 15-29 age groups of people go to abroad for the foreign employment. In this age group, there are two categories of people first one is teen age and another is energetic young age. Teenagers are straight forward another group is above 20 years and they are responsible for their household activities. They are physically and mentally strong. The age group of 30-44 also is having higher than 45-59 because of higher responsible pressure of the family. The lower migrated age group is 45-59 because low level of energy. They are not physically strong. So can't go abroad for the hard work.
- The migrated people who have above higher secondary level of education they have high level of yearly earning that is 168000000 comparisons with higher secondary level of education. Migrated people having above higher secondary level of education 15 and higher secondary level of education are 23. Having higher level of education people's earning is 13000000. Slowly primary and pre primary level of educated people are decreasing in the study area. And migrated people are above lower secondary level of education.
- There is found higher change in lifestyle in middle class group. Lower class group and higher class group are not interested to change their lifestyle after receiving the remittance. More than 30 percent households use internet, more than 80 percent households have been used Dish Home in the study area by the middle class groups. In this way, remittance receiving holders send their children to English boarding school.
- In food items, there is no change in rice but there is found changed in all food items. There is increased in pulses after receiving remittance 2500 from 1500. There has been doubled in fruit items 4000 from 2000. Meat eating habit is being highly increased after receiving remittance 4500 from 1500. In this way, expenditure in fruit items also increasing 1500 from 500.
- There are so many reasons for increase in consumption in food items but among them, the study shows that 30 percent reason is due to the lower productivity in the study area. 40 percent is due to production of only specific crop production. 30 percent goes to other reasons.

- There is completely found change in non-food items after receiving remittance like building houses, purchasing land, vehicles, ornaments and expenditure in education of children.
- Before receiving remittance people build houses up to 300000 but after receiving remittance they build houses up to 1000000.
- The households purchase land up to 250000 before receiving remittance but purchase land up to 1500000 after receiving remittance.
- Middle class group people purchase ornaments only in marriage to fulfill the formality up to 75000 before receiving remittance but this type trend has been changed in after receiving remittance the people purchase ornaments according to their choices up to 150000
- Most of the households purchased motorcycle up to 200000 before receiving remittance but after receiving remittance they purchase bus up to 1500000 for the root bus with business prospective.
- The study shows that higher consumption in non food items. There is higher change in amount to purchase land. But the people have different purposes to purchase land. 25 percent people purchase land with agricultural purposes, 50 percent for building house, 20 percent for business establishment and 5 percent goes to other purpose.
- The value of pasni also increasing in Nepalese society, so expenses amount in pasni is normally 50000 before receiving remittance but that amount increases up to 150000 after receiving remittances.
- There is not found higher change birthday party in the study area. Normally household expenses up to 15000 in birthday party but that amount increases up to 30000 after receiving remittance
- Bratabandha is also good social function where Nepalese household expenses in different ways. The household expenses up to 60000 before but the amount has been changed after receiving remittance up to 150000.
- Nepalese people are interested in social purposes, so their expenses also higher in this topics. Normally households expense up to 150000 in marriage party before receiving remittance but that amount increases up to 300000 after receiving remittances.



- Nepalese people have different types of festivals in every month. So, the household expenses in festivals normally 500 but changed in after receiving remittance up to 15000.
- The remaining amount after consumption 40 percent invested in the cash crops mostly in potato, allaichi, and cauliflower and etc.10 percent in remaining remittance invested in Hospital and medical. Then 5 percent remittance invested in the school. Remaining 35 percent goes to other investments.

## **5.2 Conclusion**

The consumption of remittance in food items and, non-food items and social purposes found higher than saving and investment of the remittances in the study area. It has positive and negative impact in the society. If the remittances go to higher ratio for consumption, which helps to show higher living standard with healthy life. In this way, when the remittances consume higher in the society, that reduces saving and investment. There is positive and good aspect is remaining remittances goes for investment of cash crops and other investment. After consumption of remittances only middle class group has been found change in lifestyle in purchasing ornaments, using internet for commutation, Dish-Home for watching Television, send children to boarding school and etc. The people purchase more land for house building purposes than agricultural purposes. Remaining remittances after consumption in food items and non-food items use for the social function and different kinds of festivals. Finally, saving amount after use in consumption on food and non food items as well as in social function goes for investment especially in cash crops. Most of the migrated people are semi skilled and uneducated so their income level is lower than educated and skilled people.

## **5.3 Recommendations**

.There is found higher consumption of remittances in the study area. That should be decreased by promoted people for new investment according to their capacity and qualification. Remittance has been played important role in the society, if the remittances utilized in productive purpose. Accumulated capital and skills gained by migrant workers need to use properly when they returned back from foreign country.

- Specially, young generated people are going abroad which needed for the development of the country. So the government should promote them to return by learning new things to apply in the own country.
- The migrated persons having higher and above higher secondary level of education have earned high level of income than having primary, pre-primary, lower secondary and secondary level of education. So, the Nepal government should promote to study all the youth above higher secondary level of education.
- Since most of the migrant Nepalese workers have been gone to Gulf countries and Malaysia so their destinations are congested area of the Nepalese workers. Thus, manpower agencies, agents and Employment Company all have been cheated to maximum workers. In this way, the workers also can't earn in the Gulf countries and Malaysia like in Japan, Korea, U.S.A, Hong Kong and U.K. so the related government should make policy to make potential destinations and to earn high money in the destination country also.
- Most of the migrated people are unskilled though they are educated. So, they can't earn their education level. To increase the income level of the workers in destinations countries, government should promote to train the people who want to go foreign employment according to their subjects and also technical training.
- Most of the returned migrated people have not utilized their remittance and newly learned skills in the own country due to lack of energy, political instability, technologies and market. So the policy should make to solve these types of the problems, which can develop the country easily.

Finally this above case study of Magapauwa VDC on the topic the consumption pattern of remittance in Nepalese economy is related to the current issues, so this study is considered as significant for the remittance holders and who have plan for going abroad. The remittance receiving households also think about unnecessary consumption of remittance and reduce the higher consumption of remittance.

## APPENDIX-A

### Questionnaire for household survey, 2014

Central Department of Economics

Tribhuvan University

(For the Purpose of M.A. Thesis)

“The Consumption Pattern of Remittance in Magapauwa VDC, Dolakha District”

1. General Information :

- a) Name of household head .....
- b) Age.....Sex.....Caste .....
- c) Name of village.....Ward .....
- d) Education .....
- e) Occupation .....

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

- a) Business      b) Agriculture      c) Government job      d) Private Job      e) Foreign

Employment

3) In which class do you belong looking at your family?

- a) Lower      b) Medium      c) Higher

4) How many members are in abroad of your family?

- a) One      b) Two      c) More

5) What are the causes for going abroad for foreign employment?

- a) Job not found in Nepal      b) To decrease family loan      c) To increase the family income

6) What are the factors that you spent money in order to go foreign country?

S. no	Expenditure	Amount
1	Passport Expenditure	
2	Medical Expenditure	
3	Travelling Expenditure of Aero-plane	
4	Others	

7) What were the sources from which you collected money to go foreign country?

S. no.	Topic	Amount	Reason
1	From own income		
2	From bank		
3	From relatives		
4	By selling ornaments		

8) What about the agreement to stay in foreign country while going to abroad?

.....

9) How much salary received in a month?

.....

..10) How much money received as a remittance at home?

.....

11) Do you have to spend receiving money in food items? a) Yes b) No

1. If yes how much money spends on following topics per month?

S. no	Topic	Amount
1	Rice	
2	Pulses	
3	Fruits	
4	Meat	
5	Vegetable	

2. In which food items, do you spend more remittance?

.....

3. Would you have changed in meat eating habit before and after receiving remittance?

.....

4. Which types of vegetables are produced your land?

.....

2) Would you get different pattern of spending of money before and after going abroad in food items?

.....

13) What is the reason of increasing consumption of remittance in food items?

- a) Lower productivity b) Due to only production of specific crop c) If any other.....
- 14) How much money spends on purchasing ornaments before and after going abroad?  
.....
- 15) Did you build house after receiving remittance? a) Yes b) No  
If yes.....
- 16) Do you have any plan to purchase land in city area?  
.....
- 17) Would you like to build house in own land or purchasing new land in city area?  
.....
- 18) Do you have any plan to purchase land for the purpose of agricultural perspectives?  
.....
- 19) How much money spends for the education of the children per month?  
.....
- 20) Do you have found different in children's education before and after receiving remittance?  
a) Yes b) No c) If yes how.....
- 21) Did you get in clothing before and after receiving remittance?  
a) Yes b) No c) If yes .....
- 22) How much money spends on social purpose?

S. no	Topic	Amount
1.	Pasni	
2.	Birthday party	
3.	Bratabandha	
4.	Marriage	
5.	On other festivals	

- 23) Do you have changed in health treatment before and after receiving remittance?  
.....
- 24) How kind of investment would like to make in future?  
a) Cash crops b) School c) Hospital d) If any other

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