

CHAPTER ONE

INTRODUCTION

1.1 General Background

Migration of people from one place to another is a usual phenomenon since the beginning of human civilization. The migration in the beginning was for the sake of food and exploring new places for security purpose. But gradually the migration took the shape in diverse form and now has become a very essential and common in each and every corner of the world. International labor migration is one of the integral components while talking about international migration. Millions of people from around the world are leaving their usual place of residence for seeking better employment opportunities and supply food for their dependents. Globalization and integration of regional economies have added impetus to the growing mobility of workers across borders (ILO, 2003). Poverty and the inability to earn enough or produce enough to support oneself or a family are major reasons behind the movements of work seekers from one place to another. These are not only characteristics of migration from poor to rich states; poverty also fuels movement from one developing country to others where work prospects seem at a distance, at least to be better.

Labor migration has, in the 21st century, moved to the top of the policy agendas of many countries-countries of origin, transit and destination. Most of the world's estimated 150 million migrants are people searching for improved economic opportunities abroad (Bhattraai and. Regmi, 2012).

Three key factors drive migration and will continue to fuel this kind of movement for many years. They are: The "pull" of changing demographics and labor market needs in many industrialized countries. The "push" of population, unemployment and crisis pressures in less developed countries. Established inter- country networks based on family, culture and history. Remittances income in developing countries has become a lifeline for economic development. By remittances we mean sending income in terms of money or goods in home by the migrants or workers who have their earnings outside their home country. Now a day, this source of foreign income has been

growing rapidly in each year in developing countries. Since long time in Nepal, many migrants have been transferring their income through the unofficial channels.

Worker's remittances in 2013/14 aggregated Rs. 209.70 billion, a rise by 47.0 percent compared to 2007/08. Similarly, the remittances to GDP ratio increased from 17.4 percent in 2007/08 and further to 21.8 percent in 2013/14. As a matter of fact, Nepal was one of the top ten recipients in terms of share of remittances in GDP in 2013/14. These figures clearly demonstrate that any sharp decline in receipts from remittances could disturb the structure of the economy from the macro level (MOF, 2015).

Poverty is the well known major problem all over the world. Especially for the countries like Nepal it is the burning issue. From the basic needs approach, poverty is defined as the unavailability of basic requirements like food, shelter and clothes. As for example: a person needs average daily intake of 2220 calories and value of the lowest actually required daily of other basic necessities (NLSS, 2010/11). If a person can not get that required amount of calories s/he can be rated as poor. Due to the very high level of poverty, the social index of Nepal is also very low in comparison to the world level. Although foreign investment is the main source of development of any economy, because of the lack of sufficient policies and infrastructure the foreign investment in Nepal is not satisfactory (CBS, 2011).

Poverty in Nepal is a largely a rural phenomenon. In 1995/96, 44 percent of the rural population was living in poverty. Now 26.5 percent of the population are living in absolute poverty level (CBS, 2014). Poverty was significantly lower, only 23 percent, in urban areas. Indeed in the Kathmandu valley, where the vast majority of the population falls in the upper quintiles poverty in other urban areas was about 34 percent, still significantly lower than the national average (42 percent) and rural poverty incidence. Judging by the absolute numbers of the poor, the predominantly rural nature of the poverty problem is even striking. When ecological zones are compared poverty in both the Terai and the Central Hill is closed to the national average. But poverty in the Mountain region is much higher- 56 percent (CBS, 2014).

In this present situation international remittances has a vital role in reducing poverty level of Nepal to the lower ranges, especially in rural areas where there are no other opportunities without involving oneself in agriculture sector. But due to the lack of

proper government policy to encourage the remittances income, almost 80 percent of remittances income is used in unproductive sectors like home building, land buying and other luxurious goods. The people are migrated to other countries for work and earn money, which certainly help to reduce poverty level of rural areas.

1.2 Statement of the Problem

Remittance is an important contributor to Nepalese economy. Large scale of remittance is entering in national economy over last few years and in international labor market demand for labor force is increasing day by day from Nepal.

It is not doubt to say that Dhikurpokhari VDC is one of the main remittance receipt village of Kaski District. In present time many people of Dhikurpokhari are residing outside of the country for the foreign job. After receiving remittance study area Dhikurpokhari's peoples economic condition is improved. And poverty rate is decreasing from few years. The use of remittance is difference in difference families. In a study area remittance is used mainly on repayment of debt, consumption expensive product, purchasing land ,more expensive education for their child,etc. only small amount of remittance is using on productive purpose like small business, used modern technology in agriculture sector etc. Most of the people who have been going to foreign land for job they are unskilled and uneducated. So they are compelled to take risk, difficulty and dirty job in foreign country. So this study tries to shows effect of remittance with addressing following research question.

-) What is the nature of remittances in Nepalese economy?
-) What is the role of remittances on poverty reduction of the study area?
-) What is the socio-economic impact of remittances in the study area?

1.3 Objectives of the Study

The primary objective of the study is to examine the socio-economic contribution of the remittances in the study area. The specific objectives of the study are:-

-) to find out the nature of remittances in Nepalese economy.
-) to know the role of remittances on poverty reduction of the study area.
-) to analyze the socio-economic contribution of remittances in the study area.

1.4. Significance of the Study

At present, remittances have become an integral part of urban and rural household for livelihood, strategies in many parts of our country. So the remittances money is a crucial part and reliable sources of livelihood in much rural part of the country and for children education, nutrition and to fulfill other requirements. It permits household to increase their consumption of more goods and services. At a community level remittances create multiplier effect in the domestic economy, producing employment opportunities and spurring new economic infrastructure and services especially in remote rural areas where state resources have not been effective.

As remittances income is one of the major sources of foreign exchange earnings. The significance of the study is theoretical as well as applied. This study differs from the previous study in number of aspects:

-) It inclusively studies the impact of remittances in different group of people especially in Dhikurpokhari VDC, related to their economic condition.
-) Inflow of remittances and its utilization pattern.
-) This study tries to analyze household condition and the condition of economic activities as whole before and after received remittances.

This study will be helpful to know about the inflow of remittances in the Nepalese economy and its utilization and impact in the study area, such as researchers, students, governments and planners and for those who want to know about it as well as who want to undertake further study in this theme.

1.5 Limitations of the Study

The study has following limitations:-

- i. This study is focused on Dhikurpokhari VDC, Kaski district. Thus conclusions or generalization of this study may or may not be applicable in the other part of the nation.
- ii. Price of all commodities is calculated at the current price.

- iii. This study only concern in overseas for foreign employment but not concern in India.

1.6 Organization of the Study

This study has been organized in seven chapters. The first chapter is introductory chapter, which includes general background, statement of the problem, objectives of the study, significance of the study, limitation of the study and organization of the study. The second chapter focuses on review of literature. Review of literature contains review of international context and review if national context. The third chapter explains the research methodology of the study. The fourth chapter explains the foreign employment and remittances economy of Nepal. The fifth chapter deals with the socio- economic and demographic features of the study area. The sixth chapter explains the data analysis and the discussion of the study area. Chapter seventh includes summary of the major findings, conclusions based on this research and recommendations. Finally, appendix and references follow this chapter.

CHAPTER TWO

REVIEW OF LITERATURE

2.1 Theoretical Framework

Human migration is the movement of people from one place in the world to another for the purpose of taking up permanent or semi-permanent residence, usually across political boundary. Human beings physical movement has been described by one of the earliest migration theorist, Ravenstein (1889, as cited in Shrestha, 2001) as the result of push and pull factor. Push factors are unfavorable situation which force a person to leave whereas pull factors are favorable condition pulling people in. Ravenstein, approach towards migration had behavioral perspective, his view towards migration has that of an individual decision making process, a free choice intended to maximize utility of scarce sources (Shrestha, 2001).

Historically, Nepalese people establish their business and work with the neighboring countries like Tibet, China and India. In lichhivi period, promoted Nepalese arts and popularity by Bhrikuti in China and many artist designers worked there. Artsiest Aaraniko invited by Kuble Khan for the constructing temples and stupas in china. These histories show that at the Nepalese were working in neighboring countries and sent the earned amount to their motherland. At that period, Nepal was rich for culture, art, heritage and economically malla regime too. Nepalese carried on the job continuously focusing trade between neighboring countries.

Lewis (1954) in 'Economic growth with unlimited supply of Labor' distinguishes subsistence sector and developed sector within the economy. In the other words the first is agro-based unemployed or rural area and second is industrial, seveloped or urban territory. The prime reason for migration is due to wage difference. Unlimited supply of labor force prevailing at low wage rate is attracted into industrial sector until subsistence sector provides equal wage rate like that of urban sector, i.e. migration exists whenever wage differential exists and such of differential causes to end labor mobility.

Todaro (1954) in his book clarifies that migration is stimulated primarily by rational economic consideration of relative benefit of which are mostly financial. Decision to migrate is influenced by the difference between expected income of two places. He adds that probability of getting job in new area is inversely related to unemployment rate in the new area.

Kansakar(1993) in his article found that origin of Nepalese emigration be after the Anglo-Nepali war in 1914 and was totally for recruitment purpose. The India authority was not only open to them but also manage for their permanent settlement. The Prime Minister Birshamsher JBR for the first time relaxed the policy and encouraged the people join in the British recruitment. So two million people joined the British regiment ever during the First World War. The Anglo-Nepal convention held on 15th may 1815, created alternative labour market to the Nepalese and India. The emigration to India accelerated because of opportunities growth and miserable day to day life to Nepalese in hill area.

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

As stated in the BOP manual states workers remittance cover current transfer income by migrants who are employed in new economies and considered residents there. A migration is a person who covers to an economy and stay or is expected to stay for a year or more. Workers remittance often involves related person, who work for and stay in new economy for less than a year are considered as non-residents. So their transactions are appropriate mainly to the components for compensation of employees(IMF,1993).

Addisin (2004) in his research paper observed that remittance have for several generation been an important means of support for family members remaining at home. As migration continue to increased come to constitute a critical flow of foreign currency into many developing countries and Africa is particular policy maker in developing countries have started to streamline financial system, removing controls and creative incentive with the aim of attractive remittance especially through official channels. The general remittance creative a positive impact on the economy through various channels. The general understanding among various economic thinkers is that remittance can impact on economy through saving, investment, growth, consumption, and poverty and income distribution. The importance of remittance flows becomes critical in economy with credit market imperfection as in the case in most development countries.

Nepalese migration as limited employment opportunities in government and private sector. Underdevelopment of industries and rudimentary service sector provided limited number of job to ever increasing labor force. In the farm sector this conventionally used to absorb almost all the work. The entrepreneurs in this sector are not enthused to invest more either due to low returns or risk involved in this sector. Such events and lure of making quick money at least from legal means by going overseas for menial work prompted to exit numbers of worker for rural Nepal.

2.2 Review on international context

Owiafe (2008) analyzed the impact of external remittances on poverty reduction in Ghana. The study employed mainly secondary microeconomic time series data analysis. All data were taken from IMF, international financial statistics government, finance statistics and the World Bank and the state of Ghananian economy. Data were analyzed descriptively and quantitatively. Charts such as trend graphs and tables were employed to add in the descriptive analysis. This study adopts newly developed autoregressive distributed lag econometric model.

The study concluded that remittances have indirect impact on economic growth through human capital development and the case of capital constraints, its direct

impact is nil, where poverty is concerned remittances seem to have direct impact on poverty reduction, through the direct increase in the income of the poor, thus smoothening household consumption and easing capital constraints.

Anyanwu and Erhijakpor (2012) tried to seek the answer to question: "Do international remittances affect poverty in Africa?" The data set consists of 33 African countries and 75 observations. The poverty measures of used here are from the World Bank's percale net database which incorporates three measures of income poverty. First is the poverty incidence (headcount poverty) which measures the percentage of population living on less than one PPP dollar per day. Second is poverty depth (poverty gap) which is the mean distance below the poverty line as a proportion of the poverty line. Third is poverty severing (squared poverty gap) which is the mean of squared distance below the poverty line as proportion of the poverty line and is more sensitive to the distribution of the poor below the poverty line.

The main finding of this study was firstly, international remittances have strong statistically significant impact on reducing poverty in Africa. After incrementing for the possible indignity of international remittances, a 10 percent increase in official international remittances as a percentage of GDP will lead on average to a 2.9 percent decline in the share of people living in poverty. Secondly, per capital GDP strongly reduces all measures of poverty in Africa. Thirdly, income inequality appears to be the strongest factor influencing all three measures of poverty in the continent. Fourthly, both trade openness and inflation tend to reinforce poverty in Africa.

Adams (2008) used the survey data for Guatemala and Ghana to investigate the effect of remittances from domestic and international migrants on poverty and income distribution. Using both cross section data from Ghana living standard survey and pseudo-panel estimation it is found that international remittances decrease the probability of family being poor. The effect of international remittances in reducing poverty is far higher than the effect of domestic remittances in reducing poverty. It concludes that remittances reduce poverty but has no effect on income distribution in Guatemala and Ghana. The degree to which, remittances contribution poverty depends on how to measures poverty. Acosta et al. (2012) tried to examine the impact of international remittances on poverty and inequality in Latin America. Remittances have the capacity of lowering poverty in Latin America. Every 1 percent increase in

remittances as a proportion of GDP leads of a 0.37 percent poverty reduction in that region. However, the impact of international remittances on poverty varies from country to country and depends on initial levels of income inequality on the basis of balance of payments data and national household survey, researcher evaluate the impact of remittances on poverty, education and health in eleven Latin American countries and conclude that moderate but positive impact on poverty reduction does exist.

2.3 Review on National Context

Bhadra (2007) aim to analyze the international labor migration of Nepalese women and the impact of their remittances on poverty reduction. The design of this study is pre-and post recall. In the absence of baseline data and the inability to conduct an experimental study, researcher designed this study to measure the impact of remittances on poverty reduction based on retrospective pre-and post recall by the respondents. Among the various methodologies applied in research ,this study adopted the quantitative method, a sample survey was conducted for qualitative method, focus group discussions were held and study were done. A purposive sampling was adopted in order to reach the respondents. The total sample size of study was 421 households, comprising 247 returnee migrant women and 174 household members of women. Semi-structured questionnaire, focus group discussion, and case studies were used for data collection.

Poverty indicators used in this analysis are inadequacies in food, housing, clothing, and schooling for boys and girls medical care, social expenses, religions expenses, land and income. The conclusion of this research is that Nepalese women's international labor migration is mainly promoted by poverty at home and significant impact of their remittances on overall poverty deduction at the household level.

Upadhyay (2007) analyzed the role of remittances for poverty alleviation in Nepal. Data were secondary. Secondary data were taken from Nepal living standard survey 1955/96 and 2003/04 on headcount poverty rate of different types of households according to their migration status in 2003/04. if the pattern of receiving remittances remained the pattern of receiving remittances remained the same as in 1995/96,then poverty rate among households with internal migrants would have been higher than

the observed one by 4.2 percentage points, whereas poverty rates among households with migrants abroad would have been higher than the observed one by 19.5 percentage points. Overall the increase in the incidence of remittances accounts for a 3.9 percentage points decline in poverty rate.

This analysis shows that an increase in remittances coming from outside of Nepal has had a stronger impact on poverty than an increase in internal remittances. Similarly, remittances are typically helpful to meet specific needs of migrants, family members and thus lead to an increase in their standard of living. This research found that lower class or poor households may finance their remittances to fulfill their basic needs, such as consumption, housing, children education and health care and to pay back loans. For the middle class or rich households, this may provide opportunities either to take a loan for individuals going abroad or to make capital investment for business and entrepreneurial activities.

Sharma and Gurung (2009) try to examine the impact of global economic slowdown on remittances inflows and poverty reduction in Nepal. Secondary time series data were taken for analysis. The study found that remittances income is mostly invested in household purposes such as purchase of land, purchase and maintenance of new houses, paying off loans, depositing cash in bank and finally interest for business purposes. Some returnee migrants have also invested their savings in business ventures. Given the political and economic realities in Nepal and the limited space for expanding employment and income opportunities, foreign employment will remain an attraction for new entrants in the Nepal labor market for a long time to come. While the attractions are strong and realistic, the foreign labor market remains fragile, subject to different factors, including local demands and global economic situation. Since the bulk of the Nepali migrant workers consist of unskilled labor, youth are exposed to insecure and low-paid jobs. Lastly, they recommended that the private sector should take the initiative to make the most productive use of remittances income, which is now largely invested in land, housing and buildings. In the long term, it would not be sustainable for promoting foreign employment.

Bhattraai and Regmi (2012) focused on the role of remittances in household economy, collecting primary data from Nirmal Pokhari VDC in Kaski district of western hill Nepal. For the purpose of household survey, four wards of the VDC were selected

purposively. In the second stage of sampling the total households of the selected wards were divided into two categories based on remittances receiving households (RRHH) and remittances non- receiving households (RNRHH). From these two strata, 34 remittances non- receiving and 64 remittances receiving households were selected randomly for household survey. The necessary information was collected filling up the interview schedule asking head of the household. The analysis was done with the help of simple statistical tools. Descriptive as well as inferential statistical tools have been used. Educational status, income, expenditure, saving and debt were taken to analyze the role of remittances in rural household economy.

Main findings are that per household agriculture income was Rs. 20213.02 for RRHH whereas it was Rs. 24691.48 for RNRHH. Similarly average non- agriculture income was Rs. 17170 for RRHH whereas it was Rs. 57218 for RNRHH. It implies the fact that remittances has positive influence on non- agricultural income but not on agriculture income of the sample households. The study suggests that remittances have no doubt, played an important role to subsist the household economy in the rural area. However, from the test of mean difference in various indicators of households' economic status, it is difficult to claim that remittances has played significant role to enhance the productive cycle of the rural economy. The remittances has not been properly channeled into the domestic economy by investing it into agriculture, education and to shift in non- agriculture economic activities, rather it has been used to meet the hand to mouth problem of the household or to spend on the non-productive venture such as buying land in cities, buying ornaments and to celebrate better fest and festival.

Khatri (2012) looked at 74 low and middle income developing countries are found that there is statistically significant correlation between remittances and decline in poverty. It is noted that 10 percent increase in the share of remittances in a country's GDP can lead to a 1.2 percent reduction in poverty. Moreover, a 10 percent increase of migrant flow from the sending country will lead to 1.6 percent decline in the share of people living on less than \$1 a day. Although the methodology used in reaching the findings in the study is somewhat controversial, the positive impact of remittances on employment and poverty alleviation is widely accepted.

Remittances impact on poverty reduction in a small country like Nepal can be even higher than the average impact for 74 countries indicated by UNFPA study. There are two reasons why this can happen: first the country is poor and the per capita income is low; and second productivity is also low. For example, a study done by National Living Standard Survey on the contribution of remittances in reducing poverty between 1996 and 2003 was 11 percent. Remittances not only help to reduce poverty, but also to reduce the depth and severity of poverty in Nepal, and other countries. The money that is available to families improves human development of the country since resources can be used to provide education for children and look after the overall health of family members.

Regmi (2014) try to examine the contribution of remittances in rural poverty reduction as a case study of Khilung Deurali VDC of Syangja district. The research design is pre-and post recall. For analysis 100 remittances receiving households were taken by using proportional random sampling. Data required for analysis were collected through questionnaire. Simple statistical tools like percentage, ratio were used for data analysis. In this research income status, education, inadequacy of food, health was taken as indicators of poverty. Major reasons to seek foreign employment include unemployment family debt burden, conflict problems etc. Major sector of employment for Nepalese workers were building construction and mechanical. Remittances have increased their household's economic status and social indicators after returning from foreign employment. 81.73 percent respondents said that remittances have increased their economic status.

Aryal (2015) conducted a study on overview of remittance economy of Nepal with the aim to evaluating the significance of inward remittance in the overall economy development of the country. Employment in abroad has not only helped Nepal ever-growing unemployment problem but it has also injected much needed foreign currency in to our economy to fill up foreign exchange and investment gap, thereby helping Nepal avoid a major BOP crisis.

Remittance now a day is considered as one of the sic pillars of economy other being investment, trade, agriculture, water, and tourism. At the household level, it helps to smooth the consumption and investment in human and physical capital. Remittance also generates benefits to the community, if they are spent on locally produced goods

and services, and helps poverty reduction since money is utilized for rural development. In Nepal's case the penetration of the remittance into remote villages has helped in poverty reduction. The IMF country report stated that in the absence of remittance, the percent level of poverty would be 25 to 28 percent.

Regmi (2015) study on foreign employment and remittance in Nepal with the objective to use analytical approach and taken the data dating back to 1990 to 2014, especially the study try to show the contribution of remittance to GDP ratio. The study showed that the remittance to GDP ratio was only 0.5 in 1990/91. Recently the remittance to GDP ratio increased from 10.34 in 2001/02 to 15.12 accounted highest is 2010/11. but the share of remittance to GDP was decreased to 14.83 as compared to previous year. It indicates that contribution of remittance in Nepal is immense justifying the fact that Nepal's economy is remittance economy.

Further the study showed that the contribution of remittance of the different sector of economy becomes much more important. Finally, the study suggested that government and the concerned authorities must visualized and addressed the issue of foreign employment and remittance in Nepal from the changed perspective.

Bhattarai (2015) conducted the study on present and future prospect of foreign employment and remittance in Nepal. The found that Nepal has opened foreign employment for more than 107 countries in the world. In 75 countries where Nepalese have been gone for the foreign employment. There have been 2029423 Nepalese employers were gone by labor permit (last Ashad 2073). And there have been 25 million Nepalese processed for foreign employment by the open boarder without any permit, which is nearly 10 percent of whole population. Among them foreign labors 71 percent untrained 27 percent semi trained and 2 percent are trained.

According to the cross country analysis showed that when 10 percent individual remittance on official recorded increase then the poverty decreased by 3.5 percent and also international label study shows that more than 35 percent of remittance has been gone in rural area.

After reviewing the various literatures, it is concluded that the international labor migration is one of great importance for receiving high degree of remittances. The

Nepalese immigrant sent considerable remittances back their home which play vital role for their overall development. In case of Nepal one of the major exports is labor and most of the households now depend on at least one members earning from abroad. Generally the Nepalese labor force is comparatively low skilled in terms of education and vocational training. Thus a higher qualification could be beneficial at foreign as well as national labor market. Most of the previous studies were impact of remittances on poverty and education but present study tries to show role of remittances in national economy as well as socio- economic role in household's level.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

This is a case study of Dhikurpokhari VDC. It is a micro level study. The design of this study is pre- and post- recall as well as comparison of remittances receiving households with remittances non-receiving households. This study adopted the descriptive and analytical method. The main objective of this study is to review the role of remittances in rural poverty reduction. For this purpose, US \$1 income per day concept was adopted to measure the poverty of the study area.

3.2 Nature and Source of Data Collection

Secondary Data Collection

Besides, primary data secondary data also needed to fulfill the research objectives. So the sources of available data should be taken from official and unofficial sources. The relevant data taken from publication of National Planning Commission Secretariat, Central Bureau of Statistics (CBS), Budget speech of GON, Economic Survey, Annual publication of Nepal Rasta Bank, Books, Reports, Magazines, Seminar Papers, Reports of Research Center's data and information from donor agencies like WB, ADB, IMF ,UNDP etc.

Primary Data Collection

Among the selected households members are taken interview with sampled household were use structured questionnaire and relevant information collected through the medium of questionnaire. The questionnaire includes both open and closed types. The researcher took personal interview and fill up the questionnaire. Cross check, editing and indirect question were also put some time to check the validity and relevancy of questionnaire. The format of the questionnaire is given in appendix I.

3.3 Population and Sample Design

The Dhikurpokhari VDC of Kaski district was purposively chosen for the study site. In Dhikurpokhari VDC, there are 783 households. To examine the socio-economic study of remittances income on different caste, total households have been divided into three caste groups i.e. Chhetry/Brahamin, Janajati and Dalit caste group and the number of households of these caste groups are 409, 264 and 110 respectively. Total population of the VDC is 4675, among them 2382 are male and 2293 are female. From VDC profile, total number of remittances recipient households (RRHH) and non- remittances recipient households (NRRHH) are identified in each ward on the basis of different caste group. Among the total number of households 426 households were found remittances receiving households and 357 households were found remittances non receiving households. The remittances receiving households of Chhetry/Brahamin, Janajati and Dalit caste group are 226, 146 and 54 respectively. Similarly, remittances non receiving households of Chhetry/Brahamin, Janajati and Dalit caste group are 183, 118 and 56 respectively. After the identification of remittances receiving households and remittances non receiving households 25 percent households were randomly selected from both categories related to 106 remittances receiving households and 89 remittances non receiving households. Then households were interviewed by using structured questionnaire for data collection.

3.4 Data Processing/Analysis

After completing the fieldwork, all information of the filled up questionnaires in presented master table which are identified by the respondent number and the variable related. Some variable after editing and cross checking. Data processing is done with the help of scientific calculator and computer with using different variable related simple graph, tabulation, frequency distribution, means, percentage are sketched and calculated in possible area.

To measure the relation between GDP and Remittance regression analysis has been used.

Regression of GDP on Remittance

$$Y=a+bX,$$

Where,

Y= Gross Domestic product

X=Remittance

Here Y and X are dependent variable and 'a' and 'b' is constant parameter.

To measure the impact of remittances in poverty reduction and other indicators of the study area using simple statistical tools, relevant hypothesis testing which represent the significant of the remittances. The analysis has been done with the help of simple statistical tools. Descriptive as well as highly inferential statistical tool has been used. To test the hypothesis whether there is significant statistical difference in the economic behaviors between two groups of household due to remittances the mean difference test was applied. For this Z test and t test were used to measure if there is any statistical difference between remittances receiving households (RRHH) and remittances non- receiving households (RNRHH). Under such condition, after receiving the remittances income the poverty rate of the study area is relatively decreased or not than before remittances receiving? For this testing Z test is applying.

Z test is given by;

$$z = \frac{p_1 - p_2}{\sqrt{pq \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}}$$

Where,

P_1 = Observed sample proportion of before receiving remittances from first population.

P_2 = Observed sample proportion of after receiving remittances from second population.

P= Population

Q= (1-P)

n_1 and n_2 are sample size of P_1 and P_2 respectively.

To test the significance of remittances receiving households (RRHH) and remittances non- receiving households (RNRHH) using some economic variable (saving and expenditure) are test with the help of t test.

t test is given by;

$$t = \frac{\bar{X} - \bar{Y}}{\sqrt{S^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}}$$

Where,

\bar{X} = mean of the variable 1, i.e. remittances receiving households (RRHH).

\bar{Y} = mean of the variable 2, i.e. remittances non- receiving households (RNRHH).

$\sqrt{S^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}$ X Standard error of difference of different variable ($X_1 - X_2$) of two samples means.

Here t is based on $(n_1 + n_2 - 2)$ degree of freedom

Setting Hypothesis

Null hypothesis H_0 : there is no significant difference between two samples.

Alternative hypothesis H_1 : there is significant difference between two samples.

CHAPTER FOUR

FOREIGN EMPLOYMENT AND REMITTANCE ECONOMY OF NEPAL

4.1 Migration and Remittance in Nepal

Foreign labor employment in Nepal started after the Nepalese army headed by Kajeer Amar Sing Thapa was defeated by the British East India Army in 1814. The conversion (May 1815) between Kajeer Amar Sing Thapa and General Ochterlony of East India Company came to consensus that Nepalese deserved to join the British, East India Company. Because of the provision the Nepalese emigration process was initiated for military purpose to outside the country but as invisible emigration to India as initiated in mid 1800s. peasantry in eastern hilly part of India was encouraged by promoting tea plantation and settlement in the forested area. During this period Nepalese migration to India, started which was beside to join military recruitment. Friendship treaty between India and Nepal in 1950 promoted free movement between two countries and the previous agreements were further consolidated.

Restoration of democracy in 1990s opened the door to international labor market. Labor migration refers to the temporary movement of workers. Migration is increasingly becoming the alternative for many Nepalese due to the high rate of unemployment and acute poverty prevalent here. The exodus to India has a longstanding history, but migration to the gulf countries is a relatively new phenomenon which began about 20 years ago, Migration has contributed to the national economy and poverty reduction through remittances, which in turn help the families of migrants to improve their livelihood. On the other hand, Nepali migrants are facing a number of problems and challenges, they are duped by manpower agents here and then their right are violated in abroad.

In this present situation, the hardships and sufferings of Nepali migrants are still more miserable. As much as 400,000 young workers enter the labor market for job every year, but the absorption capacity of the economy is insufficient even for number of

100,000. Thus a considerably high number of person in economically active age are compelled to go aboard in search of a better life (MOF, 2015).

4.1.1 Foreign Labor Employment: Trend and Growth

Foreign labor employment documentally started was after the establishment of democratic system in 1990 that Nepal integrated herself to the world and then diversities in dimension of emigration occurred enactment of foreign labor employment act 1985 realized the importance of emigration through the unofficial channel and recognize the future of foreign labor employment search of employment outside the country was entrusted to manpower agencies. Now a day the supply of Nepalese youth in foreign countries in search of work is increasing day by day at a higher rate which contributed at around 30% on national GDP. So the migration of Nepalese workers in different countries in different fiscal year given by following table 4.1.

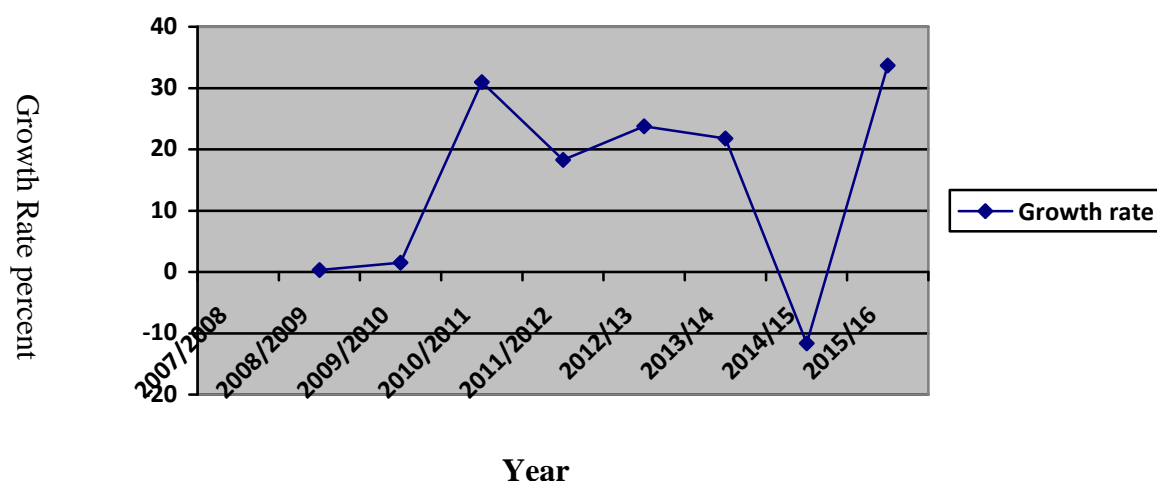
Table 4.1: Number of Nepalese workers in Different Country in Different Fiscal Year and Growth

Country/FY	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Malaysia	52926	42812	45760	66291	75526	74029	50554	35070	113982
Qatar	19895	26850	24128	42394	53892	59705	85442	76175	55940
Saudi Arabia	21094	17990	16175	13366	15813	39275	42394	48749	63400
U.A. E	8411	112650	12760	12726	15137	25172	45342	31688	33188
Kuwait	378	907	3194	1789	640	2441	5099	2291	8253
Bahrain	695	818	606	536	540	1200	1967	6360	4234
Hong Kong	482	564	672	523	140	361	199	65	102
Israel	16	55	433	815	876	405	110	3378	316
Oman	96	44	73	330	28	509	2626	4147	3285
Macau	50	41	68	83	122	330	272	559	100
Afghanistan	0	72	327	0	32	182	1400	1538	735
Maldives	42	15	29	27	15	69	1116	377	335
America	34	39	46	101	12	35	545	354	274
Russia	2	0	0	0	150	51	83	39	32
Other	615	1186	1689	737	149	765	11902	9075	9918
Total	104736	105043	106660	139718	165252	204533	249051	219965	294049
Growth rate	-	0.293	1.54	30.99	18.27	23.77	21.76	-11.67	33.7

Source: Labor and transpiration management office, Department of foreign employment 2016

Above table show that the number of migrant people visiting abroad for foreign employment during FY 2007/08 was in total 104736. By the above table we can say that Malaysia has covered the top share of foreign employment among the other. But after the FY 2013/14 Qatar has been the higher place for it. And the Saudi Arabia and U.A.E are also follow them nearly. The share of other countries rapidly increases for foreign employment when the Nepalese workers started to go south Korea after implement the EPS system in FY 2013/14, which has also helped to grow to share of other countries.

Figure 4.1: Growth Rate of Foreign Employment



Source: Based on table 4.1

Form above we can say that the most favored destination of Nepalese workers are being gulf countries. It might be related to the level of skill required or the level of wage earned by unskilled Nepalese workers. To analyze the growth of migration people in various FY shows that it increasing trend expect FY 2014/15 but after that increasing rapidly. This trend show that, supply of Nepalese youth in foreign countries in search of work is increasing day by day at a higher rate.

4.1.2 Inflow of Remittance in Nepal

In Nepal, much of early migration was the result of push factor like excessive tax burden exploitative agrarian relation and political instability. The more formal and

temporary migration began after people started to work in the British army following the sugauli treaty that was signed on December 02, 1915. This treaty permitted Britain recruit Gorkha for military services. And they send their earned amount to their motherland countries or their families with that time the remittances incoming to the Nepalese economy.

With the flow of the time Nepalese workers gone for foreign employment for other types of job and work, not for only military services. At the present days this trend is rapidly jumped over few years back, with this increasing trend of going abroad the remittance inflow in origin country also increase the higher rate, which have been helped to boost the Nepalese economy rapidly.

Now a day to measure the inflow of remittance is become very difficult, because the migrant was sent their earned amount by various channels, mainly says formal channels and informal channels. Formal channels, the recipient remittances accounted in national financial sectors such as Draft, Travelers Cheque, T.T. postal order Bank transfer, electrical transfer etc. are the formal channel and hand carriage, hundi, with relatives and by self etc. are known as informal channels.

In the context of Nepal commercial banks and money transfer company extended their services in various place of foreign however the most part of remittances received by informal channels like huddi. According to fourth household budget survey, conducted by NRB show that out of total remittances 29% share received from in this channels huddi. The main reason to extend it the services of formal sector not opened in rural area. Due to so only 66% remittances in warding in to the country through the formal channels in which 22% percent from banking system and 44% of remittance inward from money transfer company.

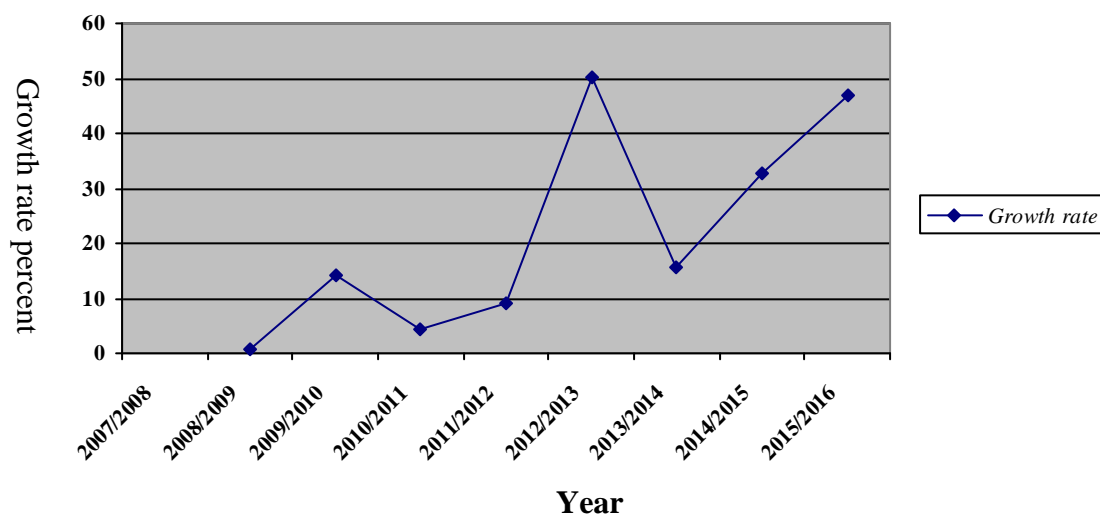
We can easily measure the inflow of remittance only which inward to the country by formal channels. Though there are basically three method of measuring remittances inflow. The first technique is through BOP estimation. Second method is the household survey of recipients of such flows, for instance, the Nepal Living Standard Survey (NLSS). The third technique is through bank is focusing in resources transfer institution. The size of remittance inflow examined in this paper refer to the worker remittances under the current account of the BOP data compiled the research department of NRB. So the annual inflow of remittance in Nepal in different fiscal year and its growth trend is given by the following table 4.2

Table 4.2: Annual Inflow of Remittances in Nepal

FY	Remittances amount (in million)	Growth (in percent)
2007/08	47216.1	-
2008/09	47536.3	0.74
2009/10	54203.3	14.01
2010/11	56629.8	4.04
2011/12	61784.6	9.10
2012/13	92748.6	50.11
2013/14	107417.6	15.81
2014/15	142682.7	32.82
2015/16	209698.5	46.96

Source: Economic Bulletin, 2016

Figure 4.2: Growth Rate of Remittance in



Source: Based on table 4.2

Above table 4.2 show that rise of remittance inflow from 47216.1 (in million) in 2007/08 to 209698.5 (in million) in 2015/16. Due to policy initiatives under taken by the concern authorities enhancing the inflow of remittance through the official channels has been going up. Initially the growth rate of remittance is 51.67 percent in FY 2007/08. After this, the trend of growth is become up to FY 2015/16.

From the above table and figure it is clear that the inward remittance in Nepal is in increase at higher rate. This is 4.67 time more than FY 2007/08.

Thus, the inflow of remittance increases year by year which become major source of Nepalese Economy.

Here we can also measure the per head inflow of remittance in yearly which is shown by the following table 4.3

Table 4.3: Per Head Inflow of Remittance in Different Fiscal Year

(In million)

Fiscal Year	Remittance in Amount	Migrant People	Average Annual per Head Inflow	Real per head inflow
2007/08	47216.1	104736	450810.60	9794.56
2008/09	47536.3	105043	452541.34	10457.28
2009/10	54203.3	106660	508187.69	27958.36
2010/11	56629.8	139718	405314.99	36582.55
2011/12	61784.6	165252	373882.31	38185.90
2012/13	92748.6	204533	453465.21	53090.21
2013/14	107417.6	249051	431307.64	57782.46
2014/15	142682.7	219965	648660.92	71270
2015/16	209698.5	294049	713141.34	92500.44

Source : Economic Bulletin 2016

Note : Average per head inflow =
$$\frac{\text{Total remittance in per year}}{\text{Total migrant people in per year}}$$

Real per head inflow =
$$\frac{\text{Remittance in current price}}{\text{Consumer price index number of current year}} \times \text{price index of base year}$$

Above table 4.1.3 states that per head inflow of remittance in different FY with presenting average nominal inflow and real inflow. In fiscal year 2007/08 an average nominal inflow of remittance was Rs. 450810.60 million and real inflow of remittance was 7094.56 million. The trend and pattern of nominal and real inflow of remittance continuously increasing till 2015/16 which we can see clearly in the above table.

4.2 Remittance and GDP

From the mid-1990s remittance was viewed as a significant contributor to the national economy. It also increased domestic saving and investment depend up on the domestic saving and foreign assistance. Since there is increased in domestic saving due to remittance, it was helped in investment and growth of economy.

Table 4.4: Consumption of GDP, Saving, Investment and Remittance in Nepal in Different Fiscal Year

(In Million)

FY	GDP in Product price	Domestic Saving	Investment	Remittance	Remittances as % of GDP	Remittance as% of Investment	Remittances as% of saving
2007/08	441519	51501	98649	47216.1	2.30	9.93	19.02
2008/09	459443	43600	93020	47536.3	3.34	15.97	34.08
2009/10	492231	42141	105383	54203.3	8.79	39.50	98.19
2010/11	536749	63064	131671	56629.8	10.93	43.00	89.19
2011/12	589412	68110	155907	61784.6	10.90	39.62	90.71
2012/13	654184	58757	176533	92748.6	14.72	52.55	157.9
2013/14	727827	71453	207830	107417.6	19.6	51.68	149.30
2014/15	815663	80193	260170	142682.7	21.15	53.58	152.01
2015/16	991216	96298	338957	209698.5	29.1	61.86	217.75

Source: NRB Quarterly Economic Bulletin 2015 and 2016, Economic survey 2015/16

Table 5.4 show that the GDP grew from Rs. 441519 million in 2007/08 to Rs. 991316 million in 2015/16, which is about 2.24 times more. it is rapidly growing year by year. Similarly saving increasing from Rs. 51501 million in 2007/08 to Rs. 96298 million in 2014/15 it seems 1.86 times more. And also Investment increased from Rs. 98649 million in 2007/08 to Rs. 338957 million in 2015/16 which is times more. If we compare the growth of remittance it is 21.40 times more in the same period. Initially the contribution of remittance in GDP was only 2.30 percent which grew to the tone of 29.1 in 2015/16 proving its importance. Remittance as the percentage of saving has increasing from about 19.02 percent in 2007/08 to 217.17 in 2015/16. If we compare the contribution of remittance in investment it has increased form 9.93 percent in 2007/08 to 61.86 percent in fiscal year 2015/16.

This analysis indicates that, if remittance are increased, it has helped to increased domestic saving. If domestic saving is increased, investment also increases and if investment is increased GDP also increases. Thus the positive relationship of this sector is found each other. From these data and its analysis, what we can say is that remittance is playing vital role in reserving foreign currency and to give a significant contribution to upswing the Nepalese Economy.

Regression Analysis

This study is based on the econometric analysis of secondary data of the past 9 year, i.e. from FY 2007/08 to 2015/16. These have been abstracted from Economic Survey of MOF, Government of Nepal. The relationship between dependent variables has been analyzed by applying the ordinary Least Square (OLS) method under which parameters have been estimated via regression model. Then t-test, F-test, DW-test and coefficient of determination have been computed by using SPSS software. In regression models Y(GDP) has been taken as dependent variable while X(remittance) has been taken as independent variable.

Table 4.5: Regression of GDP and Remittance in Nepal Twenty Years

FY	GDP in product price	Remittance	Remittance as % of GDP
2007/08	441519	47216.1	10.69
2008/09	459443	47536.3	10.34
2009/10	492231	54203.3	11.01
2010/11	536749	56629.8	10.55
2011/12	589412	61784.6	10.48
2012/13	654184	92748.6	14.17
2013/14	727827	107417.6	14.75
2014/15	815663	142682.7	17.49
2015/16	991316	209698.5	21.15

Source: NRB Quarterly Economic Bulletin 2015 and 2016, Economic Survey 2015/16

Regression of GDP on Remittances

$$Y = a + bx,$$

Here Y (Gross Domestic Product) and X (remittance) are dependent variable respectively and 'a' is a constant parameter.

$$Y = 1.104 + 0.61X, R^2 = 0.998, D-W = 0.435$$

$$t \quad (1.59) \quad (10.55) \quad F = 120.45$$

$$SE \quad (0.692) \quad (0.056) \quad \text{Level of significance } 5\%$$

For nominal GDP, the linear model seems good fit having higher $R^2 = 0.998$ and F-statistic being significant at one percent level ($\alpha = 0.01$). The coefficient of the independent variable has positive values indicating its positive association with the nominal GDP. The coefficient of remittance is 0.61 which indicated that 100 percent increase in remittances income bring 61 percent increase in the nominal GDP of Nepal. It implies that if the amount of remitted money reaches NRs 100 million, it will increase the country's nominal GDP by NRs 61 million. This shows how important remittances have become for Nepal.

As a summary it is clearly shown that the inflow of remittance have been increasing at a high rate, in which the national GDP rate is directly related to the various factors like total saving of the economy and total investment, without which the economy cannot get higher GDP growth rate. The investment of the country like Nepal is directly dependent on the remittances inserted in to the economy. Therefore, we can say that the remittance is the major factor of the development of the country like Nepal. Finally the data shows that there is the gap between saving and investment, thus utilization of remittance in investment is a great need of today which is in warding in to the country.

4.3 Remittance and Foreign Exchange

Remittance provide not only the significant portion of the GDP but also contributes in saving and investment. The growth of remittances depends on the number forces working outside of country, the level of earning the portion of income that is sent back home. Other sources of remittance such as government transfer investment made by nation in other countries. The size of remittance also determined the availability of foreign currency in the country. Nepal Rastra Bank, the central bank of Nepal published data related to remittances is given in the table 4.6. The category or other

remittances includes the money remitted by the labor employment in foreign land. It is only the money sent through formal channels.

Table 4.6: Growth and Composition of Remittances

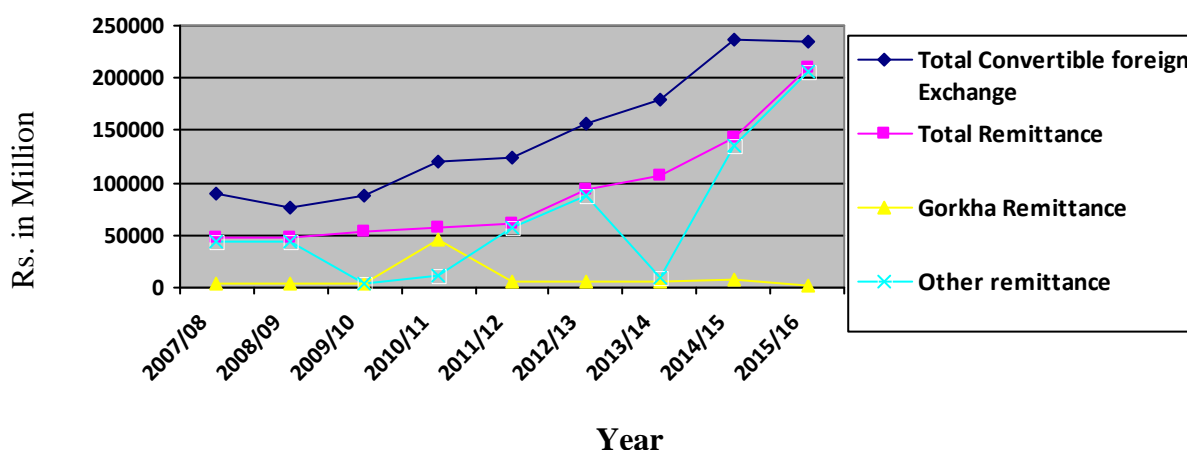
(in million)

FY	Total CFE Receipt	Total Remittance	Gorkha Remittance	Other Remittance	Percentage of other remittances in total remittances	Sources of remittance in CFE	Annual growth rate of other remittances (%)
2007/08	89823.2	47216.1	3557.5	43658.6	92.46	10.9	-
2008/09	76153.3	47536.3	4334.2	43202.1	90.88	19.5	68.6
2009/10	88681.8	54203.3	4221.4	49981.9	92.21	42.1	255.4
2010/11	120643.2	56629.8	45055.6	11574.2	20.43	46.9	39.3
2011/12	123268.5	61784.6	5012.8	56771.8	91.89	50.1	8.90
2012/13	157297.3	92748.6	5231.1	87517.5	94.36	58.9	54.2
2013/14	179967.2	107417.6	5856.3	10156.1	94.55	59.69	16.1
2014/15	236982.4	142682.7	7071.4	135611.3	95.04	60.22	33.5
2015/16	234454.9	209698.5	2753.1	206945.4	98.68	89.44	52.6

Source: NRB Quarterly Economic Bulletin 2015 and 2016, and Economic Survey 2015/16

CFE = Convertible foreign Exchange

Figure 4.3: Total Convertible Foreign Exchange, Total Remittances, Gorkha Remittances and Other Remittances



Source: Based on table 4.6

Table 4.6 shows that the convertible foreign exchange (CFE) grew from Rs.89823.2 million in FY 2007/08 to Rs. 234454.9 million in FY 2015/16, which is about 2.7 times more. Similarly remittance increased 21.4 times. It indicates that when

remittance increased then convertible foreign exchange also increased, because the increasing rate of remittance contributes to increasing rate of CFE. The share of remittances also show it in CFE. Initially which was 10.9 percent, but it was highly jumped 89.4 percent in 2015/16. The trend is fluctuating after 2007/08 to 2011/12 but after 2012/13 it highly jumped. The other remittance grew from Rs.43658.6 million in 2007/08 to Rs. 206945.4 million in 2015/16, which is about 5 times more. Its share in total remittance was 92.46 percent, which grew thoroughly 98.68 percent in 2015/16. It did not go down from 20.43 percent after 2010/11 rather enter on the path of increasing trend. The annual growth rate of other remittances, the rate of change is extraordinary which was 255.40 percent in 2009/10. The rate of change was not negative after the FY 2007/08 but highly fluctuated. So the flow of other remittances had been favorable to increase in convertible foreign exchange and in total remittance.

4.4 Remittance and foreign Direct Investment (FDI)

The year wise flow of foreign Direct Investment and remittance in Nepal from the year 2007/08 to 2015/16 is shown in Table 4.7. The contribution of FDI was Rs. 1209.95 million in 2009/10, which significantly increased to Rs. 5748.34 million in 2015/16.

The size of FDI was confined to Rs.1209.95 million in 2011/12. During the last nine year between 2007/08 to 2015/16 trends in FDI were found to be erratic, jumping from Rs.1666.42 million in 2007/08 to Rs.5748.34 million in 2015/16, and for the next two consecutive year it is fluctuating trend. And then in 2010/11 it started to increase and this trend lasted only for two years. Again FDI continued to decline for three consecutive period between 2010/2011 to 2011/12.

Year wise flow FDI is given in table 4.7. it shows the investment flow as per the record of Department of industries (DOI) from 2007/08 to 2015/16. According to the data of DOI record, the highest foreign investment flow after 1990 was found in 2015/16 (Rs 5748.34 million). Foreign investment as percent of remittances is fluctuating trend. It was 3.53 percent in 2007/08 and decrease to 2.74 percent in 2015/16. The highest foreign investment as percent of remittance was 5.72 percent in 2009/10. Thus, this figure shows the fluctuating trend of FDI in different years, main causes of which were the inefficient enforcement of laws and policies and political instability in the country. Thus, for smooth flow of FDI, the environment of the

country must be made favorable. There must be security of investment and the laws and policies should be enforced efficiently.

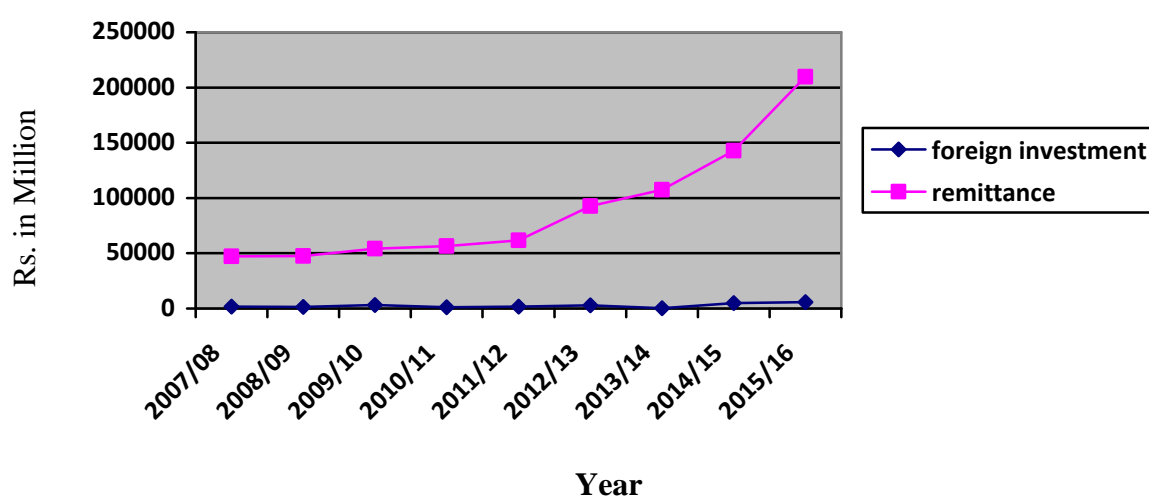
Table 4.7: Year Wise Flow of Foreign Direct Investment and Remittance in Nepal

Rs. In million

Fiscal year	Number of companies	Foreign investment	Employment	Remittance	Foreign investment as % of remittance
2007/08	50	1666.42	2146	47216.1	3.53
2008/09	71	1417.61	4703	47536.3	2.98
2009/10	96	3102.56	6880	54203.3	5.72
2010/11	77	1209.95	3731	56629.8	2.14
2011/12	74	1793.77	3572	61784.6	2.90
2012/13	77	2755.40	2144	92748.6	2.97
2013/14	17	311.08	3432	107417.6	0.29
2014/15	480	5014.07	2944	142682.7	3.51
2015/16	331	5748.34	8624	209698.5	2.74

Source: Economic survey, Ministry of Finance, 2016.

Figure 4.4: Year Wise Flow Of foreign Direct Investment and Remittance in Nepal



Source : Table 4.7

CHAPTER FIVE

SOCIO- ECONOMIC CONTRIBUTION OF REMITTANCES ON THE STUDY AREA

5.1 Geographical Background

Kaski district lies in Gandaki zone, western part of Nepal. It is one of the districts of the Gandaki zone. Kaski district is about 5 km far from zonal headquarter Pokhara. Its altitude ranges from 322 m. to 3034 m. above sea level. Kaski district is surrounded by districts, in the east lies Tanahun district, in south Syangja and Baglung, in the west Gorkha and in the north Lamjung. The total area of Kaski district is 679 sq. km. This district covers about 0.46 percent of total area of the country. Density of the population is 167 person/sq. km. in 2001. Dhikurpokhari VDC is located in the south of the district headquarter. In Kaski district, there are thirty- two VDCs. According to the population census 2011, the total population of the Kaski district is 1,13,111 where male are 54,932 (48.56 %) and population of female are 58,179 (51.45%). It covers the 0.49 percent in national population. The sex ratio of the Kaski district is 0.94. The population under the age of 14 years is 37.1 percent, and the population over the age 60 years is 12.4 percent, therefore the dependency ratio in this district is very high. There are 20,682 households in Kaski district. The average household's size of Kaski district is 5.47 which are quite high in the present situation. The literacy rate of Kaski district is 59.4 percent which is comparatively higher than national figure.

The total population of the Dhikurpokhari VDC is 4675, among the total population, 2382 are male and 2293 are female. Comparatively, the number of male is higher than female population. The Dhikurpokhari VDC is about 250 km far from the national headquarter Kathmandu and it is about 25 km far from the zonal headquarter Gandaki and this VDC is about 15 km far from the district headquarter Kaski. The altitude of this VDC ranges from 322 m to 1460 m above the sea level. The VDC has no any highway and park but electricity facility is available in some ward of the VDC. Near 80 percent of the people of this VDC has accessed to the communication. The ethnic groups of this VDC constitute Brahamin, Chhetry, Gurung, Limbu, Tamang, Kami, Damai, Sarki etc. According to the national population census 2011, about 54 percent

of the total population of this VDC is literate. Agriculture is the main occupation of the people of Dhikurpokhari VDC. Maize, millet, paddy, mustard, potato etc. are the main crops and buffalo, cow, goat, pig, poultry etc. are the domestic animals of Dhikurpokhari VDC.

5.2 Demographic Status

According to the VDC profile 2010, the total population of this VDC is 4675 out of which 2382 are males and 2293 are females. The population of this VDC constitutes Chhetry, Brahamin, Limbu, Tamang, Gurung, Kami, Damai and Sarki. The population of Janajati and Dalit caste group is lower in comparison to the Chhetry/Brahamin caste group. The total households of the VDC are 783. The following table 5.2.1 gives the sex wise population distribution of the study area.

Table 5.1: Ward Wise Population Distribution of the Study Area

Ward no.	Total no. of HH	Total population	% of total population	Male		Female	
				Total	Percent	Total	Percent
1	59	353	7.55	167	7.01	186	8.11
2	107	612	13.09	295	12.38	317	13.82
3	94	602	12.88	305	12.80	297	12.95
4	104	582	12.45	299	12.55	283	12.34
5	78	427	9.13	219	9.19	208	9.07
6	55	380	8.13	198	8.31	182	7.94
7	96	582	12.45	316	13.27	266	11.60
8	121	691	14.78	359	15.07	332	14.48
9	69	446	9.54	224	9.40	222	9.68
Total	783	4675	100	2382	100	2293	100

Source: VDC Profile, 2015.

Table 5.1 shows the ward and sex wise population distribution of Dhikurpokhari VDC. The sex ratio of this VDC is 1.04. The male population of the VDC is 2382 which is 50.95 percent of total population and female population of this VDC is 2293, which is 49.05 percent of total population of the VDC. Comparatively the male population of the VDC is 1.90 percent more than female population. But in some wards, female population is greater than male population. On the basis of population,

the largest and smallest wards of the VDC are ward no. 8 and ward no. 1 respectively. The average family size of this VDC is 5.97 which is quite greater than the district's average family size. The ward wise demographic status on the basis of different caste is shown in the following table.

Table 5.2: Ward Wise Population Distribution of Study Area on the Basis of Different Caste

Ward no.	Chhetry/Brahamin			Janajati			Dalit		
	No of HH	Total pop.	%	No of HH	Total pop.	%	No of HH	Total pop.	%
1	28	135	5.49	18	146	9.50	13	72	10.62
2	57	317	12.89	29	184	11.97	21	111	16.37
3	28	201	8.17	66	401	26.09	-	-	-
4	46	252	10.24	12	54	3.51	46	276	40.71
5	59	338	13.74	13	38	2.47	6	51	7.52
6	43	303	12.32	4	27	1.76	8	50	7.37
7	21	140	5.69	70	413	26.87	5	29	4.28
8	59	335	13.62	49	267	17.37	13	89	13.13
9	68	439	20.04	1	7	0.46	-	-	-
Total	409	2460	100.00	262	1537	100.00	112	678	100.00

Source: VDC Profile, 2015.

Table 5.2 makes clear that Chhetry/ Brahmin constitute the 409 households, which is 52.23 percent of the total households. The population of Chhetry/ Brahmin is 2460, which is 52.62 percent of the total population. The total households of Janajati caste group are 262 and their total population is 1537, which is 32.82 percent of the total population of the VDC. Similarly, total households of Dalit caste group are 112 and their total population is 678, which is 14.30 percent of the total population of the VDC. The population of Dalit in ward no. 3 and 9 is nil and the largest population of Dalit caste group is found in ward no. 4, 40.71 percent of total Dalit population is found in this ward. This result shows that the distribution of Dalit population is not equal in this VDC.

5.2.1 Status of the Foreign Employment

Most of the households from this VDC are associated in foreign employment due to the lack of employment opportunities in the country. Remittances income becomes a second main source of income besides agriculture. The number of migrant households and population is presented in the following table.

Table 5.3: Number of Migrant Households and Population From Dhikurpokhari VDC

Ward no.	Total HH	Total population	Total migrant HH	% of total migrant HH	Total migrant population	% of total migrant population
1	59	353	38	8.92	42	7.79
2	107	612	62	14.55	74	13.73
3	94	602	57	13.38	94	17.44
4	104	582	60	14.08	84	15.58
5	78	427	42	9.86	46	8.53
6	55	380	32	7.51	35	6.49
7	96	582	54	12.68	64	11.87
8	121	691	55	12.91	68	12.62
9	69	446	26	6.10	32	5.94
Total	783	4675	426	100.00	539	100.00

Source: VDC Profile, 2015.

Table 5.3 presents that 426 households were found migrant households out of total 783 households, which is 54.41 percent of total households. Similarly, total migrated population of the VDC is 539, which is 11.53 percent of the total population. The large number of population is migrated from ward number 3, where 94 people are associated in foreign employment, which is 17.44 percent of total migrant population of the VDC. This is because, this ward of the VDC is geographically not appropriate for agriculture. Similarly, this study found that migration rate of population for foreign employment from ward no. 9 of the VDC is lower in comparison to the other ward of the VDC, this ward is appropriate for agriculture and trading activities. This result shows that the association in foreign employment from each ward is not equal.

5.2.2 Age and Sex Distribution of the Population of the Study Area

The population distribution of remittances receiving households and remittances non receiving households under different age groups is presented in the following table.

Table 5.4: Age and Sex Distribution of the Population of the Study Area

Age group	Remittances receiving HH				Remittances non receiving HH			
	Male	Female	Total	Percent	Male	Female	Total	Percent
Below 14	57	64	121	18.14	53	59	112	20.44
15-24	43	55	98	14.69	49	56	105	19.16
25-45	122	104	226	33.88	74	78	152	27.74
46-59	69	75	144	21.59	48	49	97	17.70
60-75	36	34	70	10.49	28	30	58	10.58
above 75	11	7	18	2.70	15	9	24	4.38
Total	338	339	667	100.00	267	281	548	100.00

Source: Field Survey, 2015.

Table 5.4 shows that out of the total population of the sample household average population below 14 years is 19.29 percent. Similarly average population above 60 years is 14.08 percent. This result shows that dependent population of the study area is about 33.37 percent. Here the study shows that the number of economically active population is comparatively higher in comparison to the inactive population i.e. 66.64 percent of population is counted as economically active. Between the ages of 15 to 60 years regarded as economically active population. Based on the above assumption there is high dependency ratio, which is 33.37 percent. This high dependency rate is also one of the major causes of poverty situation in the study area.

5.2.3 Occupational Composition

Ward wise occupational status of the study area is presented in the following table.

Table 5.5: Occupational Distribution of Sample Population

Ward no.	Total	Agriculture	Study	Trade/Industry	Govt./private job	Foreign employment	Not work
1	50	18	8	1	0	10	13
2	96	33	17	6	3	17	20
3	90	34	18	0	5	15	18
4	101	38	15	5	7	19	17
5	71	26	16	3	9	14	9
6	66	20	13	8	4	10	11
7	89	31	21	4	1	14	12
8	62	21	13	0	4	15	9
9	42	13	9	5	3	7	5
Total	667	234	130	32	36	121	114
%	100.00	35.08	19.49	4.80	5.40	18.14	17.09

Source: Field Survey, 2015.

Table 5.5 reveals that 35.08 percentage of sampled population is involved in the agriculture. Similarly the percentage of study, trade and industry, government and private job, foreign employment are 19.49, 4.80, 5.40, and 18.14 respectively. Lastly 17.09 percent of total population is not involved in any occupation. This result shows that agriculture is the main occupation of the Dhikurpokhari VDC, because the percentage of agriculture based population is 35.08 percent. However the main occupation is agriculture, income generating from agriculture is less than foreign employment. Due to the lack of economic infrastructure, agricultural market, modern technology and chemical fertilizer the production of agriculture is not enough but just meet their daily needs. Similarly, the occupational distribution of the population of remittances non-receiving households is presented in the following table.

Table 5.6: Occupational Distribution of Sample Population

Ward no.	Total	Agriculture	Study	Trade/Industry	Govt./private job	Not work
1	26	9	6	3	3	5
2	73	29	17	7	5	15
3	53	24	15	2	6	6
4	75	27	16	13	7	12
5	61	26	19	4	3	9
6	33	12	8	3	4	6
7	68	27	17	6	6	12
8	100	36	27	11	10	16
9	59	23	15	8	4	9
Total	548	213	140	57	48	90
%	100	38.87	25.55	10.40	8.76	16.42

Source: Field Survey, 2015.

Table 5.6 shows the occupational status of remittances non receiving households. This table shows that agriculture is the main occupation of remittances receiving households but here the population involved in agriculture is greater than remittances receiving households. 38.87 percent population is involved in agriculture which is 6.19 percent greater than remittances receiving households. 25.55 percent population is engaged in the study. Similarly, 10.40 and 8.76 percentage population are involved in trade and government/ private job respectively. This percentage is also greater than remittances receiving households. The dependent population of remittances non receiving households is 16.42 percent.

5.2.4 Educational Status of the Study Area

Ward wise educational status of total population from sampled households is presented in the following table.

Table 5.7: Educational Status of Remittances Recipient Households

Ward no.	Total sample pop.	Illiterate		Literate		Up to 5 class		Up to SLC		Intermediate		Bachelor and above	
		M	F	M	F	M	F	M	F	M	F	M	F
1	48	7	6	3	1	6	9	7	1	2	2	3	1
2	90	12	9	4	6	10	4	12	14	8	7	4	0
3	76	8	11	2	4	9	3	11	10	5	6	5	2
4	92	13	10	3	5	14	6	9	12	9	7	1	3
5	72	11	7	3	4	7	5	11	9	8	1	2	4
6	55	6	4	1	5	5	2	6	8	4	6	3	5
7	72	12	3	5	3	9	6	9	7	11	5	0	2
8	54	6	2	3	5	2	3	8	6	9	6	3	1
9	37	5	2	2	1	7	2	5	7	3	1	2	0
Total	596	80	54	26	34	69	40	78	74	59	41	23	18
Percent	100.00	13.42	9.06	4.36	5.70	11.58	6.71	13.09	12.42	9.90	6.88	3.86	3.02

Source: Field Survey, 2015.

Table 5.7 shows that nearly 22.48 percent of total population has been still illiterate where 13.42 percent is male and 9.06 percent is female and 23.66 percent of total populations were successes for higher education that is not satisfactory for the total population. This result shows that the percentage of male population getting higher education is greater than female i.e. 13.76 percent is male whereas 9.90 percent is female. It is because male populations are migrated abroad by leaving higher education. 28.35 percent is below SLC where 15.94 percent is male and 12.41 percent is female and 25.51 percent of total population is in SLC where 13.09 is male and 12.42 percent is female. Here the field study shows that male is more literate than their female counterpart. Similarly, educational status of the population of remittances non receiving households is shown in the following table.

Table 5.8: Educational Status of Remittances non- Recipient Households

Ward no.	Total sample pop.	Illiterate		Literate		Up to 5 class		Up to SLC		Intermediate		Bachelor and above	
		M	F	M	F	M	F	M	F	M	F	M	F
1	25	5	2	1	2	1	2	2	3	3	0	3	1
2	65	12	6	2	4	5	9	13	7	2	4	1	0
3	48	8	7	0	5	2	5	4	7	5	1	2	2
4	73	7	10	4	6	8	7	6	8	7	3	4	3
5	56	4	3	3	4	5	5	10	9	2	3	6	2
6	27	1	4	2	1	4	3	4	3	2	1	0	2
7	61	11	9	0	7	6	5	8	6	4	3	2	0
8	86	9	10	5	6	4	8	11	10	7	6	6	4
9	52	4	5	4	5	7	4	5	7	4	2	2	3
Total	493	61	56	21	40	42	48	63	60	36	23	26	17
Percent	100.00	12.37	11.36	4.46	7.92	8.13	9.76	12.78	12.17	7.30	4.67	5.27	3.05

Source: Field Survey, 2015.

Table 5.8 shows that 23.73 percent population is illiterate out of total sampled population from remittances non receiving households. The illiteracy rate of the population of remittances receiving household is higher in comparison to the remittances non receiving households. Illiteracy rate of male is greater than female because most of the female population is involved in informal education programme. Population having education bachelor and above is 8.32 percent this percent is also greater in comparison to the remittances receiving households. Here the field study shows that the literacy rate of female is greater than male i.e. 38.93 percent and 37.94 percent respectively.

5.2.5 Level and Sources of Income (Annual)

In the study area the main occupation of the people is agriculture but it comes less amount of income in comparison to remittances but greater than other sectors like trade, service etc. The following table clarifies the sources and level sample households' income.

Table 5.9: Level and Sources of Households' Income (RRHH)

Ward no.	No. of Sample HH	Annual average income (Rs. In 000)					Total income
		Agriculture	Trade/business	Govt./private job	Foreign employment	Wage employment	
1	9	111.94	9.56	28.89	127.33	2.17	2518.93
2	16	190.89	5.97	33.88	114.72	4.52	5599.63
3	14	141.75	6.08	22.71	174.35	1.11	4844.13
4	16	151.74	6.56	38.94	140.56	2.81	5449.91
5	10	114.04	6.90	28.00	319.50	2.20	4706.36
6	9	111.99	14.61	60.00	294.55	6.67	4390.45
7	12	201.48	7.92	40.17	169.25	1.18	5039.97
8	14	213.17	14.14	32.21	121.50	0.89	5346.82
9	6	205.18	35.83	90.50	239.83	3.92	3451.55
Total income	106	17255.54	1080.10	4039.00	18688.50	284.60	41347.74
%	-	41.73	2.61	9.77	45.19	0.69	100.00

Source: Field Survey, 2015.

Table 5.9 shows the sources and annual average income of sampled remittances receiving households. This table shows that 45.19 percent of total income is gained through foreign employment. This is higher amount of income in comparison to other sectors. Similarly, agriculture, trade and industry, government/ private job and wage income covers 41.73 percent, 2.61 percent, 9.77 percent and 0.69 percent respectively. Here share of farm income in Nepal is 47.80 percent (NLSS 2010/11), but it is evident from above table that only 41.73 percent of total income is shared by agricultural sector. The share of income from wage employment and trade and industry is comparatively less than other sectors. Similarly, ward wise income status of remittances non-receiving households is shown in following table.

Table 5.10: Level and Sources of Households' Income

Ward no.	No. of Sample HH	Annual average income (Rs. in 000)				Total income
		Agriculture	Trade/business	Govt./private job	Wage employment	
1	5	196.12	267.29	112.80	3.50	2898.53
2	11	129.06	16.45	91.64	5.06	2664.31
3	9	126.56	40.23	60.67	10.73	2143.74
4	12	100.78	17.92	103.79	6.12	2743.27
5	9	113.37	52.17	46.67	9.11	1991.82
6	6	165.43	41.83	147.67	5.92	2165.05
7	10	131.90	57.70	76.30	9.65	2755.51
8	17	102.29	44.58	110.18	4.01	4438.07
9	10	294.96	84.50	66.00	3.56	4490.19
Total income	89	12768.96	4995.03	7965.5	561.00	26290.49
%	-	48.57	18.99	30.29	2.13	100.00

Source: Field Survey, 2015.

Table 5.10 shows that 48.57 percent of total income is gained from agriculture. Comparatively it is greater than remittances receiving household. The share of highest average agricultural income is from ward no. 9, it is because this ward is appropriate for vegetables farming on the basis of monsoon, transportation etc. The share of lowest average agricultural income is from ward no. 6. Income from trade and industry covers 18.99 percent of total income. The share of highest income from trade is gained from ward no. 1. Similarly, income from government/ private job and wage employment covers 30.29 percent and 2.13 percent respectively. This result shows that total average income of remittances non receiving households is lower in comparison to the remittances receiving households.

5.3 Composition and Pattern of Labor Migration

This section discusses the composition and pattern of labor migration, income earned from foreign employment, utilization of remittance etc. as well as the impact of remittance on poverty and other different indicators. Therefore, this chapter is very important and viable that other chapters.

5.3.1 Causes for Seeking Foreign Employment

Even though, poverty being the main factor for foreign employment, there are several reasons behind it. It might be economic, social or political. They may be related to the acquired skills and various other reasons. To find out causes of seeking foreign employment the respondents were asked to identify the prime causes for the foreign employment. The causes for the foreign employment are presented in the table.

Table 5.11: Causes of Seeking Foreign Employment from Dhikurpokhari VDC

Causes of seeking foreign employment	Chhetry/Brahmi		Janajati		Dalit		Total	%
	No. of respondents	%	No. of respondents	%	No. of respondents	%		
Unemployment	19	32.20	11	25.58	6	31.58	36	29.75
Family debt	11	18.64	13	30.23	7	36.84	31	25.62
Conflict problem	7	11.86	4	9.30	1	5.26	12	9.92
Earn money	13	22.03	10	23.25	3	15.79	26	21.49
Internal desire	9	15.25	5	11.63	2	10.52	16	13.22
Total	59	100.00	43	100.00	19	100.00	121	100.00

Source: Field Survey, 2015.

Table 5.3.1 shows that unemployment is the main cause of foreign employment. Among all the respondents about 29.75 percent had stated that unemployment as the main cause for foreign employment. The other cause is family debt burden which is also playing as the major push factor for the foreign employment. From the field study it is found that the percentage of Janajati and Dalit populations migrated in aboard for employment due to the family debt is higher in comparison to the Chhetry and Brahmin caste population. Among the total sample migrants about 25.62 percentage respondents are emigrated due to the family debt burden. This means that among the ethnic groups Janajati and Dalit showed higher percentage of family debt burden in comparison to the Chhetry and Brahmin caste group. The third reason for the foreign employment is to earn money. The 21.49 percent of respondents stating that the major cause to seeking foreign employment is to earn money. About 13.22 percent and 9.92 percent respondents had found seeking foreign employment is due to internal desire and conflict problem respectively. It is concluded that unemployment and family debt are the main causes to seek foreign employment.

5.3.2 Cost Paid for Foreign Employment and Duration of Stay

The cost started from obtaining a passport, medical checkup, manpower agency commission, visa expenditure, air fare and cost of traveling time to time from home area to Kathmandu and also to the district headquarter and hotel charge in Kathmandu at the time processing for the foreign employment.

Duration of foreign stay of migrants workers depend upon availability of work, facilities provided by company, salary rate, health of workers, visa permit date, home urgency and other several reasons. Sometimes the respondents return their home before the agreement date due to inferior type of job, low salary, and family affairs such as death of any family members, sickness and their own bad health. The result of both types of cost paid for foreign employment and the duration of stay in the foreign employment are summarized in the table.

Table 5.12: Cost Paid for Foreign Employment and Duration of Stay in Foreign Country

Caste groups	No. of respondents	Average cost (in Rs. 000)	Range of cost (in Rs. 000)		Average duration of stay (years)
			Minimum	Maximum	
Chhetry/ Brahamin	59	105.05	46.61	215.71	3.20
Janajati	43	88.99	41.50	235.90	3.75
Dalit	19	82.60	38.00	160.30	2.80
Total	121	92.21	42.04	209.97	3.25

Source: Field Survey, 2015.

Table 5.12 shows that average cost paid by Chhetry and Brahamin caste group for foreign employment is Rs. 105.05 thousands. This caste group had paid high average cost than other caste group because they prefer to go high quality work like salesmen, security, accounting etc. for foreign employment and they are going those countries where the wage rate is high and other facilities like air fare, medical facility, holiday time to time etc. given by the company. The average cost paid by Janajati and Dalit caste group is 88.99 thousand and 82.60 thousand respectively. The population of Dalit caste group is unable to pay high cost for foreign employment so they are

receiving less salary in comparison to the other caste. We can see that there is too much variation in the cost of foreign employment among the different caste groups. Similarly, the average cost for foreign employment is Rs. 92.21 thousand and the minimum cost is Rs. 42.04 thousand and maximum cost is Rs. 209.97 thousand. This result shows that the respondent of this VDC had wide range of cost and it highly varies with the sample.

According to the duration of stay from the field survey we know that the respondents from Janajati caste group have longest duration of stay where they stay on an average of 3.75 years. After Janajati, Chhetry and Brahamin caste group spent average of a 3.20 years and Dalit caste group average duration of stay around 2.80 years. It means that the average duration of stay of the respondents from Dhikurpokhari VDC is 3.25 year.

5.3.3 Types of Jobs

Since the skill of Nepalese workers is quite low; most of them get employment in manual job. To find out the types of jobs performing in foreign country which is categorized into five types, they are manufacturing, security, hotel, security, salesmen and others. Number of population and types of jobs are presented in the table.

Table 5.13: Types of Jobs Performing in Aboard

Types of jobs	Chhetry/Brahamin		Janajati		Dalit		Total	%
	Total	%	Total	%	Total	%		
Construction	22	37.28	17	39.53	6	31.57	45	37.19
Salesman	13	22.03	10	23.25	1	5.26	24	19.83
Hotel/catering	10	16.94	7	16.27	5	26.31	22	18.18
Security	8	13.55	4	9.30	3	15.78	15	12.40
Others	6	10.16	5	11.62	4	21.05	15	12.40
Total	59	100.00	43	100.00	19	100.00	121	100.00

Source: Field Survey, 2015.

Table 5.13 shows that most of the migrated people work in the construction area which is 37.19 percent of the total migrated population. Most of the unskilled workers are associating in the construction areas due to lack of other technical knowledge to

work in other sectors. The second most employed area is salesman in which 19.83 percent members is working and third most employed area is hotel/catering in which 18.18 percent respondents are working and equal 12.40 percent migrated members are working in security and others sectors like agriculture, cleaner etc. Due to the lack of education and skills, the percentage of Dalit population working as salesmen is lower in comparison to the population of other caste groups. Only 5.26 percent Dalit population is working as salesmen in abroad.

5.3.4 Source of Financing

Most of the rural people of Nepal who want to go for foreign employment use several sources of financing the cost involved. In the study area, the mostly used sources of financing are loan (from relatives, friends, merchants etc.) and internal saving. To find out the extent of sources used by respondents they were asked to provide their sources and the amount. The information collected is presented in the table.

Table 5.14: Source of Financing for the Foreign Employment

Caste groups	No. of HHs	Family saving (In percent)	Loan (In percent)	Sales of property (In percent)
Chhetry/ Brahamin	59	45.44	36.36	21.90
Janajati	43	34.06	25.43	45.23
Dalit	19	20.50	38.21	32.87
Total	121	100.00	100.00	100.00

Source: Field Survey, 2015.

Table 5.14 shows that 45.44 percent, 34.06 percent and 20.50 percent amount in total cost is paid from family saving by three caste groups Chhetry/Brahamin, Janajati and Dalit respectively. Among them Chhetry and Brahamin caste group paid large amount of cost from their family saving in comparison to the other caste groups. The population of Dalit caste group, 38.21 percent amount of total cost is paid from loan which is higher in comparison to the other caste groups. Other population of two caste groups Chhetry/Brahamin and Janajati 36.36 percent and 25.21 percent amount of cost is paid by making loan. This result shows that the saving of Dalit caste group is lower in comparison to the other caste groups. Similarly, population of these three

caste groups Chhetry/Brahamin, Janajati and Dalit paid 21.90 percent, 45.23 percent and 32.87 percent amount is by selling property like land, gold etc respectively.

5.3.5 Income Earned From Foreign Employment (Remittances Income)

It is often said that Nepalese workers get low payment in overseas. So, they earn less money than labors from others countries. But income earned in abroad depends on skill of workers, salary paid by company, duration of stay etc. Income earned in abroad on the basis of countries, education and types of jobs is presented in the table.

Table 5.15: Income Earned in Abroad (Annual)

Caste groups	No. of respondents	Average annual income Rs.(in 000)								
		Based on destination		Based on education		Based on jobs				
		Gulf	Malaysia	Literate	Illiterate	Construction	Salesman	Hotel	Security	Others
Chhetry / Brahamin	59	218.56	104.07	137.81	100.83	106.78	132.89	99.23	117.89	86.08
Janajati	43	196.8	96.45	116.74	96.51	93.56	124.98	92.34	114.63	76.45
Dalit	19	178.65	81.29	92.42	67.52	87.9	110.45	87.85	101.75	65.50
Total	121	198.67	93.94	115.66	88.29	96.08	122.77	93.14	111.42	66.01

Source: Field Survey, 2015.

Table 5.15 shows that the respondents who have done the work in gulf countries earned more money than the respondents worked in Malaysia, comparing the two countries the average annual income of the respondents in Malaysia is Rs. 93.94 thousands whereas the average annual income in Gulf countries is Rs. 198.67 thousands. Comparing the income of the respondents caste wise, we can get, the result that the respondents from Chhetry/ Brahamin caste group gets more average annual income than others because they get information about all the rules and regulations of their work and their salary before they departed to the destination countries. The annual average income of Gulf countries is lower than Malaysia for Dalit caste group because most of the workers from this group is working in Malaysia

due to low cost and easy processing. In other aspect of this table we can understand that the average annual income between literate workers and illiterate workers is very different. The literate workers are getting the average annual income of around Rs. 115.66 thousand whereas the illiterate workers getting around 88.29 thousand rupees averagely in a year. The average annual income varies according to types of jobs also. Among five types of jobs salesman get higher average annual salary which is Rs. 122.77 thousand per year. Security, construction, hotel and others get average annual salary Rs. 111.42 thousand, Rs. 96.08 thousand, Rs. 93.14 thousand and Rs. 66.01 thousand respectively.

5.3.6 Share of Remittances Income in Total Income

Majority of the people in this VDC are largely involved in the agriculture but the share of agricultural income is lower than remittances income. The share of remittances income in total income is shown in the table.

Table 5.16: Share of Remittances Income in Total Income

Caste groups	No. of household	Annual income (Rs. in 000)				
		Total income	Total average income	Remittances income	Average remittances income	Average remittances as % of total average income
Chhetry/ Brahamin	52	21688.47	417.09	10579.5	203.45	48.78
Janajati	37	14566.10	393.67	6170.00	166.75	42.36
Dalit	17	5093.17	299.59	1939.00	114.06	38.08
Total	106	41347.74	370.12	18688.5	161.42	43.61

Source: Field Survey, 2015.

Table 5.16 shows that Chhetry and Brahamin caste group received total remittances Rs. 10579.50 in last year and their average remittances income is Rs. 203.45 thousand which covers 48.78 percent of their total average income. Janajati caste group received total remittances income Rs. 6170.00 thousand in the last year and their average remittances income is Rs. 166.75 thousand which is 42.36 percent of their total average income. Similarly, Dalit caste group received Rs. 1939.00 thousand

remittances in the last year and their average remittances income is Rs. 114.06 thousand which covers 38.08 percent of their total average income. This result shows that in an average 43.61 percent income of the total income is covered by remittances income in household level. On the other hand this table shows 56.61 percent remittances of total remittances income is received by Chhetry and Brahamin caste group, 33.01 percent remittances is received by Janajati and 10.37 percent remittances income is received by Dalit caste group.

5.3.7 Utilization of Remittances

The use of remittances depends on the priority placed by the industries of different use, the size of remittances, the time of availability, opportunity for investment and several types of factors. Majority of migrant workers go abroad because of unemployment at home and poverty in the household. Generally, the earning made by them is not big. The cost of foreign employment is bond by borrowing therefore the income earned has to be spent on the payment of the principle and the interest amount. The utilization of remittances income in different sectors is given in the table.

Table 5.17: Utilization of Remittances Income in Different Sectors

Caste group	No. of HH	Total remittances income (in 000)	Annual expenditure of remittances income (Rs. in 000)				
			HH consumption	Loan repayment	Land and real-estate	Investment in business	Saving
Chhetry/Brahamin	52	10579.50	1360.75 (12.86%)	997.36 (9.42%)	4821.72 (45.58%)	861.28 (8.14%)	2538.64 (23.99%)
Janajati	37	6170.00	1931.23 (31.30%)	1191.93 (19.32%)	1628.74 (26.39%)	345.21 (5.59%)	1072.63 (17.38%)
Dalit	17	1939.00	921.36 (47.52%)	415.88 (21.45%)	293.95 (15.16%)	95.49 (4.92%)	212.92 (10.98%)
Total	106	18688.5	4213.34	2605.17	6744.41	1301.98	3824.19
%	-	100.00	22.54	13.93	36.08	6.96	20.46

Source: Field Survey, 2015.

Table 5.17 shows that Chhetry and Brahamin caste group received remittances income Rs. 10579.50 thousand in the last year. This caste group uses the remittances

income in household consumption, loan repayment, to purchase land and real estate investment in business and saving is 12.86 percent, 9.42 percent, 45.58 percent, 8.14 percent and 23.99 percent respectively. Janajati caste group received the remittances income Rs. 6170.00 thousand in the last year. This caste group uses the remittances income in household consumption, loan repayment, to purchase land and real estate investment in business and saving is 31.30 percent, 19.32 percent, 26.39 percent, 5.59 percent and 17.38 percent respectively. Similarly, Dalit caste group received Rs. 1939.00 thousand remittances incomes in the last year. This caste group uses the remittances income in household consumption, loan repayment, to purchase land and real estate, investment in business and saving is 47.52 percent, 21.45 percent, 15.16 percent, 4.92 percent and 10.98 percent respectively. In the total 22.54 percent remittances income is used in the household consumption purposes, 13.93 percent remittances income is used to repayment loan, 36.08 percent remittances income is used to purchase land and real estate, 6.96 percent remittances income is used to invest in the business sectors and 20.46 percent remittances income is in saving. Chhetry and Brahmin caste group have been made the large amount of expenditure in purchasing land and real- estate. Janajati and Dalit caste groups have been made the large amount of expenditure in households' consumption purposes. This result shows that all the caste groups have been made lower expenditure in investing business and industrial sectors. From this analysis we concluded that the large amount of remittances income is investing in unproductive sectors.

5.4 Impacts of Remittances Income

5.4.1 Impact of Remittances on Income Status

Remittances income helps to increase the income status of households. The general income scenario of remittances receiving households, before remittances receiving and after remittances receiving as well as remittances non receiving households is presented in the table.

Table 5.18 presents the income status of remittances recipient households and remittances non recipient households. Before the remittances receiving 26.41 percent households' annual income is between 150 thousand to 200 thousand. The large numbers of households before remittances receiving were in this class. Only 3.77

percent and 2.83 percent households were having the income between 350 thousand to 400 thousand and above 400 thousand before the remittances received. But after receiving the remittances income the percentage having annual income under these two income class has been increased by 21.69 percent and 17.92 percent respectively. This result shows that the remittances income really helps to increase the economic status of the households. Similarly, if we compare the economic status of remittances recipient and remittances non recipient households we can find that the frequency of remittances recipient households' having higher income is greater than remittances non recipient households.

Table 5.18 Impact of Remittances on Income Status

Annual earnings (Rs. In 000)	No. of remittances receiving household				No. of remittances non receiving HH	Percent
	Before	Percent	After	Percent		
Below 50	3	2.83	0	0	1	1.12
50-100	17	16.04	6	5.66	8	8.99
100-150	15	14.15	14	13.21	15	16.85
150-200	28	26.41	6	5.66	13	14.60
200-250	16	15.09	11	10.37	23	25.84
250-300	12	11.32	9	8.49	10	11.23
300-350	8	7.54	18	16.98	9	10.11
350-400	4	3.77	23	21.69	4	4.49
Above 400	3	2.83	19	17.92	6	6.74
Total	106	100.00	106	100.00	89	100.00

Source: Field survey, 2015.

The percentage of income of remittances recipient households between 350 thousand to 400 thousand is 21.69. Whereas only 4.49 percent of remittances non recipient households are in this income class. Similarly, 17.92 percent remittances recipient households' income is greater than 400 thousand while only 6.74 percent remittances non recipient households' income is greater than 400 thousand. From this analysis we concluded that there is high income inequality between the remittances recipient households and remittances non remittances households.

5.4.2 Impact of Remittances on Poverty

Poverty is the condition described as the unavailability of the basic requirements such as food, clothes, shelter etc. The person who is not capable of attaining the daily needs and minimum requirements can be rated poor. In the context of Nepal many people are living under the poverty line i.e. are not getting their basic requirements. Poverty in Nepal is largely a rural phenomenon. According to the Nepal Living Standard Survey II, 30.8 percent population is under the poverty line. This survey claimed that the decrease of poverty from 38 percent to 30.8 percent is due to the remittances income. National Planning Commission estimated that the poverty rate is decreased from 30.8 percent to 25.4 percent at end of the fiscal year 2008/09 (MOF, 2014).

In the study area, remittances income has become an effective approach in reducing the poverty. The living standard of the people is gradually changing. People are now getting the proper health facilities and their educational status is also gradually increasing. The income of the family has been raised up, ultimately uplifting the living standard of the people living under the poverty line. The contribution of remittances income in poverty reduction is shown in the table.

Table 5.19: Impact of Remittances on Poverty

Caste group	Remittances receiving households (RRHH)					Remittances non receiving households (RNRHH)		
	Total no. of HH	No. of HH having income below \$1 per day				Total no. of HH	No. of HH having income below \$1 per day	%
		Before	%	After	%			
Chhetry/Brahamin	52	14	26.92	8	15.38	45	9	20.00
Janajati	37	10	27.02	6	16.22	30	7	23.33
Dalit	17	8	47.05	4	23.53	14	5	35.71
Total	106	32	33.67	18	18.38	89	21	26.35

Source: Field survey, 2015.

Table 5.19 shows the poverty situation of remittances receiving households and remittances non receiving households on the basis of different caste groups. Before receiving the remittances 26.92 percent households of Chhetry and Brahamin were getting incomes below \$1 per day. The percentage of other two caste group having

income below \$1 is 27.02 percent and 47.05 percent respectively. The population under the poverty line is 33.67 percent before receiving the remittances income. After receiving the remittances only 18.38 percent population is getting the income below \$1 per day. The population of all caste groups having income below \$1 per day is decreased due to the remittances income. If we compare the poverty situation of remittances recipient households and remittances non recipient households, poverty in remittances non recipient households is greater than remittances recipient households. Among the remittances non recipient households 26.35 percent population is getting income below \$1 pre day. In the table we can see that the poverty rate of Dalit population is greater than other caste groups. It is because the large number of population from Dalit caste group is still working in low level work and their participation rate in decision making level is very low.

It can be proved from the statistical tools also. After receiving the remittances income whether the poverty of the study area is decreased or not, it has been tested with Z-test as follows.

The usual notation:

$$n_1 = n_2 = 106 \text{ and } x_1 = 32, x_2 = 18$$

p_1 = Sample proportion of household having income below \$1 per day before receiving the remittances income f_{x_1}/n_1

$$\text{i.e. } \frac{32}{106} \times 0.30$$

p_2 = Sample proportion of household having income below \$1 per day after receiving the remittances income f_{x_2}/n_2

$$\text{i.e. } \frac{18}{106} \times 0.17$$

Now setting hypothesis:

Null hypothesis H_0 : $p_1 = p_2$ i.e., There is no significant difference between the proportion of household having income below \$1 per day before and after receiving the remittances income.

Alternative hypothesis H_1 : $p_1 > p_2$ (right tailed test) i.e., The proportion of household having income below \$1 per day after receiving the remittances income has been decreased.

Level of significance: 5 percent i.e. $\alpha = 0.05$

Test statistics: As $n_1 = n_2 = 106 > 30$, apply Z test

Computation:

$$Z = \frac{p_1 - p_2}{\sqrt{PQ \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}}$$

Where,

$$P = \frac{x_1 + x_2}{n_1 + n_2}$$

$$Q = \frac{32}{106} = 0.24$$

$$\text{And, } P = 0.76$$

Now,

$$Z = \frac{0.30 - 0.17}{\sqrt{0.24 \times 0.76 \left(\frac{1}{106} + \frac{1}{106} \right)}} = 3.13$$

Critical value of Z at 5 percent level of significance for right tailed test is 1.645

Interpretation of Z-test

Since the calculated value of Z is greater than tabulated value of Z ($3.13 > 1.645$), null hypothesis is rejected or alternative hypothesis is accepted. So the proportion of household having income below \$1 per day is decreased after receiving the remittances income. This result shows that remittances income has been played positive role to reduce the poverty of the study area.

From this analysis we concluded that the remittances income is typically helpful to meet specific needs of the migrants' family members and thus leads to increase their standard of living. The lower class or poor households may finance their remittances income to fulfill their basic needs, such as in consumption, housing, children education and health care and pay back loan. If the remittances income is used in

productive sectors like cottage and small industry, modern agriculture farming etc. the poverty typically reduced in the study area.

5.4.3 Impact of Remittances in Occupation

The impact of remittances in occupation is presented in the given table.

Table 5.20: Impact of Remittances in Occupation (All age groups)

Occupation	Population (RRHH)				Population (RNRHH)	Percent
	Before	Percent	After	Percent		
Agriculture	323	52.27	234	35.08	213	38.86
Study	143	23.14	130	19.49	140	25.54
Trade/Business	27	4.36	32	4.79	57	10.40
Govt./private job	32	5.17	36	5.39	48	8.75
Foreign employment	-	-	121	18.14	-	-
Not work	93	15.05	114	17.09	90	16.42
Total	618	100	667	100	548	100

Source: Field Survey, 2015.

Table 5.10 shows that the agriculture is the main occupation of both remittances receiving and remittances non receiving households. However, the percentage of agricultural population is different in two groups. Before receiving the remittances income 52.27 percent population were associating in agriculture which is decreased to 35.06 percent after receiving the remittances. Migration in abroad for foreign employment is the main reason to decline the agricultural population. Similarly, the percentage of study population also decline after receiving the remittances income. There is no significant change in population associating in trade and services. The population who are not working any work is increased from 15.05 percent to 18.14 percent after receiving the remittances. Similarly, if we compare the occupational situation of remittances receiving and remittances non receiving households, we find that the percentage of population associating in all types of occupations in remittances non receiving households is greater than remittances receiving households except not working population, 38.86 percent, 25.54 percent, 10.49 percent, 8.95 percent and 16.42 percent population are associating in agriculture, study, trade/business, services and not work respectively from remittances no- receiving households. From this

analysis we concluded that the trend of migration of agricultural population to the abroad for employment is greater than other population.

5.4.4 Impact of Remittances on Education

The impacts of remittances income on education have been analyzed by comparing educational level and percentage of population. This is shown in the table.

Table 5.21: Impact of Remittances on Education (Above 6 years)

Education level	Population of RRHH (In %)				Population of (In %)	
	Before receiving remittances		After receiving remittances		Male	Female
	Male	Female	Male	Female		
Illiterate	25.90	21.71	23.88	20.69	24.49	22.95
Literate	74.10	78.29	76.12	79.31	75.51	77.05
Total %	100.00	100.00	100.00	100.00	100.00	100.00
Informal education	15.88	23.18	10.19	16.42	11.17	21.28
Up to Class 5	34.11	29.09	27.06	19.32	22.34	25.53
Up to SLC	28.03	30.45	30.59	35.75	33.51	31.91
Intermediate	15.42	12.72	23.14	19.81	19.15	12.24
Bachelor and above	6.54	4.55	9.02	8.69	13.83	9.42
Total %	100.00	100.00	100.00	100.00	100.00	100.00
Total number	289	281	335	261	249	244

Source: Field Survey, 2015.

Table 5.21 shows that the illiterate population of male and female are decreased after receiving the remittances income. Before receiving the remittances income 25.90 percent male and 21.71 percent female population are illiterate and after receiving the remittances income it decreased to 23.88 percent and 20.69 percent respectively. This shows that remittances income helps to reduce the illiteracy in the study area.

Similarly, percentage of population getting up to SLC is increased after receiving the remittances income. Before receiving the remittances income 20.76 percent male and 23.84 percent female is in SLC level. After receiving the remittances income this percentage is increased to 23.28 percent and 28.35 percent respectively. Before receiving the remittances income male and female population getting the education up to intermediate is 11.42 percent and 9.96 percent respectively. After receiving the remittances income percentage of male and female population getting education up to intermediate is increased to 17.61 percent and 15.71 percent respectively. Similarly population of well educated also increased after receiving the remittances income. The male and female population getting the education bachelor and above is 4.84 percent and 3.55 percent respectively. After receiving the remittances income the population getting education bachelor and above is increased to 6.88 percent and 6.89 percent respectively. This result indicates that remittances income helps to making expenditure for higher education.

5.4.5 Impact of Remittances on Size of land Holding

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

Table 5.22 shows the unequal distribution of land among the sample households of remittances receiving and remittances non receiving households. Before receiving the remittances 1.88 percent households were landless households out of 106 households. After receiving the remittances income the landless households decreased to 0.90 percent. Before receiving the remittances percentage of households having land below two Ropani, 2 to 5 Ropani, 5 to 10 Ropani, 10 to 15 Ropani, 15 to 20 Ropani and above 20 Ropani were 13.20 percent, 24.52 percent, 23.58 percent, 18.86 percent, 12.26 percent, and 5.56 percent respectively.

Table 5.22: Distribution of Land Among Sample Households

Size of land in (Ropani)	No. of remittances receiving HH				No. of HH	%
	Before	%	After	%		
Landless	2	1.88	1	0.90	-	-
Below 2	14	13.20	11	10.37	12	13.48
2 to 5	26	24.52	21	19.81	24	26.97
5 to 10	25	23.58	14	13.20	21	23.59
10 to 15	20	18.86	23	21.69	13	14.60
15 to 20	13	12.26	19	17.93	8	8.99
Above 20	6	5.66	17	16.00	11	12.36
Total	106	100.00	106	100.00	89	100.00

Source: Field Survey, 2015.

After receiving the remittances income land having 15 to 20 Ropani and above 20 Ropani households is increased to 17.93 percent and 16.00 percent respectively. Similarly, percentage of remittances non receiving households having land 15 to 20 Ropani and above 20 Ropani is 8.99 percent and 12.36 percent respectively. This percentage is lower in comparison to the remittances receiving households. This result shows that land holding power is increased after receiving the remittances income.

5.4.6 Health Care Seeking Behavior

The flow of remittances in the study area has increased the peoples approach to the health facilities. There is a health post being run by the government and two private medical clinics providing the health services to the people in this VDC. To find out the approach of health treatment of households members, they were asked question where they first go for treatment. The following table shows the approach of health treatment.

Table 5.23 presents the data about the households where they go first for their health treatment. Above table shows that before receiving the remittances income 21.69 households went first to Dhami and Jhankri for their health treatment. After receiving

the remittances income this percent decreased to 8.49 percent. Before receiving the remittances income 15.09 percent, 43.93 percent, 12.26 percent and 7.55 percent households were receiving the first health treatment from Ayurvedic method, health post, private clinic and government hospital.

Table 5.23: Health Care Seeking Behavior of RRHH and RNRHH

People receiving health facilities from	No. of remittances receiving HH				No. of HH (RNRHH)	%
	Before	%	After	%		
Dhami/Jhankri	23	21.69	9	8.49	10	11.24
Ayurvedic treatment	16	15.09	11	10.38	13	14.61
Health post	46	43.39	29	27.36	35	39.33
Private clinic	13	12.26	36	33.96	19	21.35
Govt. hospital	8	7.55	21	19.81	12	13.48
Total	106	100.00	106	100.00	89	100.00

Source: Field Survey, 2015.

After receiving the remittances income, the percentage of households going first for treatment in private clinic and government hospital has been increased to 33.96 percent and 19.81 percent respectively. This shows that the increasing income of the households helps to increase the percentage households taking health facility from private clinic and government hospital. Similarly, the percentage of households going private clinic and government hospital is greater in remittances receiving households in comparison to the remittances non receiving households. It is found that the large numbers of population from both types of sample households are taking health facility from health post. From this analysis we concluded that approach of health treatment depends on level of income.

5.4.7 Types of Dwelling

This gives us the information about the poverty situation of the sample households from the structure and condition of the dwelling. Types of dwelling and frequency distribution of sample households is shown in the table.

Table 5.24: Types of Dwelling and Frequency Distribution of Sample Households

Types of dwelling	No. of HH(Remittances receiving HH)				No. of HH (RNRHH)	%
	Before	%	After	%		
Made by cement and bricks	2	1.89	5	4.72	1	1.12
Made by mud and stone	82	77.36	89	83.96	66	74.16
Made by wood	14	13.21	9	8.49	16	17.98
Thatched	8	7.55	3	2.83	6	6.74
Total	106	100.00	106	100.00	89	100.00

Source: Field Survey, 2015.

Table 5.24 shows the types of dwelling on the basis of constructions. Before receiving the remittances only 1.89 percent households' dwelling were made by cement and bricks. After receiving the remittances income 4.72 percent households' dwellings is made by cement and bricks. From the field study it is found that the large number of households' dwelling is made from mud and stone i.e. 77.36 percent before receiving the remittances and 83.96 percent after receiving the remittances. Before receiving the remittances 13.21 percent households' dwellings were made by wood and 7.55 percent households' dwellings were types of thatched and after receiving the remittances this percentage has been decreased to 8.49 percent and 2.83 percent respectively. Similarly, 1.12 percent dwellings of remittances non receiving households were made by cement and bricks. 6.74 percent remittances non receiving households' dwellings are types of thatched which is greater than remittances receiving households. It is found that due to the lack of transportation facility to carry bricks and cement, large numbers of households' dwellings were made by mud and stone. From this analysis we concluded that the remittances income helps to change the types of dwellings of the sample households.

5.4.8 Impact of Remittances on Loan Status

Remittances income helps to reduce the loan of the household. Before receiving the remittances income most of the households taken loan for households' consumption purposes. Among the three caste groups, indebted households of Dalit caste group are

greater than other caste groups but amount of loan is less than other caste groups. Amount of loan and number of households is presented in the table.

Table 5.25: Amount of Loan and no. of Household (In last year)

Amount of loan (Rs. in 000)	No. of remittances receiving household				No. of remittances non receiving HH	Percent
	Before	Percent	After	Percent		
Having no land	27	25.47	42	39.62	31	34.83
Below 15	15	14.15	6	5.66	4	4.49
15 to 25	17	16.04	3	2.83	16	17.97
25 to 35	5	4.72	18	16.98	13	14.61
35 to 45	12	11.32	11	10.38	3	3.37
45 to 55	1	0.94	8	7.54	10	11.23
55 to 65	13	12.26	12	11.32	1	1.12
65 to 75	7	6.60	5	4.71	4	4.49
Above 75	9	8.49	1	0.94	7	7.86
Total	106	100	106	100	89	100

Source: Field Survey, 2015.

Table 5.25 illustrates the loan status of remittances receiving households and remittances non receiving households. Before receiving the remittances 25.47 percent households had not any loan and after receiving the remittances indebted households increased to 39.62 percent. Before receiving the remittances large number of households' loan was between 15 thousand to 25 thousand and 8.49 percent households' loan was above 75 thousand. After receiving the remittances income only 0.94 percent households' loan is above 75 thousand. Similarly, 34.83 percent remittances non receiving households' have not any loan and 7.86 percent households' loan is above 75 thousand. From the field study it is found that before remittances receiving most of the household had been taken loan for households' consumption purposes similarly most of the remittances non receiving households taken loan for same purposes. After receiving the remittances income most of the household taken loan for investing in land and real estate. This result shows that remittances income helps to reduce loan of the households and it also changes the purpose of taking loan.

5.2.9 Impact of Remittances on Other Indicators

Positive impact of remittances income depends on the size of income received from foreign employment, family size, earlier economic condition of the family, culture of society etc. From the field study we found that there are differences in expenditure pattern on food, education, real-estate as well as investment and saving between remittances receiving households and remittances non receiving households. These are presented in the following headings.

5.4.9.1 Food Expenditure

Remittances income directly affects the average annual food expenditure of remittances receiving households'. It is found that the average annual food expenditure of remittances receiving households is higher in comparison to the remittances non receiving households. It is not good for improvement the economy. This is shown in the table.

Table 5.26: Annual Average Food Expenditure of RRHH and RNRHH

Caste group	Annual exp. of RRHH(Rs. in 000)			Annual exp. of RNRHH(Rs. in 000)		
	No. of HH	Total average exp.	Average exp. on food	No. of HH.	Total average exp.	Average exp. on food
Chhetry/ Brahamin	52	442.89	157.14	45	262.56	117.96
Janajati	37	386.88	143.54	30	241.94	95.17
Dalit	17	304.92	96.65	14	226.66	83.43
Total	106	378.83	132.44	89	243.72	98.85

Source: Field Survey, 2015.

Table 5.26 presents the differences of annual average food expenditure between remittances receiving households and remittances non receiving households. From the remittances receiving households, Chhetry and Brahamin caste group has been made Rs. 157.14 thousand expenditure on food which is Rs. 117.14 thousand in remittances non receiving households of this caste group. Similarly, Janajati and Dalit caste groups have been made annual food expenditure Rs. 143.54 thousand and Rs. 96.65 thousand respectively which are Rs. 95.17 thousand and Rs. 83.43 in

remittances non receiving households. This result clears that the annual average food expenditure of remittances receiving household is greater than remittances non receiving households.

Whether there is significant different or not in food expenditure pattern between remittances receiving household and remittances non receiving households, it has been tested with the help of t- test as follows:

Setting Hypothesis:

Null Hypothesis $H_0: \mu_1 = \mu_2$ i.e., There is no significant difference in food expenditure pattern between remittances receiving household (RRHH) and remittances non receiving household (RNRHH).

Alternative Hypothesis $H_1: \mu_1 > \mu_2$ i.e., The food expenditure pattern of remittances receiving household is higher in comparison to the remittances non receiving household (right tailed test).

Computation:

$$t = \frac{\bar{X} - \bar{Y}}{\sqrt{S^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}}$$

Where, \bar{X} = Mean expenditure of remittances receiving household in food.

\bar{Y} = Mean expenditure of remittances non receiving household in food.

$\sqrt{S^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}$ = Standard error of difference of different variable of two samples mean.

Here t is based on $n_1 + n_2 - 2$ degree of freedom.

Table 5.27: Expenditure Difference in Food between RRHH and RNRHH (From Appendix-II)

Categories of HHs	No. of HHs	Mean exp. on food (Rs. in 000)	Mean difference	S.E.	t
RRHH	106	132.45	33.60	1127.63	6.96*
RNRHH	89	98.85			

Source: Field Survey, 2015.

* indicates significant at 5 percent level of significance.

The critical value of t at 5 percent level of significance for 193 degree of freedom is 1.645 (right tailed test).

Interpretation of t-test

Since the calculated value of t is greater than tabulated value ($6.96 > 1.645$), we accept alternative hypothesis or null hypothesis is rejected. So the food expenditure pattern of remittances receiving household is higher in comparison to the remittances non receiving households. This result indicates that the income level of households' determines the pattern of expenditure on food.

5.4.9.2 Educational Expenditure

In Nepal high amount of remittances income is found to use in unproductive sectors such as consumption, loan repayment, real estate and purchase of electronic goods. However, educational expenditure is also found to increase. Remittances recipients seem curious to spend high amount of remittances on education of their children/adults. Annual average educational expenditure of remittances receiving households and remittances non-receiving households is given in the table.

Table 5.28: Annual Average Educational Expenditure of RRHH and RNRHH

Caste group	Annual exp. Of RRHH(Rs. in 000)			Annual exp. of RNRHH(Rs. in 000)		
	No. of HH	Total average exp.	Average exp. on education	No. of HH.	Total average exp.	Average exp. on education
Chhetry/ Brahamin	52	442.89	38.25	45	262.56	26.98
Janajati	37	386.88	26.19	30	241.94	22.56
Dalit	17	304.92	12.18	14	226.66	8.83
Total	106	378.23	25.54	89	98.85	19.45

Source: Field Survey, 2015.

The result of this survey shows that there is remarkable different in average annual spending on education between remittances receiving households and remittances non receiving households. From the remittances receiving households Chhetry/Brahamin,

Janajati and Dalit caste group have been made annual average educational expenditure Rs. 38.25 thousand, Rs. 26.25 thousand and Rs. 12.18 thousand respectively. Whereas these three caste groups of remittances non receiving households have been made annual average educational expenditure Rs. 26.98 thousand, 22.56 thousand and 8.83 thousand respectively. This fact reveals that the remittances receiving households' expenses the more amounts in education in comparison to the remittances non receiving households.

Whether average annual educational expenditure between RRHH and RNRHH is significantly differ or not? It has been tasted by using t- test as follows:

Setting Hypothesis:

Null Hypothesis H_0 : $\sim_1 X \sim_2$ i.e., there is no significant difference in educational expenditure between RRHH and RNRHH.

Alternative Hypothesis H_1 : $\sim_1 > \sim_2$ i.e., the educational expenditure of RRHH is higher in comparison to the RNRHH (right tailed test).

Computation:

$$t X = \frac{\bar{X} - \bar{Y}}{\sqrt{S^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}}$$

Where, \bar{X} = Mean expenditure of remittances receiving household on education.

\bar{Y} = Mean expenditure of remittances non receiving household on education.

$$\sqrt{S^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)} = \text{Standard error of difference of different variable of two samples}$$

mean.

Here t is based on $n_1 + n_2 - 2$ degree of freedom.

Table 5.29: Educational Expenditure Difference between RRHH and RNRHH (From Appendix-III)

Categories of HHs	No. of HHs	Mean exp. on education (Rs. in 000)	Mean difference	S.E.	t
RRHH	72	37.61	5.53	1170.03	0.89*
RNRHH	54	32.08			

Source: Field Survey, 2015.

* indicates significant at 5 percent level of significance.

The critical value of t at 5 percent level of significance for 124 degree of freedom is 1.645 (right tailed test).

Interpretation of t-test

From the field study it is found that only 72 households out of 106 RRHH and 54 households out of 89 RNRHH makes the educational expenditure. Their average annual educational expenditure is Rs. 37.61 thousand and Rs. 32.08 thousand respectively. Table 6.17.1 shows that the calculated value of t is less than tabulated value ($0.89 < 1.645$), we accept null hypothesis or alternative hypothesis is rejected. So, there is no significant difference in educational expenditure between RRHH and RNRHH. This result is different from findings of other researchers. In this study area peoples are conscious towards education and they understood the importance of education so they are spending their income by reducing the other expenditure. Due to this reason this study found there is not significant difference in educational expenditure between RRHHs and RNRHHs.

5.4.9.3 Investment on Land and Real-estate

From the field study it is found that the remittances receiving households investing the large amount of remittances income to purchase land and real estate out of the VDC, specially in Terai district. But amount of investment is not equal between remittances receiving households and remittances non receiving households. This is presented in the table.

Table 5.30 shows the remittances receiving and remittances non receiving households' average annual investment in land and real estate from total annual

income. Among the remittances receiving households Chhetry/Brahamin, Janajati and Dalit caste groups make annual average investment on land and real- estate is Rs. 108.81 thousand, Rs. 119.23 thousand and Rs. 32.41 thousand respectively. Here we can see that Janatjati caste group invest the large amount on land and real estate than other caste group. Similarly, average annual investments of three caste groups of remittances non receiving households are Rs. 49.61 thousand, 37.91 thousand and Rs. 9.21 thousand respectively. This result shows that the average annual investment on land and real- estate by Dalit caste group is lower in comparison to the other caste groups.

Table 5.30: Annual Average Investment of RRHH and RNRHH on Real- estate

Caste group	Annual exp. Of RRHH(Rs. in 000)			Annual exp. of RNRHH(Rs. in 000)		
	No. of HH	Total average exp.	Average investment on land & real estate	No. of HH.	Total average exp.	Average investment on land & real estate
Chhetry/ Brahamin	52	442.89	108.81	45	262.56	49.61
Janajati	37	386.88	119.23	30	241.94	37.91
Dalit	17	304.92	32.41	14	226.66	9.21
Total	106	378.23	86.82	89	98.85	32.24

Source: Field Survey, 2015.

Whether the investment pattern on land and real-estate between RRHH and RNRHH is significantly differ or not? It has been tasted with the help of t-test as follows:

Setting Hypothesis:

Null Hypothesis H_0 : $\sim_1 X \sim_2$ i.e., there is no significant difference in investment on land real-estate between RRHH and RNRHH.

Alternative Hypothesis H_1 : $\sim_1 > \sim_2$ i.e., the investment on land and real-estate of RRHH is higher in comparison to the RNRHH (right tailed test).

Computation:

$$t = \frac{\bar{X} - \bar{Y}}{\sqrt{S^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}}$$

Where,

\bar{X} = Mean investment of remittances receiving household on land and real-estate.

\bar{Y} = Mean investment of remittances non receiving household on land and real-estate.

$\sqrt{S^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}$ = Standard error of difference of different variable of two samples

mean.

Here t is based on $n_1 + n_2 - 2$ degree of freedom.

Table 5.31: Investment Difference on Land and Real-Estate between RRHH and RNRHH (From Appendix-IV)

Categories of HHs	No. of HHs	Mean exp. on land and real-estate (Rs. in 000)	Mean difference	S.E.	t
RRHH	21	438.33	177.42	38775.12	2.42*
RNRHH	11	260.91			

Source: Field Survey, 2015.

* indicates significant at 5 percent level of significance.

The critical value of t at 5 percent level of significance for 30 degree of freedom is 1.697 (right tailed test).

Interpretation of t-test

Since the calculated value t is greater than tabulated value ($2.42 > 1.697$), we accept alternative hypothesis or null hypothesis is rejected. So investment pattern of remittances receiving household on land and real-estate is higher in comparison to the remittances non receiving households. From this result we concluded that the large amount of remittances income is invested on land and real-estate. This is not good sign of economic improvement of the economy.

6.4.9.4 Saving

In the study area amount of saving is not equal between remittances receiving households and remittances non receiving households. It is found that the saving of remittances receiving households is greater than remittances non receiving households. Annual average saving of the households is presented in the table.

Table 5.32: Annual Average Saving of RRHH and RNRHH

Caste group	Annual saving of RRHH(Rs. in 000)		Annual saving of RNRHH(Rs. in 000)	
	No. of HH	Average Saving	No. of HH.	Average Saving
Chhetry/ Brahamin	52	86.69	45	28.48
Janajati	37	68.41	30	23.93
Dalit	17	43.23	14	10.35
Total	106	66.11	89	20.92

Source: Field Survey, 2015.

Table 5.32 shows the annual average amount of saving by different caste groups. This table shows that the annual average saving of Chhetry and Brahamin caste group is greater than other caste groups. Annual average saving of remittances receiving households is Rs. 86.69 thousand, 68.41 thousand and Rs. 43.23 thousand by Chhetry/Brhmin, Janajati and Dalit caste group respectively. Similarly, annual average saving of remittances non receiving households by Chhetry/Brahamin, Janajati and Dalit caste group is Rs. 28.48 thousand, Rs. 23.93 thousand and Rs. 10.35 thousand respectively. This result shows that the saving amount of remittances receiving households is greater in comparison to the remittances non receiving households. This result shows that the saving pattern of Janajati and Dalit caste group is lower in comparison to the Chhetry and Brahamin caste group. It is because they are spent large portion of income in religious activities like festivals, marriage ceremony etc.

Whether remittances receiving households (RRHH) and remittances non receiving household (RNRHH) saving pattern is significantly differ or not? To test this student test (t-test) applying here this is presented as follows:

Setting Hypothesis:

Null Hypothesis H_0 : $\sim_1 X \sim_2$ i.e., there is no significant difference in saving pattern between RRHH and RNRHH.

Alternative Hypothesis H_1 : $\sim_1 > \sim_2$ i.e., the saving pattern of RRHH is higher in comparison to the RNRHH (right tailed test).

Computation:

$$t = \frac{\bar{X} - \bar{Y}}{\sqrt{S^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}}$$

Where,

\bar{X} = Mean saving of remittances receiving household on land and real-estate.

\bar{Y} = Mean saving of remittances non receiving household on land and real-estate.

$\sqrt{S^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}$ = Standard error of difference of different variable of two samples

mean. Here t is based on $n_1 + n_2 - 2$ degree of freedom.

**Table 5.33: Level of Saving between RRHH and RNRHH
(From Appendix-V)**

Categories of HHs	No. of HHs	Mean Saving (Rs. in 000)	Mean difference	S.E.	t
RRHH	46	152.33	88.13	7647.26	4.25*
RNRHH	29	64.2			

Source: Field Survey, 2015.

* indicates significant at 5 percent level of significance.

The critical value of t at 5 percent level of significance for 73 degree of freedom is 1.658 (right tailed test).

Table 5.23 demonstrates that 46 RRHH and 29 RNRHH makes saving from their income and annual average saving among the RRHH was Rs. 152.33 thousand and that among the RNRHH was Rs. 64.2 thousand. This clearly reveals that there is

considerable difference in capacity to save between two groups of households. Here calculated value of t is greater than tabulated value ($4.25 > 1.658$), we accept alternative hypothesis or null hypothesis is rejected. So the saving pattern of RRHH is higher in comparison to the RNRHH. The test statistics also supports the fact. Therefore it is clearly evident that remittances has significant impact on the household saving which is good sign of economic improvement.

As a summary, we can say that the remittances income earned from foreign employment is helping the household of the study area in fulfilling their basic needs as well as fulfillment of other socio- economic aspect of their life. In another aspect of this survey we can say that the remittances earned by the foreign labor have benefited other members of his family than the employed himself. Therefore it is clear that the remittances is playing very positive role to the respondents and their family to reduce the poverty level of the study area.

CHAPTER SIX

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

6.1 Summary

The main objective of the study is to gauge the impact of foreign employment and remittances in poverty reduction in the study area. Moreover the study also tries to analyze the nature and extend of remittances income in the study area, socio-economic characters of foreign employees, source of financing and cost for foreign employment, change bought by the foreign employment and remittances in household economy and uses of remittances.

To fulfill the above stated objective of the present study, Dhikurpokhari VDC of Kaski district was selected area and sample survey was conducted in 2015. The sample size was 106 household from remittances receiving households and 89 household from remittances non-receiving households chosen by proportional random sampling method and data was collected through questionnaire method. Some secondary data were also used to show and compare the composition of foreign employment and remittances of the national level as well as the local level in the study. Data are analyzed by using simple statistical tools like mean, percentage and ratio.

6.2 Major Finding of the Study

1. Total population of the study area is 4675 and out of this 2382(50.95) are male and 2293(49.05) are female.
2. Majority of the population lies under the age of 15 to 19 years (66.64 percent). Only 14.08 percent of population lies above 60 years and 19.29 percent population is under 14 years.
3. In the national context, main destinations of Nepalese workers are Gulf countries and Malaysia. More than sixty percent of the workers are employed in Gulf countries. Country wise Malaysia, Saudi Arabia, Qatar, UAE are the destinations of Nepalese workers.
4. The average annual income of the household in this VDC is around 130 thousand and 41.73 percent income is covered by agricultural income.

5. Major reasons to seek foreign employment include unemployment, family debt burden, conflict problems and to earn money than which they are earning in their own country.
6. The means to get foreign employment of the most of the sample respondents were manpower agencies. Other went either through unregistered agents or personal initiatives.
7. The average cost paid for foreign employment by the respondents of the study area was around Rs. 92 thousand and average duration of stay is 3.25 years.
8. Majority of the foreign job seekers did not have any skill and took unskilled labor jobs in construction.
9. A source of financing for foreign employment from loan is 42.15 percent and 39.22 percent from family savings and 15.53 percent from property selling.
10. Total remittances income of last year of the sample households' is Rs. 18688.5 thousand and share of remittances income in total income is 45.20 percent.
11. 20.40 percent remittances income is used for household' consumption purposes. Similarly, 14.04 percent, 37.05 percent, 6.64 percent and 21.54 percent remittances income is used for loan repayment, to purchase land and real- estate, vestment in business and saving respectively.
12. Before receiving the remittances income poverty of the study area was 33.67 percent. After receiving the remittances income poverty is decreased to 18.38 percent. Similarly, poverty of remittances non receiving households is 26.35 percent.
13. Annual average educational expenditure of remittances receiving households is Rs. 25.25 thousand whereas annual educational expenditure of remittances non receiving households is Rs. 19.46 thousand.
14. Annual average saving of remittances receiving households is Rs. 66.11 thousand. Where remittances non receiving households' annual average saving is only Rs. 20.92 thousand.
15. The impact of remittance on GDP by testing regression analysis there found positive impact of remittance on GDP.
16. To test the significance of remittance on poverty reduction by testing hypothesis tool (Z-test) there found after receiving remittances reduce poverty rate than before receiving remittance in study area.

17. To test the significance of remittances receiving households (RRHH) and remittances non-receiving household (RNRHH) in study area using some variable (saving and expenditure) are test with the help of t-test. There found in study area remittance receiving household's economic condition and expenditure pattern is higher than remittance non receiving households.

6.3 Conclusions

Poverty is the major burning issue in the under developed and developing nations in this present era. Nepal being a small landlocked and agricultural country is suffering from a major problem of poverty. Poverty is defined as the unavailability of the basic requirements such as clothes, shelter, and food. If one concentrates on the poverty situation of our country its magnitude is very large, people are not getting their minimum requirements. Due to the various factors like unemployment, increasing population, political instability, internal conflict etc. many youths are lured to go abroad for employment. Remittances income has been helping in the reduction of rural poverty but due to the lack of proper government policies remittances income is being used up in various unproductive sectors.

It is clearly shown that the national GDP growth rate is directly related to the various factors like total saving of the economy and total investment of the economy. On the other hand, saving is determined by the investment, without investment, the country can not get higher GDP growth rate. The investment in the country like Nepal is directly dependent on the remittances invested into the economy. Therefore we can say that the remittances are the major factor of development of country like Nepal. There is gap between saving and investment, thus utilization of remittances in investment is a great need of today e.g. development process etc. In the world economy, remittances plays vital role and in the developing countries it has its own value. Going further the economy of these countries has been gradually changing into remittances economy.

Nepal's door to international labor market opened after the restoration of democracy in 1990's and has already spread over more than hundred countries. Thus from all over the world Nepal is receiving the remittances money. But the Gulf or the Arabian countries are being the easiest destination for the Nepalese workers to get

employment and earn money. The sustainability of the Nepalese economy largely depends on the foreign aid and remittances; this is how remittances is helping in the growth of Nepalese economy.

It is clear to all of us that unemployment is the main cause of poverty in any state and the unemployment plays the major role for migration to the other places from their native place. In this study we also found that the main cause for the migration of the youths is unemployment. Most of the workers of the study area are migrated to those countries where they do not need any special qualification for the job to be taken, like India, Qatar, Malaysia, UAE, KSA and other gulf countries and also to other south Asian countries. Their migration to the different countries depends upon the economic condition of their family, and also the regular money income of the members of the family.

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

In rural areas remittances is playing a great role in reducing the rural poverty. In the study area the level of poverty is reducing gradually than the previous times. The living standard of the people has been raised up. Educational status has been raised up and the people are now living a healthy life. The social status of the people has been raised up. In overall scenario the poverty level has been reduced and the people are now living a higher living standard.

6.4 Recommendations

In Nepal, remittances have become the backbone of the economy. If the backbone is well- nourished, human body can be strong enough to withstand any kinds of powerful shocks. By analogy, in order to make our economy strong enough to absorb any kinds of financial shocks, remittances income should be managed and potentialities within remittances inflows should be identified on time. In this context some suggestions have been mentioned below.

1. The migrated persons with higher secondary and the above are found to earn much higher remittances income than persons with primary, lower- secondary and secondary educational level. The government of Nepal should encourage those with higher secondary and above educational level to seek foreign employment.
2. Most of people are found to go in the construction of building and security guard as unskilled laborer but their earning on an average is very low so the government should give the training of driving, cook, plumber, carpenter and many more compulsory for all those who want to go abroad and government should establish such vocational institutes where in low fee people from grass root level can be skillful. This results in high volume of remittances.
3. Since most of the migrant Nepalese workers have gone to Gulf countries and Malaysia so their destination are congested area of the Nepalese workers. Thus, manpower agencies, agent and Employment Company all have cheated to maximum workers. On the other hand, the worker of their destinations can not earn more money then other destination like Japan, Korea, Hong Kong, UK, etc. So ministry of Labor and Transport Management GON should make new policy to identify new potentialities destinations and create opportunities to their destination. Where the workers will earn more money than existing countries. Apart from this the labor contract should be made between two countries to give safe environment for the workers.
4. Most of the respondents of rural areas come from lower income groups and based on agricultural occupation. So, they can not easily effort foreign employment. If they go foreign countries for employment, they should borrow or get loan at the high interest rate. So the policy should be made to give more opportunities to poor people of rural areas as well as facilitate to them funds for foreign employment. Thus, GON should provide loan to the poor people in the cheap interest rate who want to go to foreign employment.
5. Most of the remittances income in the study area is used in unproductive sectors like consumption, loan repayment; to purchase land and real-estate etc. however it helps to decreased poverty. Therefore to bring up the poor population under the poverty line, government should promote to invest remittances income into the productive sectors.

6. Day by day trend of migration to abroad for employment from Nepal is on the incremental rate. Many youths from rural and urban have gone to the different parts of the world for earning money mainly in order to feed up their family. Remittances increase the consumption of rural people. This increase in consumption certainly increases economic activities of people. On the other hand country is suffering from trade deficit which greatly disturbs the balance of payment. This dangerous trade deficit can also be reduced with the help of remittances by utilizing in establishing cottage and middle industries. In this context, very sound research regarding impact of remittances on economy and possibility of remittances income for sustainable development should be done.
7. Surely remittances income is playing very positive role to reduce rural poverty of the study area and also it is improving the social as well as economic indicators of the VDC but this is not satisfactory. Maximum part of remittances income have been used in unproductive sectors like regular household expenditure, loan repayment, to purchase land and real-estate etc. this do not give any return in the future. Thus, the policy should be made to give more information to the respondents own using their remittances income into productive sectors like investment in shares, business etc. and should be given more opportunities in using their newly learnt skill after returning from the foreign employment.
8. The concept of economic diplomacy should be implemented from the government of Nepal to increase the demand of Nepalese labor in the foreign employment.
9. The labor desk should be established in the airports of the major labor migrating countries to help the Nepalese labor in various problems.
10. The bilateral agreement should be done from the ministry level with all the labor importing countries. Agreement done with UAE, Korea and Japan can be the best example of positive impact of agreement.

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Appendix I
Questionnaire

SOCIO-ECONOMIC CONTRIBUTION OF REMITTANCES IN NEPAL (A Case Study of Dhikurpokhari VDC, Kaski District)

Part A: Questionnaire for remittance receiving household

1. General information:

- a) Name of the household head:
 b) Age: c) Occupation:
 d) Ward no. e) Number of family members:
 f) Education.....

2. Household structure by age and sex:

Age group \ Sex	Below 5 years	6 to 10 years	11 to 15 years	16 to 24 years	25 to 45 years	46 to 60 years	61 to 75 Years	Above 75 years
Male								
Female								
Total								

3. Background of the migrated person:

Name	Age	Sex	Period of stay	Monthly salary at NPR	In which sector does your migrated member work?	Whether he is still there or returns?	What are the causes s/he to go abroad?

Main causes to go abroad

- i) Job not found in the country ii) To pay family loan iii) Conflict problem
 iv) To increase the economic status v) Internal desire to go abroad vi) Others

4. What are the sectors that your family members spent money in order to go abroad?

S. N.	Expenditure headings	Amount at NPR
1	Passport expenditure	
2	Medical expenditure	
3	Support expenditure	
4	Visa expenditure	
5	Traveling expenditure by airplane	
6	Other expenditure	
	Total	

5. What are the sources, from which yours family member collected money to go abroad? (At NPR)

Topic	From own income	Having loan				By selling property	Total
		From bank	From merchant	From relatives	From public institution		
Amount							
Interest rate	X						

6. During the past 12 months, has any member of your household received remittances? Yes No **7. Which medium use yours**

Remittance sender name	Sex	Age	Education	Country	Who in your HH is the primary recipient?	What is the relationship of the sender to the recipient?	How many times your HH received remittance?	Total amount received by your HH	Total amount received over the last 12 months

family member to sent remittances from abroad?

- a) From bank b) Brought money with s/he c) From hundi d) From friend
e) From other institution

7. a Which medium commonly use your family member to sent remittances from abroad?

.....
.....

8. What are the sectors that you have spent the remittance income during the last 12 months?

Expenditure headings	Amount (Rs)
Food	
Clothes	
Health treatment	
Education	
Festivals and entertainment	
Investment in agriculture	
Dept repayment	
To purchase land and real-estate	
Saving and investment	
Other	
Total	

8.a In general, what sector that you have spent the remittance income over the past 12 months?

.....
..

Differing aspect of household before receiving remittances

1. What is the occupational structure of yours family members?

Age group \ Occupation	Below 5 years	6 to 10 years	11 to 15 years	16 to 24 years	25 to 45 years	46 to 60 years	61 to 75 years	Above 75 years
Agriculture								
Industry								
Study								
Trade								
Govt./private job								
Wage employment								
Foreign employment								
Not work								

2. Educational status of the household:

Age group	Illiterate		Literate		Up to 5 class		SLC		Intermediate		Bachelor		Master		PhD	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
6-15 yrs																
16- 45yrs																
46-60yrs																
Above 60yr																
Total																

3. Ownership of dwelling:

- Self owned.....1
- Shelter on others house.....2

4. Type of dwelling:

- Made by cement and bricks.....1
- Made by mud and stone.....2
- Made by wood.....3
- Thatched.....4
- Other.....5

5. Does your household own any land?

- a) Yes.....1
- b) No.....2

6. Types of own land and its area:

Types of land	Unit	Quantity	District	Per unit price
Agricultural land (Khet/ Bari)				
Pakho Land				
Housing land(Ghaderi)				
Covering by forest				
Other				
Total				

7. What kind of fuel is most often used by yours household for cooking?

- Wood / Firewood.....1
- Cylinder gas.....2
- Bio- gas.....3
- Other.....4

8. What type of stove does your household mainly use for cooking?

- Open fire place.....1
- Mud stove.....2
- Smokeless stove.....3
- Kerosene/ gas stove.....4
- Other.....5

9. If the any member of yours household be ill, where you first go for treatment?

- a) Lama/Dhami/Jhankri.....1
- b) Health post..... 2
- c) Govt. hospital.....3
- d) Private clinic.....4
- e) Ayurvedic treatment.....5
- f) other.....6

10. What is the source of yours drinking water?

- Piped water supply.....1
- Well.....2
- Covered well/ hand pump.....3
- Other sources.....4

11. What type of toilet is used by yours household?

- Household flush (connect to septic tank).....1
- Household non- flush.....2
- Communal latrine.....3
- No toilet.....4

12. Which of the following facilities are there in your dwelling?

- Telephone /mobile phone
 - Electricity Yes.....1
 - Cable TV No.....2
 - Email/ Internet
 - Refrigerator
-

13. Agricultural production situation of the household

I) Crops:

Production group	Did you use an improved seed Yes....1 No.....2	Unit of products	Total quantity harvested	Per unit price of products (at local price)	Total price in NPR
<u>Cereals</u> Maize Paddy Millet Wheat Other cereals					
<u>Pulses and legumes</u> Soybean Black gram Red gram Pea Other legumes					
<u>Vegetables</u> Winter vegetables Summer vegetables					
<u>Fruits</u> Orange Lemon Mango Banana Other fruits					
<u>Spices</u> Chiles Onion Ginger Other spices					
<u>Oil seeds</u> Mustard Other oil seeds					
<u>Cash crops</u>					
Total					

II) Livestock:

Did you own any animals?				How many do you own now?	
Animals	Yes	No	Code	Numbers	Rupees
He/Se buffaloes			01		
Bullocks/ cows			02		
Goats/castrated goat			03		
He/ She sheep			04		
Pigs/ pork			05		
Poultry/Ducks/Pigeons			06		
Total					

Other income from livestock

Income item	Milk	Ghee	Eggs	Meat	Animals hides	Other	Total
Rupees							

14. Does any member of your household have loans?

Purpose of loan	From whom did you obtain the loan?	What collateral did you use to secure loan?	What is the interest rate on the loan?	How much total did you borrow?
Business or farm use				
Personal use				

15. Income status of the household:

Sources of income	Income amount
Agriculture and livestock	
Trade and industry	
Govt./private job and pension	
Foreign employment	
Wage employment	
Others	
Total	

16. Expenditure status of the household:

Expenditure headings	Expenditure amount
Food	
Clothes	
Health treatment	
Education	
Festivals and entertainment	
Investment in agriculture	
To purchase land and real-estate	
Loan repayment	
Other	
Total	

Different aspect of household after receiving remittances

1. What is the occupational structure of yours family members?

Occupation	Age group	Below 5 years	6 to 10 years	11 to 15 years	16 to 24 years	25 to 45 years	46 to 60 years	61 to 75 years	Above 75 years
	Agriculture								
Industry									
Study									
Trade									
Govt./private job									
Wage employment									
Foreign employment									
Not work									

3. Educational status of the household:

Age group	Illiterate		Literate		Up to 5 class		SLC		Intermediate		Bachelor		Master		PhD	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
6-15 yrs																
16- 45yrs																
46-60yrs																
Above 60yr																
Total																

3. Ownership of dwelling:

- Self owned.....1
- Shelter on others house.....2

4. Type of dwelling:

- Made by cement and bricks.....1
- Made by mud and stone.....2
- Made by wood.....3
- Thatched.....4
- Other.....5

5. Does your household own any land?

- a) Yes.....1
- b) No.....2

6. Types of own land and its area:

Types of land	Unit	Quantity	District	Per unit price
Agricultural land (Khet/ Bari)				
Pakho Land				
Housing land(Ghaderi)				
Covering by forest				
Other				
Total				

7. What kind of fuel is most often used by yours household for cooking?

- Wood / Firewood.....1
- Cylinder gas.....2
- Bio- gas.....3
- Other.....4

8. What type of stove does your household mainly use for cooking?

- Open fire place.....1
- Mud stove.....2
- Smokeless stove.....3
- Kerosene/ gas stove.....4
- Other.....5

9. If the any member of yours household be ill, where you first go for treatment?

- a) Lama/Dhami/Jhankri.....1
- b) Health post..... 2
- c) Govt. hospital.....3
- d) Private clinic.....4
- e) Ayurvedic treatment.....5
- f) other.....6

10. What is the source of yours drinking water?

- Piped water supply.....1
- Well.....2
- Covered well/ hand pump.....3
- Other sources.....4

11. What type of toilet is used by yours household?

- Household flush (connect to septic tank).....1
- Household non- flush.....2
- Communal latrine.....3
- No toilet.....4

12. Which of the following facilities are there in your dwelling?

- Telephone /mobile phone
- Electricity Yes.....1
- Cable TV No.....2
- Email/ Internet
- Refrigerator

13. Agricultural production situation of the household

I) Crops:

Production group	Did you use an improved seed Yes....1 No.....2	Unit of products	Total quantity harvested	Per unit price of products (at local price)	Total price in NPR
<u>Cereals</u> Maize Paddy Millet Wheat Other cereals					
<u>Pulses and legumes</u> Soybean Black gram Red gram Pea Other legumes					
<u>Vegetables</u> Winter vegetables Summer vegetables					
<u>Fruits</u> Orange Lemon Mango Banana Other fruits					
<u>Spices</u> Chiles Onion Ginger Other spices					
<u>Oil seeds</u> Mustard Other oil seeds					
Total					

Part: B Questionnaire for remittance non receiving household

1. General information:

- a) Name of the household head:
 b) Age: c) Occupation:
 d) Ward no. e) Number of family members:
 f) Education.....

3. Household structure by age and sex:

Age group \ Sex	Below 5 years	6 to 10 years	11 to 15 years	16 to 24 years	25 to 45 years	46 to 60 years	61 to 75 Years	Above 75 years
Male								
Female								
Total								

3.What is the occupational structure of your family members?

Age group \ Occupation	Below 5 years	6 to 10 years	11 to 15 years	16 to 24 years	25 to 45 years	46 to 60 years	61 to 75 years	Above 75 years
Agriculture								
Industry								
Study								
Trade								
Govt./private job								
Wage employment								
Foreign employment								
Not work								

4. Educational status of the household:

Age group	Illiterate		Literate		Up to 5 class		SLC		Intermediate		Bachelor		Master		PhD	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
6-15 yrs																
16- 45yrs																
46-60yrs																
Above 60yr																
Total																

5. Ownership of dwelling:

- Self owned.....1
- Shelter on others house.....2

6. Type of dwelling:

- Made by cement and bricks.....1
- Made by mud and stone.....2
- Made by wood.....3
- Thatched.....4
- Other.....5

7. Does your household own any land?

- Yes.....1
- No.....2

8.Types of own land and its area:

Types of land	Unit	Quantity	District	Per unit price
Agricultural land (Khet/ Bari)				
Pakho Land				
Housing land(Ghaderi)				
Covering by forest				
Other				
Total				

9.What kind of fuel is most often used by yours household for cooking?

- Wood / Firewood.....1
- Cylinder gas.....2
- Bio- gas.....3
- Other.....4

10. Wht type of stove does your household mainly use for cooking?

- Open fire place.....1
- Mud stove.....2
- Smokeless stove.....3
- Kerosene/ gas stove.....4
- Other.....5

11. If the any member of yours household be ill, where you first go for treatment?

- a) Lama/Dhami/Jhankri.....1
- b) Health post..... 2
- c) Govt. hospital.....3
- d) Private clinic.....4
- e) Ayurvedic treatment.....5
- f) other.....6

12. What is the source of yours drinking water?

- Piped water supply.....1
- Well.....2
- Covered well/ hand pump.....3
- Other sources.....4

13. What type of toilet is used by yours household?

- Household flush (connect to septic tank).....1
- Household non- flush.....2

Communal latrine.....3
 No toilet.....4

14. Which of the following facilities are there in your dwelling?

Telephone/ mobile phone
 Electricity Yes.....1
 Cable TV No.....2
 Email/ Internet
 Refrigerator

15. Agricultural production situation of the household

I) Crops:

Production group	Did you use an improved seed Yes....1 No.....2	Unit of products	Total quantity harvested	Per unit price of products (at local price)	Total price in NPR
<u>Cereals</u> Maize Paddy Millet Wheat Other cereals					
<u>Pulses and legumes</u> Soybean Black gram Red gram Pea Other legumes					
<u>Vegetables</u> Winter vegetables Summer vegetables					
<u>Fruits</u> Orange Lemon Mango Banana Other fruits					
<u>Spices</u> Chiles Onion Ginger Other spices					
<u>Oil seeds</u> Mustard Other oil seeds					
Total					

II)Livestock:

Did you own any animals?				How many do you own now?	
Animals	Yes	No	Code	Numbers	Rupees
He/Se buffaloes			01		
Bullocks/ cows			02		
Goats/castrated goat			03		
He/ She sheep			04		
Pigs/ pork			05		
Poultry/Ducks/Pigeons			06		
Total					

Other income from livestock

Income item	Milk	Ghee	Eggs	Meat	Animals hides	Other	Total
Rupees							

16.Does any member of your household have loans?

Purpose of loan	From whom did you obtain the loan?	What collateral did you use to secure loan?	What is the interest rate on the loan?	How much total did you borrow?
Business or farm use				
Personal use				

17.Income status of the household:

Sources of income	Income amount
Agriculture and livestock	
Trade and industry	
Govt./private job and pension	
Foreign employment	
Wage employment	
Others	
Total	

18.Expenditure status of the household:

Expenditure headings	Expenditure amount
Food	
Clothes	
Health treatment	
Education	
Festivals and entertainment	
Investment in agriculture	
To purchase land and real-estate	
Loan repayment	
Other	
Total	

Appendix II
Annual food expenditure of RRHH and RNRHH

X	\bar{X}	$X - \bar{X}$	$f X (X - \bar{X})^2$	Y	\bar{Y}	$Y - \bar{Y}$	$f Y (Y - \bar{Y})^2$
97.5	132.45	-34.94	1221.17	105	98.85	6.14	37.77
135	132.45	2.55	6.52	75	98.85	-23.85	569.01
95	132.45	-37.44	1402.14	115	98.85	16.14	260.69
179	132.45	46.55	2167.34	95	98.85	-3.85	14.85
125	132.45	-7.44	55.43	111	98.85	12.14	147.52
112	132.45	-20.44	418.01	110	98.85	11.14	124.23
108	132.45	-24.44	597.57	115	98.85	16.14	260.69
132	132.45	-0.44	0.19	90	98.85	-8.85	78.39
105	132.45	-27.44	753.24	108	98.85	9.14	83.65
113	132.45	-19.44	378.11	98	98.85	-0.85	0.72
97	132.45	-35.44	1256.36	125	98.85	26.14	683.61
115	132.45	-17.44	304.33	99	98.85	0.14	0.02
105	132.45	-27.44	753.24	135	98.85	36.14	1306.53
125	132.45	-7.44	55.43	100	98.85	1.14	1.31
128	132.45	-4.44	19.76	80	98.85	-18.85	355.47
141	132.45	8.55	73.18	85	98.85	-13.85	191.93
148	132.45	15.55	241.94	92	98.85	-6.85	46.97
125	132.45	-7.44	55.43	115	98.85	16.14	260.69
180	132.45	47.55	2261.45	103	98.85	4.14	17.18
125	132.45	-7.44	55.43	85	98.85	-13.85	191.93
195	132.45	62.55	3913.09	95	98.85	-3.85	14.85
200	132.45	67.55	4563.63	90	98.85	-8.85	78.39
180	132.45	47.55	2261.45	98	98.85	-0.85	0.72
91	132.45	-41.44	1717.71	100	98.85	1.14	1.31
120	132.45	-12.44	154.80	65	98.85	-33.85	1146.08
135	132.45	2.55	6.52	115	98.85	16.14	260.69
144	132.45	11.55	133.51	75	98.85	-23.85	569.01
190	132.45	57.55	3312.54	96	98.85	-2.85	8.14
96	132.45	-36.44	1328.25	104	98.85	5.14	26.48
117	132.45	-15.44	238.55	110	98.85	11.14	124.23
125	132.45	-7.44	55.43	108	98.85	9.14	83.65
95	132.45	-37.44	1402.14	85	98.85	-13.85	191.93
174	132.45	41.55	1726.79	90	98.85	-8.85	78.39
70	132.45	-62.44	3899.41	78	98.85	-20.85	434.88
137	132.45	4.55	20.74	95	98.85	-3.85	14.85
110	132.45	-22.44	503.79	125	98.85	26.14	683.61
98	132.45	-34.44	1186.47	111	98.85	12.14	147.52
230	132.45	97.55	9516.92	105	98.85	6.14	37.77
96	132.45	-36.45	1328.25	112	98.85	13.14	172.81
204	132.45	71.55	5120.07	120	98.85	21.16	447.15
141	132.45	8.55	73.18	76	98.85	-22.85	522.30
110	132.45	-22.44	503.79	50	98.85	-48.85	2386.70
100	132.45	-32.44	1052.69	65	98.85	-33.85	1146.08
120	132.45	-12.44	154.88	111	98.85	12.14	147.52
109	132.45	-23.44	549.68	85	98.85	-13.85	191.93
78	132.45	-54.44	2964.28	53	98.85	-45.85	2102.58
125	132.45	-7.44	55.43	85	98.85	-13.85	191.93
111	132.45	-21.44	459.90	90	98.85	-8.85	78.39
105	132.45	-27.44	753.24	125	98.85	26.14	683.61

112	132.45	-20.44	418.01	85	98.85	-13.85	191.93
220	132.45	87.55	7665.82	115	98.85	16.14	260.69
130	132.45	-2.44	5.97	71	98.85	-27.85	775.84
182	132.45	49.55	2455.66	115	98.85	16.14	260.69
89.5	132.45	-42.94	1844.29	85	98.85	-13.85	191.93
138	132.45	5.55	30.85	111	98.85	12.14	147.52
97	132.45	-35.44	1256.37	118	98.85	19.14	366.57
134	132.45	1.55	2.41	95	98.85	-3.85	14.85
65	132.45	-67.44	4548.86	125	98.85	26.14	683.61
151	132.45	18.55	344.27	95	98.85	-3.85	14.85
71	132.45	-61.44	3775.52	72	98.85	-26.85	721.13
115	132.45	-17.44	304.33	105	98.85	6.14	37.77
85	132.45	-47.44	2251.05	80	98.85	-18.85	355.47
211	132.45	78.55	6170.84	106	98.85	7.14	51.06
118	132.45	-14.44	208.66	93	98.85	-5.85	34.26
145	132.45	12.55	157.62	78	98.85	-20.85	434.88
119	132.45	-13.44	180.77	112	98.85	13.14	172.81
120	132.45	-12.44	154.88	115	98.85	16.14	260.69
70	132.45	-62.44	3899.41	125	98.85	26.14	683.61
109	132.45	-23.44	549.68	98	98.85	-0.85	0.72
155	132.45	22.55	508.71	115	98.85	16.14	260.69
118	132.45	-14.45	208.66	88	98.85	-10.85	117.80
160	132.45	27.55	759.26	65	98.85	-33.85	1146.08
75	132.45	-57.44	3299.96	95	98.85	-3.85	14.85
122	132.45	-10.44	109.10	115	98.85	16.14	260.69
130	132.45	-2.44	5.97	75	98.85	-23.85	569.01
120	132.45	-12.44	154.88	80	98.85	-18.85	355.47
104	132.45	-28.44	809.13	112	98.85	13.14	172.81
125	132.45	-7.44	55.43	97	98.85	-1.85	3.43
135	132.45	2.55	6.52	95	98.85	-3.85	14.85
195	132.45	62.55	3913.09	116	98.85	17.14	293.98
116	132.45	-16.44	270.44	90	98.85	-8.85	78.39
78.5	132.45	-53.94	2910.09	118	98.85	19.14	366.57
165	132.45	32.55	1059.80	168	98.85	69.14	4781.17
177	132.45	44.55	1985.12	120	98.85	21.14	447.15
195	132.45	62.55	3913.09	94	98.85	-4.85	23.56
76	132.45	-56.44	3186.06	110	98.85	11.14	124.23
145	132.45	12.55	157.62	125	98.85	26.14	683.61
96	132.45	-36.45	1328.25	98	98.85	-0.85	0.72
199	132.45	66.55	4429.53	65	98.85	-33.85	1146.08
77	132.45	-55.44	3074.17				
162	132.45	29.55	873.48				
92	132.45	-40.45	1635.82				
142	132.45	9.55	91.29				
180	132.45	47.55	2261.45				
212	132.45	79.55	6328.95				
116	132.45	-16.44	270.44				
198	132.45	65.55	4297.42				
185	132.45	52.55	2761.99				
150	132.45	17.55	308.16				
89.7	132.45	-42.74	1827.15				
109	132.45	-23.45	549.68				

299	132.45	166.55	27740.47				
190	132.45	57.55	3312.54				
165	132.45	32.55	1059.80				
95	132.45	-37.45	1402.14				
113	132.45	-19.45	378.11				

Where, X = Annual expenditure of RRHH on food (Rs. in 000), and
Y = Annual expenditure of RNRHH on food (Rs. in 000)

Here,

$$\begin{aligned} \sum X &= 14039.2 \\ n_1 &= 106 \\ \bar{X} &= \frac{\sum X}{n_1} \\ &= \frac{14039.2}{106} = 132.45 \\ \sum fXZ\bar{X}' &= 184503.02 \end{aligned}$$

$$\begin{aligned} \sum Y &= 8798 \\ n_2 &= 89 \\ \bar{Y} &= \frac{\sum Y}{n_2} \\ &= \frac{8798}{89} = 98.85 \\ \sum fYZ\bar{Y}' &= 33129.10 \end{aligned}$$

Now,

$$t = \frac{\bar{X} - Z\bar{Y}}{\sqrt{S^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}}$$

Where,

$$\begin{aligned} S^2 &= \frac{1}{n_1} \sum fXZ\bar{X}'^2 - \frac{(\sum fXZ\bar{X}')^2}{n_1} \\ &= \frac{1}{106} \sum fXZ\bar{X}'^2 - \frac{(184503.02)^2}{106} = 1127.63 \end{aligned}$$

Hence,

$$t = \frac{132.45 - 98.85}{\sqrt{1127.63 \left(\frac{1}{106} + \frac{1}{89} \right)}} = 6.96$$

Appendix III
Annual educational expenditure of RRHH and RNRHH

X	\bar{X}	$X - \bar{X}$	$f X - \bar{X}$	Y	\bar{Y}	$Y - \bar{Y}$	$f Y - \bar{Y}$
17.5	37.61	-20.10	404.40	69	32.08	36.92	1363.38
25	37.61	-12.60	159.00	18	32.08	-14.07	198.13
56.5	37.61	18.89	356.84	90	32.08	57.92	3355.19
31.5	37.61	-6.10	37.32	111	32.08	78.92	6229.00
98	37.61	60.39	3646.98	45	32.08	12.92	167.03
28.5	37.61	-9.10	82.98	18	32.08	-14.07	198.13
15	37.61	-22.60	511.19	35	32.08	2.92	8.55
28	37.61	-9.61	92.34	18	32.08	-14.07	198.13
119	37.61	81.39	6624.37	120	32.08	87.92	7730.64
25	37.61	-12.61	159.00	7.5	32.08	-24.57	603.97
18	37.61	-19.61	384.54	30	32.08	-2.07	4.30
12.5	37.61	-25.11	630.49	48	32.08	15.92	253.57
17	37.61	-20.61	424.76	25	32.08	-7.07	50.06
20	37.61	-17.61	310.10	55	32.08	22.92	525.51
7.5	37.61	-30.11	906.59	2.5	32.08	-29.57	874.73
30	37.61	-7.61	57.91	29	32.08	-3.07	9.46
45.5	37.61	7.89	62.48	22	32.08	-10.07	101.52
49	37.61	11.39	129.73	2.5	32.08	-29.57	874.73
55	37.61	17.39	302.42	18	32.08	-14.07	198.13
130	37.61	92.39	8535.63	5	32.08	-27.07	733.10
16	37.61	-21.60	466.98	13	32.08	-19.07	363.89
32.5	37.61	-5.10	26.26	17.5	32.08	-14.57	212.45
2.5	37.61	-35.10	1232.63	2.5	32.08	-29.57	874.73
117	37.61	79.39	6302.81	12	32.08	-20.07	403.04
22	37.61	-15.60	243.64	9	32.08	-23.07	532.49
2.5	37.61	-35.10	1232.69	34	32.08	1.92	3.70
65	37.61	27.39	750.22	37	32.08	4.92	24.24
95	37.61	57.39	3293.64	3.5	32.08	-28.57	816.58
55	37.61	17.39	302.42	18	32.08	-14.07	198.13
23.5	37.61	-14.10	199.03	10	32.08	-22.07	487.34
30	37.61	-7.60	57.90	25	32.08	-7.07	50.06
13	37.61	-24.60	605.63	8.5	32.08	-23.57	555.82
7.5	37.61	-30.10	906.59	5	32.08	-27.07	733.10
2.5	37.61	-35.11	1232.63	7.5	32.08	-24.57	603.97
12	37.61	-25.61	655.85	8	32.08	-24.07	579.65
97	37.61	59.39	3527.20	20	32.08	-12.07	145.82
17.5	37.61	-20.11	404.40	15	32.08	-17.08	291.58
34	37.61	-3.61	13.03	8	32.08	-24.08	579.65
29	37.61	-8.61	74.12	11.2	32.08	-20.87	435.80
112	37.61	74.39	5533.91	25	32.08	-7.07	50.06
28	37.61	-9.60	92.34	38	32.08	5.92	35.09
15	37.61	-22.60	511.19	24	32.08	-8.07	65.22
24	37.61	-13.60	185.22	5	32.08	-27.07	733.10
18.5	37.61	-19.10	365.18	18	32.08	-14.07	198.13
14	37.61	-23.60	557.41	7	32.08	-25.07	628.80
35	37.61	-2.60	6.81	23	32.08	-9.07	82.33
59.5	37.61	21.89	479.18	78.5	32.08	46.42	2155.19

43	37.61	5.39	29.05	32.9	32.08	0.82	0.67
8.5	37.61	-29.10	847.37	118	32.08	85.92	7382.47
11.2	37.61	-26.40	697.47	3.5	32.08	-28.57	816.58
25	37.61	-12.60	159.00	98	32.08	65.92	4345.98
44.5	37.61	6.89	47.47	120	32.08	87.92	7730.63
25	37.61	-12.60	159.00	45	32.08	12.92	167.03
15	37.61	-22.60	511.95	63	32.08	30.92	956.29
8.9	37.61	-28.70	824.24				
22.5	37.61	-15.10	228.30				
8.6	37.61	-29.00	841.54				
96	37.61	58.39	3409.25				
90.5	37.61	52.89	2797.81				
45.9	37.61	8.29	68.87				
6.8	37.61	-30.80	94.29				
158	37.61	120.39	14493.82				
7	37.61	-30.60	936.91				
13.8	37.61	-23.80	566.99				
65	37.61	27.39	750.22				
89.9	37.61	52.29	2734.27				
7.5	37.61	-30.10	906.59				
23	37.61	-14.60	213.44				
56.8	37.61	19.19	368.26				
3.5	37.61	-34.10	1163.47				
18	37.61	-19.61	384.54				
6	37.61	-31.61	999.17				

Where, X = Annual educational expenditure of RRHH (Rs. in 000), and
Y = Annual educational expenditure of RNRHH (Rs. in 000)

Here,

$$\begin{aligned} \bar{X} &= \frac{\sum X}{n_1} = \frac{2707.9}{72} = 37.61 & \bar{Y} &= \frac{\sum Y}{n_2} = \frac{1732.1}{54} = 32.08 \\ \sum f_x Z \bar{X} &= 88165.48 & \sum f_y Z \bar{Y} &= 56917.64 \end{aligned}$$

Now,

$$t = \frac{\bar{X} - \bar{Y}}{\sqrt{S^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}}$$

Where, $S^2 = \frac{\sum f_x Z \bar{X}^2 - \frac{(\sum f_x Z \bar{X})^2}{n_1}}{n_1 - 1} + \frac{\sum f_y Z \bar{Y}^2 - \frac{(\sum f_y Z \bar{Y})^2}{n_2}}{n_2 - 1}$

$$X \frac{1}{72} \Gamma 54 Z 2 \bullet 88165.48 \Gamma 56917.64' X 1170.03$$

Hence,

$$t X \frac{37.61 Z 32.08}{\sqrt{1170.03 \frac{1}{72} \Gamma \frac{1}{54}}} X 0.89$$

Appendix IV Annual investment of RRHH and RNRHH on land and real-estate

X	\bar{X}	$X Z \bar{X}$	$f X Z \bar{X} \text{ \AA}$	Y	\bar{Y}	$Y Z \bar{Y}$	$f Y Z \bar{Y} \text{ \AA}$
550	438.33	111.67	12469.44	185	260.91	-75.91	5762.19
350	438.33	-88.33	7802.78	440	260.91	179.09	32073.55
445	438.33	6.67	44.44	555	260.91	294.09	86489.46
530	438.33	91.67	8402.78	185	260.91	-75.91	5762.19
750	438.33	311.67	97136.11	68	260.91	-192.91	37213.92
450	438.33	11.67	136.11	250	260.91	-10.91	119.00
380	438.33	-58.33	3402.78	75	260.91	-185.90	34562.19
260	438.33	-178.33	31802.78	132	260.91	-128.90	16617.55
870	438.33	431.67	186336.1	285	260.91	24.09	580.37
405	438.33	-33.33	1111.11	500	260.91	239.09	57164.46
645	438.33	206.67	42711.11	195	260.91	-65.90	4344.00
98	438.33	-340.33	115826.8				
390	438.33	-48.33	2336.11				
187	438.33	-251.33	63168.44				
250	438.33	-188.33	35469.44				
645	438.33	206.67	42711.11				
380	438.33	-58.33	3402.78				
190	438.33	-248.33	61669.44				
215	438.33	-223.33	49877.78				
435	438.33	-3.33	11.11				
780	438.33	341.67	116736.1				

Where, X = Annual investment of RRHH on land and real-estate (Rs. in 000), and

Y = Annual investment of RNRHH on land and real-estate (Rs. in 000)

Here,

$$X \text{ X}9205$$

$$n_1 \text{ X}21$$

$$\bar{X} \text{ X} \frac{X}{n_1}$$

$$X \frac{9205}{21} \text{ X}438.33$$

$$f X Z \bar{X} \text{ \AA} \text{ X}882564.7$$

Now,

$$Y \text{ X}2870$$

$$n_2 \text{ X}11$$

$$\bar{Y} \text{ X} \frac{Y}{n_2}$$

$$X \frac{2870}{11} \text{ X}260.91$$

$$f Y Z \bar{Y} \text{ \AA} \text{ X}280688.9$$

$$t = \frac{\bar{X} - \bar{Y}}{\sqrt{S^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}}$$

Where,

$$S^2 = \frac{1}{n_1 + n_2 - 2} \left(\sum f_X Z_{\bar{X}}^2 + \sum f_Y Z_{\bar{Y}}^2 \right)$$

$$= \frac{1}{21 + 11 - 2} (82564.7 + 280688.9) = 38775.12$$

Hence,

$$t = \frac{438.33 - 260.91}{\sqrt{38775.12 \left(\frac{1}{21} + \frac{1}{11} \right)}} = 2.42$$

Appendix V

Level of saving between RRHH and RNRHH

X	\bar{X}	$X - \bar{X}$	$f_X (X - \bar{X})^2$	Y	\bar{Y}	$Y - \bar{Y}$	$f_Y (Y - \bar{Y})^2$
115	152.33	-37.33	1393.72	145	64.2	80.8	6528.64
145	152.33	-7.33	53.76	23	64.2	-41.2	1697.44
25	152.33	-127.33	16213.59	140	64.2	75.8	5745.64
90	152.33	-62.33	3885.35	75.5	64.2	11.3	127.69
242	152.33	89.66	8040.24	75	64.2	10.8	116.64
150	152.33	-2.33	5.44	3.5	64.2	-60.7	3684.49
200	152.33	47.66	2272.18	38	64.2	-26.2	686.44
75.5	152.33	-76.83	5903.25	40	64.2	-24.2	585.64
400	152.33	247.66	61339.14	3.5	64.2	-60.7	3684.49
200	152.33	47.66	2272.18	15	64.2	-49.2	2420.64
130	152.33	-22.33	498.74	35	64.2	-29.2	852.64
60	152.33	-92.33	8525.31	22	64.2	-42.2	1780.84
175	152.33	22.66	513.81	65	64.2	0.8	0.64
175	152.33	22.66	513.81	120	64.2	55.8	3113.64
90	152.33	-62.33	3885.35	110	64.2	45.8	2097.64
170	152.33	17.66	312.13	12	64.2	-52.2	2724.84
96	152.33	-56.33	3173.36	90	64.2	25.8	665.64
75.5	152.33	-76.83	5903.25	118	64.2	53.8	2894.44
20	152.33	-132.33	17511.92	8	64.2	-56.2	3158.44
54	152.33	-98.33	9669.30	160	64.2	95.8	9177.64
175	152.33	22.66	513.81	105	64.2	40.8	1664.64
180	152.33	27.66	765.48	22	64.2	-42.2	1780.84
40	152.33	-112.33	12618.61	8.5	64.2	-55.7	3102.49
330	152.33	177.66	31565.7	130	64.2	65.8	4329.64
90	152.33	-62.33	3885.35	35	64.2	-29.2	852.64
360	152.33	207.66	43125.75	20	64.2	-44.2	1953.64
50	152.33	-102.33	10471.96	178	64.2	113.8	12950.44
335	152.33	182.66	33367.38	4.8	64.2	-59.4	3528.36
200	152.33	47.66	2272.18	60	64.2	-4.2	17.64
100	152.33	-52.33	2738.70				
180	152.33	27.66	765.48				

400	152.33	247.66	61339.14				
280	152.33	127.66	16298.96				
175	152.33	22.66	513.81				
110	152.33	-42.33	1792.05				
27	152.33	-125.33	15708.26				
13	152.33	-139.33	19413.58				
155	152.33	2.66	7.11				
300	152.33	147.66	21805.66				
175	152.33	22.66	513.81				
170	152.33	17.66	312.13				
222	152.33	69.66	4853.54				
120	152.33	-32.33	1045.39				
22.5	152.33	-129.83	16856.51				
16.8	152.33	-135.53	18369.09				
93	152.33	-59.33	3520.35				

Where, X = Annual saving of RRHH (Rs. in 000) and Y = Annual saving of RNRHH (Rs. in 000)
Here,

$$\bar{X} = \frac{\sum X}{n_1} = \frac{7007.3}{46} = 152.33$$

$$\bar{Y} = \frac{\sum Y}{n_2} = \frac{1861.8}{29} = 64.2$$

Now,

$$s^2 = \frac{\sum X^2}{n_1} - \frac{(\sum X)^2}{n_1^2} = \frac{476325.7}{46} - \frac{(7007.3)^2}{46^2} = 7647.26$$

$$s^2 = \frac{\sum Y^2}{n_2} - \frac{(\sum Y)^2}{n_2^2} = \frac{81924.48}{29} - \frac{(1861.8)^2}{29^2} = 7647.26$$

Hence,

$$t = \frac{\bar{X} - \bar{Y}}{\sqrt{s^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}} = \frac{152.33 - 64.2}{\sqrt{7647.26 \left(\frac{1}{46} + \frac{1}{29} \right)}} = 4.25$$