

ROLE OF REMITTANCE ON POVERTY REDUCTION:
(A Case of Tulsipur Sub-metropolitan Municipality Ward No.16 Dang, Nepal)

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By

ROSAN KC

Regd. No.: 5-2-37-1640-2012

Roll No.: 282502

Central Department of Rural Development, Tribhuvan University
Kirtipur, Kathmandu

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DECLARATION

I hereby declare that the thesis entitled **Role of Remittance on Poverty Reduction: A Case Study of Tulsipur Sub-metropolitan Municipality Ward no.16 Dang, Nepal** submitted to the Central Department of Rural Development, Tribhuvan University is entirely my original work prepared under the guidance and supervision of my supervisor. I have made due acknowledgements to all ideas and information borrowed from different sources in the course of preparing this thesis. The results of this thesis have not been presented or submitted anywhere else for the award of any degree or for any other purposes. I assure that no part of the content of this thesis has been published in any form before.

Rosan KC

Degree Candidate

Date: 2079/05/15

(31-8-2022)

RECOMMENDATION LETTER

The thesis entitled **Role of Remittance on Poverty Reduction: A Case of Tulsipur Sub-metropolitan Municipality Ward no.16 Dang, Nepal** has been prepared by Mr. Rosan KC under my supervision for the partial fulfilment of the requirements for the degree of Master's of Arts in Rural Development. I hereby, forward this thesis work for final evaluation.

Assoc. Prof. Suman Kharel (Ph.D)

Thesis Supervisor

Central Department of Rural Development

Kirtipur, Kathmandu

Date: 2079/05/17

(02-09-2022)

APPROVAL LETTER

The thesis entitled **Role of Remittance on Poverty Reduction: A case of Tulsipur Sub-metropolitan Municipality Ward No.16 Dang, Nepal** submitted by Mr. Rosan KC to the Central Department of Rural Development, Faculty of Humanities and Social Sciences, Tribhuvan University, in partial fulfillment of the requirements for the Degree of Masters of Arts in Rural Development has been approved by the evaluation committee.

Evaluation Committee

Assoc. Prof. Bishnu Bahadur Khatri
Head of Department

Assoc. Prof. Suman Kharel (Ph.D)
Thesis Supervisor

Dr. Rajan Binayak Pasa
External Examiner

Date: 2079/05/22

(07-09-2022)

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Rosan KC

Degree Candidate

ABSTRACT

This study entitled “Role of Remittance on Poverty Reduction: A Case Study of Tulsipur sub-metropolitan Municipality Ward no. 16 Dang, Nepal” was conducted with the objectives of to examine the economic status of the remittance receiving households, to examine the impact of remittance on poverty reduction and to analyze the using pattern of remittance in Tulsipur sub-metropolitan municipality ward no. 16 dang district. This study is mainly based in the primary information in which the data were collected through household survey and KII techniques.

According to rule of thumb on the basis of central limit theorem out of the total 300 households 90 households are taken as sample size for the study. During this study it was found that Janajati (60.00%) were the main ethnic group selected as sample households. Agriculture (64.40%) was the main occupation. Average family size is 4-5 and Saudi Arabia (26.70%) UAE (28.90%) are the main destination country in the study area. Most of the male (86.60%) and very few female (13.40%) are gone for foreign employment. Most of the people of the ward are gone for employment (91.10%) purpose. 34.40 percent labor migrants are involved in service sectors. About 82.20 percent people have taken loan from relatives in high interest rate 25 percent-36 percent. Around 81.10% labor migrants are unskilled and are forced to work in 4D works (Danger, Difficult, Dirty, Demeaning). 92.20 percent remitters use IME/ Western Union Money Transfer to send their income to the households. 44.40 percent households have used their remittance income for consuming things, 60.00 percent households have used their remittance for paying off the loan. Only 18.90 percent people have invest their remittance income in productive sectors. Most invested area of the ward is land sector (36.70%).

The study conclude that all the households who are receiving remittance are getting economic benefit. Their access to purchasing capacity, education and economy has increased. The remittance is not using properly in productive sector if the households properly invest in productive sector it will help to develop rapidly which helps in rural development. All households were very positive towards remittance income. They suggest that focus should be easily availability of loan facilities at low interest rate and providing skills and training before going as migrant labor.

LIST OF ABBREVIATIONS/ ACRONYMS

| | |
|--------|--|
| ILO | International Labor Organization |
| IMF | International Monetary Fund |
| NRB | Nepal Rastra Bank |
| SME | Small Medium Enterprises |
| MoF | Ministry of Finance |
| GDP | Gross Domestic Product |
| FDI | Foreign Direct Investment |
| 4D | Difficult, Dirty, Dangerous, Demeaning |
| WB | World Bank |
| NPISH | Non-Profit Institutions Serving Households |
| SDG | Sustainable Development Goals |
| NPC | National Planning Commission |
| RCT | Random Controlled Trials |
| FY | Fiscal Year |
| UNCTAD | United Nations Conference on Trade and Development |
| OLS | Ordinary Least Squares |
| UN | United Nations |
| CBS | Central Bureau of Statistics |
| KII | Key Informant Interview |
| SPSS | Statistical Package of Social Sciences |
| SLC | School Leaving Certificate |
| SEE | Secondary Education Examination |
| UAE | United Arab Emirates |
| IME | International Money Express |

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CHAPTER I

INTRODUCTION

1.1 Background of the Study

Nepal, country of Asia, lying along the southern slopes of the Himalayan mountain ranges. It is a landlocked country located between India to the east, south, and west and the Tibet Autonomous Region of China to the north. The roughly rectangular shape of Nepal contains the territory of 147,516 sq.km. This area accounts for 0.03 percent of the earth's total area and 0.3 percent of the Asia continent. The average length of Nepal is 885 km where the width of Nepal is not uniform due to shrunk structure in middle. The maximum width of Nepal is 241 km and minimum width of Nepal is 145 km. So, the average width of Nepal is 193 km. Geographically Nepal is divided into three regions, Mountain region, Hilly region and Terai region. All these three regions extend from east to west. The mountainous region covers about 35 percent, the Hilly region 42 percent and the Terai region 23 percent of the total area of the country. The total population of the country is 29,192,480 (Preliminary Report CBS, 2021). Annual population growth rate (exponential growth) stands at 0.93 percent. The total number of houses in Nepal are 5,643,945 and the total numbers of family are 6,761,059. Out of the total population, 6.09 percent reside in Mountainous region, 40.25 percent in Hilly region and 53.66 percent in the Terai region. The total male population is 14,291,311 (48.96%) and the female population is 14,901,169 (51.04%). Among seven provinces Madhesh Province have the highest population i.e., 6,126,288 and Karnali Province have lowest population i.e., 1,694,889 which is 20.99 percent and 5.81 percent of the total population. The highest population density is in Kathmandu district (5,108 person per sq. km.) and the lowest is in Manang district (3 person per sq. km) (Preliminary Report CBS, 2021). There are 126 caste/ethnic groups and 123 languages are spoken as mother language with Nepali as the largest (44.6%) followed by Maithali (11.7%) and Bhojpuri (5.98%) (CBS, 2011).

Nepal is small landlocked and agricultural country A majority of the people of the country are engaged in agricultural farming but due to traditional technology, this sector has not help to promote economy. The development challenge of Nepal is formidable. As we know Nepal is beautiful and rich in natural resources but the county is facing various types of problems like food, shelter, clothes, education, health, employment,

peace and security (Neupane, 2016). In world scenario the year of 2019 was taken as course because of covid-19 pandemic. The Nepalese economic growth has become negative by 2.12 percent first time in the last two decades in fiscal year 2019/20 due to the impact of Covid-19 pandemic, which is severer than that of the economic loss caused by the devastating earthquake of fiscal year 2014/15. The Nepalese economic growth rate was projected to grow at a level of 4.01 percent in current fiscal year in the expectation of gradual improvement in the health crisis but the widely spreading second-wave of the Covid-19 during the third quarter of the current fiscal year has become challenging in achieving the estimated growth rate (MoF, 2021). The problem of unemployment has increased day by day due to the various waves of covid-19, lack of industries and infrastructures.

According to International Labor Organization (ILO, 2003), 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 sake of food and exploring new places for security purpose. But gradually the migration took the shape in diverse form and exploring new places for security propose .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 dependence. Globalization and integration of regional economies have added impetus to the growing mobility of worker across borders (Neupane, 2016).

Being a small, developing and agricultural country, poverty, unemployment, high population growth rate and dependency on agriculture are the main characteristics of Nepalese economy. Lack of various industries and infrastructures the rate of unemployment is very high in the country. Lack of unskilled manpower, lack of technical and practical education system the rate of unemployment is increasing day by day.

High population growth rate and increasing dependency on agriculture and lack of employment opportunity is the attributes for its slow growth rate. This is the reason why people are migrated for foreign employment. Although agriculture is the mainstay of the rural economy, people employ different livelihood strategies in addition to agriculture to cope with the problem of food insecurity, including rearing livestock,

collecting and trading of medicinal plants, occupational work, tourism, and, most importantly, labor migration (Sherpa, 2010). In the context of out migration Government data shows that a majority of the migrant Nepali workers are engaged in 4D works (Difficult, Dirty, Dangerous, Demeaning) in various countries, from Qatar to Malaysia and from South Korea to Israel. The number of Nepalese workers leaving home for foreign employment is increasing every year. An official figure shows that the 5,27,814 Nepali men and women (number of women are insignificant, though) left the country in a single year, fiscal year 2013-2014, ending mid-July. Data maintained by Ministry of Foreign Employment does not include records of individuals who leave the country for foreign employment to India and illegally via India or with support of middle men. One of the Nepal's major exports is labors, and most rural households now rely on at least one member's earnings from foreign employment (Kunwar, 2019).

The term remittance is derived from the word remit, which means to send back. Remittance is transfer of money by people who are living abroad to their own countries. Basically remittance is a money send to another party, usually one in another country. Remittances represent one of the largest sources of income for people in low-income and developing nations, often exceeding direct investment and international development assistance. Most remittances are made by foreign workers to family members in their home countries. The most common way of making a remittance is by using an electronic payment system through a bank or a money transfer service such as Western Union. People who use these options are generally charged a fee. Transfers can take as little as ten minutes to reach the recipient. Remittance can also refer to the accounting concept of a monetary payment transferred by a customer to a business.

The International Monetary Fund (IMF) separates remittances into three categories; Workers remittances from workers who have lived abroad for more than one year. It is recorded under the headings 'Current Transfers' in the current account of the balance of payments. The wages salaries and other compensation received by border, seasonal and other workers, who have lived abroad less than a year are recorded under the 'income' subcategory of the current account. Migrant Transfers are reported under the capital transfers in the capital account

The above definition does not include transfers through informal channels such as remittances send through friends, family members, Hundi or remittances send in kind

such as jewellery and other consumer goods. Although the headings migrant remittances goes only to the workers who lived abroad more than one year but other heading captures the extent of workers' remittances better than the data reported

under the headings of workers' remittances alone. For example, in the Philippines remittances send by the seasonal workers through the banking system exceed the remittances from the workers' remittances (Nepal Rastra Bank [NRB], 2017)

The history of remittance began after the British-India and Nepal war during 1814- 16. Since then, Nepalese youths used to be recruited in the British national army (Thieme, 2004). The volumes of remittance increased only after 1995, when the civil conflict destroyed the local labor markets and people started looking for overseas employment. The political turmoil blocked the industrial expansion and halted plenty of small medium enterprises (SMEs) all over the country reducing job opportunities (Müller & Thieme , 2007). As a result, 250,000 people on averages leave the country annually in search of job since 2007 (MoF, 2011). “It is said that remittances has represented more than 10 percent of GDP in Nepal in the late 1990s. Moreover, it would be highly beneficial to the country, where there is natural calamities, political conflict, people war, low investment in entrepreneurial activities and economic recession” (Gaudel, 2006, p. 10).

For developing countries remittances are also relatively more important by contributing 66.2 percent of FDI inflows and 250.0 percent of net official finance. In 2004 remittances were larger than both official and private flows in 36 developing countries. The United States and the Saudi Arabia are the largest sources of workers’ remittances with \$ 31.4 billion and \$ 15.9 billion payments of remittances respectively in 2004. The other top sources of remittance are Germany, Belgium and Switzerland. Until the mid-1990's, Saudi Arabia was the largest sources of remittance from Saudi Arabia have also remittances constituted 1.5 percent of GDP and 5.1 percent of imports to this group of countries in 2004. In case of Nepal, remittances also have been reducing poverty levels especially in rural Nepal. Like in the other countries of the world, a large portion of remittance has been utilized in Nepal for consumption purposes, purchase of real estate and house, paying off the loan, purchase of jewellery and as bank deposits (NRB, 2002). Central Banks record official flows of remittances as part of their Balance of Payment Statistics, which are then reported to the IMF. Depending on the exact

definition adopted, remittances are usually calculated as the combined value of “worker’s remittances” and “labour income” or “compensation of employees” for migrants working abroad for either more or less than one year. Besides this remittances reflect the monetary dimension in the complex web of linkages that exists between migrant Diasporas and their home countries.

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Nepalese economy is becoming more remittance dependent due to continuous growth of remittance inflow. Due to low economic return from agriculture, rural population is now switching over other occupations. The largest number of Nepalese for foreign employment are in Malaysia (30.1%) followed by Qatar (27.4%), Saudi Arabia (20.2%), United Arab Emirates (13.1%) and others (9.2%) respectively (Chhetri, Kc and Dhakal, 2020). Remittances are playing an increasingly large role in the household economy receiving remittance. It has also contributed to economic growth of the country. Roughly 30 percent of Nepal's GDP comes in the form of remittances, money sent home by Nepalese working abroad. Every day, around 1,000 Nepalese board flights for countries in the Gulf, North Africa and Asia; others go overland to India. They find jobs, most often, in construction or the services sector. And then, many send money home.

In this background this study tried to analyse Impact of remittance on economic growth and poverty reduction: A case study of Tulsipur sub-metropolitan city, Dang where most of the people are going to foreign employment due to poverty, unemployment to fulfil their basic needs no other opportunities without involving in agriculture sector.

1.2 Statement of Problem

Nepal is one of the world's least development countries in south Asia. As we know the main occupation of the Nepalese people is farming. About 85% of the population depends on subsistence agriculture. Lacks of modern technique on agricultural, the production has been not sufficient for the consumptions. Political instability is also a reason for the out migration of the youths. So, for the betterment of the livelihood every year Nepalese youths are forced to out migration. Many workforce regard abroad employment as their only viable option as there exists political havoc in the country. As a result, 250,000 people on an average leave the country annually in search of employment opportunities since 2007 (Ojha, 2019)

As we know migrated working is a common phenomenon for the better opportunities and secureness of the work. The trend of outmigration for the working purpose is very high in developing countries like Nepal. The increased global integration and the enhancement in communication technology have facilitated the movement of labor from one country to another and, as a result, the flow of remittances started growing at a higher pace (NRB, 2012). With growing number of people leaving for foreign jobs, the remittance has convincingly become one of the reliable sources of foreign exchange for the Nepalese economy. From this point of view we can easily say that remittance plays a vital role for the development of the country as foreign remittances play an important role at the macro as well as micro levels (Siddiqui, 2011).

If we concentrate on the poverty situation for our country, its magnitude is very large especially in rural areas. Most of the people are migrated to the other countries for work and earn only for the existence of their family. In rural area, we can find most of the lower and middle class families are drowned in debt. If any member of the family is migrated to the other countries its debt is comparatively less than other families. In this sense, remittance income is playing vital role in the rural economic situation.

Government data shows that a majority of the migrant Nepali workers are engaged in 4D works (Difficult, Dirty, Dangerous, Demeaning) in various countries, from Qatar to Malaysia and from South Korea to Israel. The number of Nepalese workers leaving home for foreign employment is increasing every year. An official figure shows that a total of 5,27,814 Nepali men and women (number of women are insignificant, though) left the country in a single year, fiscal year 2013-2014, ending mid-July (Kunwer,

2019). Remittance income is one of the major sources of capital formation in the context of Nepal. It is directly related with the labor migration in a country which in return enhances foreign employment. As we know, Nepal is one of the least developed but high remittances recipient countries in the world. Nepal received remittance from US\$ 8.1 billion in 2016 and it is ranked 23rd among the remittance receiving countries in the world Nepal is heavily dependent on remittances which values to 30 percent of GDP (Sah, 2019). Remittances can improve the well-being of family members left behind and boost the economies of receiving countries. They can also create a culture of dependency in the receiving country, lowering labor force participation, promoting conspicuous consumption, and slowing economic growth (Amuedo, 2014). Statistics show that the remittance sent by the migrant workers is nearly one hundred billion each year and the amount of remittance has kept great importance to the national economy. However, the distributions pattern of remittance by the remittance receiving households is still problematic. Large portion of remittance is expensing in unproductive sectors. Main areas of spending are repairing or building a home, sending children to school or purchasing agricultural land. However, such spending is adjusted to the unpredictable nature of remittances migrants will send money home only when they have paid off their debts to agents and have some savings (wu, 2006). Remittance has been spending to purchase daily household necessities, purchasing real estate and house, paying off the loan and purchasing of jewelry (NRB, 2002) rather than investing in productive sector of the economy. This can lead to a sharp rise in trade deficit over the long run (NRB, 2014). Remittance has not been used for the entrepreneurship development but just having used for the self satisfaction like unproductive sector.

Unemployment is one of the most challenging problem of our country. This study tries to show the important of remittance in rural development and poverty reduction of Tulsipur sub-metropolitan city, ward no.16. According to ward office many of the people are gone abroad for employment. It is seen that remittance has played vital role to improve, living standard, economic condition, consuming capacity etc. of this ward and the tendency of emigration for employment is increasing day by day in the ward. However there are not any formal researches and studies in this area. Most of the people are migrated to the other countries for work and earn only for the existence of their family. In rural areas we can find that most of the lower and middle class families are

drowned in debt. So, remittance income is playing vital role in rural economic situation (paudel, 2016).

The major portion of remittance is used in unproductive sectors like paying off loan, household expenses, buying luxurious things etc. only little portion of the remittance is used in productive sectors like business, skill development, agriculture, manufacturing etc. Mostly remittance has been spend for the education of the children and household purpose .Very little amount of money is invested in trade, entrepreneurship and small business. On this ground, this study aims to examine the role of remittance in Tulsipur sub-metropolitan municipality, ward no.16. On the basis of following questions, which are related to remittance and its proper economic use:

- i) What is the pattern of remittance use?
- ii) What are the opportunities provided by remittance?
- iii) What are the challenges to invest remittance?

1.3 Objectives of the Study

The general objective of this study is to analyze distribution pattern of remittance by the selected remittance receiving households. Below are the some of the specific objectives that paved the ways to address general objective of the study.

- To examine microeconomic determinants of remitters in the study area
- To assess distribution pattern of remittance in the remittance receiving households
- To analyze role of remittance in poverty reduction in the study area

1.4 Rationale of the Study

Tulsipur sub-metropolitan city is situated at dang district of Nepal. The shifting pattern of population for the betterment of livelihood in this city is very high. The young and fruitful population of the city is working abroad for the earning purpose. Majority of the people are relied on agricultures, animal husbandry for their livelihood. But they are not able to fulfil food demand from agriculture product. This is the reason why youth and earning population are forced to out migration. Most of the people in this city migrate India for their earning where they are forced to involve in 4D (Dirty, Danger, Demeaning and Difficult) work. Some the people in this city migrate to gulf countries

without any skill to involve in 4D work. Remittance sent back from foreign countries has been an important economic source of family and it changed their livelihood. Remittance has played very important role to uplift the economic condition of this city. Due to the remittance income the purchasing capacity of the households has been increased, various changes has been seen like living standard has improved, food sufficiency has been increased, social status has been changed and many more. In this situation, this study tried to analyze distribution patterns of remittance by the remittance receiving households as federal local government has been trying to utilize and mobilize the local resources in productive sectors.

1.5 Significance of the Study

The remittance is playing very important role in the development of the country. From various studies we know that remittance is playing pioneer role on poverty reduction and economic development of the country. Most of the population of Nepal are trying to migrate abroad because of situation of the country and their own economic condition. If we try to analyze the present manpower of Nepal about 70% of the educated manpower is migrated for work some of them are coming back to Nepal and some of them are settling there forever but all of them are sending money from there to their family and relatives (Paudel, 2016). However most of the remittance income is used in unproductive sectors like house building, paying off loan, purchasing goods, buying luxurious things and consumption. This is the reason why remittance income is not playing actual role for the developing of the country.

Remittance is helping Nepalese economy to reduce poverty. In the past the kind of job Nepalese workers use to get abroad was only armed forced. After the restoration of democracy international job market was open in the forty countries. Thus in the new phenomenon of entering into the WTO efficient and skilled labor force is required and diversification in the skill and destination. This study is also concentrate on the role of remittance in poverty reduction and guide to make it more helpful in eradicating rural poverty and increasing the capacity of the labor force.

Migration of Nepali youth for foreign employment increased rapidly especially after restoration of democracy and liberalization process in 1990 (Neupane, 2016). Labor migration is emerging as a new phenomenon in Nepal. It has great consequences for the country both at national and at local level, labor migration can be known as major

livelihood strategies of rural area. The global phenomenon of labor migration has given rise two contradictory policies, police perspective about the desirability of flows and their consequences for economic development. Discussions usually focus on two aspects of the consequences of migration, the labor force implications and the role of remittances at both the macro and micro levels. A remittance that enters the country has become increasingly important for Nepal's economy. Remittance is important source in labor exporting countries to maintain foreign exchange reserve and to correct Balance of Payments. Remittance implies household income from foreign inflow mainly from momentary or permanent migration of people to those economies . According to World Bank remittance enables households to increase their level of consumption, ensure better health facilities, nutrition, education and other facilities (Chhetri,KC & Dhakal, 2020).

Similarly, the study will try to understand what changes accrue after migration. What kinds of remittance are receiving family from migrants and where they use? All these problems of study area are addressed on this research. Role of remittance on poverty Reduction was not yet carried out by any researcher in Tulsipur sub-metropolitan city, ward no.16. So this research may help to interested researchers, readers and teachers to know about the relationship between remittance and poverty reduction of this ward.

1.6 Delimitation of the study

Due to various constraints, the researcher delimited this study in the following ways:

- Tulsipur Sub-metropolitan municipality (ward no.16) is selected for the research study. That is why the present research study could not cover entire area of Tulsipur sub-metropolitan city.
- Thus, this research study was based upon limited information that was collected through 90 sample number or respondents.
- The study has more focused on impact of remittance on poverty reduction and use of remittance at social level by the remittance receiving households.
- The researching issues is interpreted through Lee's push pull theory

1.7 Organization of the study

This thesis report has been divided into five chapters. The first chapter dealt with the introduction including background of the study, statement of the problems, objectives

of the study, rationale of the study, significance of the study, delimitation of the study and organization of the study.

Historical review, theoretical review, policy review, empirical review and conceptual framework related to remittance are included in the chapter two. The chapter three has described the research method applied in this study. The chapter four contains data analysis and interpretation of the study where summary, conclusion and recommendation are incorporated in the chapter five.

CHAPTER II

LITERATURE REVIEW

This chapter dealt on literature review works while preparing thesis. In so doing, all the review works are presented in different sub heading such as historical review, theoretical review, policy review, empirical review and conceptual framework of the study.

2.1 Historical Review

Human migration started with the movement of people from one place to another with the intention of settling temporarily or permanently in the new location. Typically such movements occur over long distances and from one country or region to another. Migration can be voluntary or involuntary. Involuntary migration includes the slave trade, trafficking in human beings and ethnic cleansing. When the pace of migration had accelerated since the 18th century already (including the involuntary slave trade), it would increase further in the 19th century. Manning distinguishes three major types of migration: labour migration, refugee migrations, and urbanization. Millions of agricultural workers left the countryside and moved to the cities causing unprecedented levels of urbanization. This phenomenon began in Britain in the late 18th century and spread around the world and continues to this day in many areas

In the 1990s, as global migration increased, transfers from migrants became increasingly important to many national economies, prompting government policymakers, development officials, and national compilers to focus increased attention on the size and nature of remittance transfers. The balance of payments item "workers' remittances" provided some information, but it did not completely cover the wide variety of remittance-type transactions between countries. The item workers' remittances is limited to current transfers by employed permanent migrants and thus excludes current transfers by non-migrants and by unemployed migrants, as well as any household-to-household capital transfers. It also excludes the resource flows to countries of origin that result from employment of their residents in other countries, as well as transfers made, not directly to households, but to non-profit institutions serving households (NPISHs).

Twenty percent out of total population of Nepal reside outside of home. At least one family member are absent of 53 percent households of Nepal. Out of which 28 percent members are residing outside of country. 56 percent households of Nepal are receiving remittance. Average remittance amount that receives each family is NRs. 80,436 and out of which 80 percent comes from abroad. Share of remittance for family expense is 31 percent. It is also shows that currently remittance flow is Rs.9,245 per person which is 15 times double than Rs.625 of 15 years before (foreign employment policy , 2068)

2.2 Theoretical Review

Theoretical review on any researching issue is crucial process of social research for understanding researching issue theoretically, the researcher interpreted data through different theoretical gazes as Lee's push-pull theory.

2.2.1 Lee's Push-Pull Theory

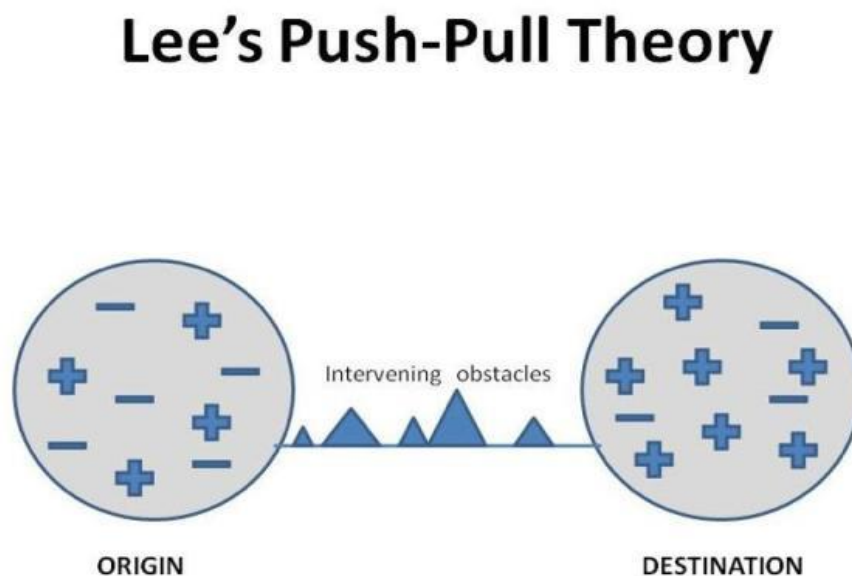
According to migration law of Lee's, motivations for migration by considering how the relationship between two points (origin and destination) are affected by push and pull factors. Push factors exist at the point of origin and act to trigger emigration; these include the lack of economic opportunities, religious or political persecution, hazardous environmental conditions, and so on. Pull factors exist at the destination and include the availability of jobs, religious or political freedom, and the perception of a relatively benign environment. Pushes and pulls are complementary that is, migration can only occur if the reason to emigrate (the push) is remedied by the corresponding pull at an attainable destination. In the context of labour migration, push factors are often characterized by the lack of job opportunities in sending areas or countries, and pull factors are the economic opportunities presented in receiving areas or countries.

Lee (1966) push-pull theory argued that possible migration between a place of origin and a place of destination, with positive and negative signs signify pull and push factors, respectively. The high demand of labour in industrialized and developed nations in the East Asian, Middle East and Gulf nations are the main pull factors for it. It can be claimed that the dearth of employment opportunity at home, unstable political and security situation, low wage level, lack of agricultural development in rural areas, scantiness of basic services needed for survival, liberal government policies and demonstration effect are main push factors responsible for exodus of Nepalese skilled and unskilled labour force. Note that both the origin and destination have pushes and

pulls, reflecting the reality that any migrant must consider both the positives of staying and the negatives of moving, as well as their converses. The logic of the push-pull theory is that if the plusses (pulls) at the destination outweigh the plusses of staying at the origin then migration is likely to occur (Lekhi, 2008).

According to Lee, each place possesses a set of positive and negative factors. While positive factors are the circumstances that act to hold people within it, or attract people from other areas, negative factors tend to repel them. In addition to these, there are factors, which remain neutral, and to which people are essentially indifferent. While some of these factors affect most of the people in the area, others tend to have differential effects. Migration in any area is the net result of the interplay between these factor (Faridi, 2018).

Figure 2.1: Lee's Push Pull Theory



According to Everett Lee there are some factors which lead to spatial mobility of population in any area

These factors are:

- (i) Factors associated with the place of origin,
- (ii) Factors associated with the place of destination,
- (iii) Intervening obstacles, and
- (iv) Personal factors

2.2.2 Optimistic and Pessimistic Views on Remittance

Nepalese economy is becoming more remittance dependent due to continuous growth of remittance inflow. Due to low economic return from agriculture, rural population is now switching over other occupations. The largest number of Nepalese for foreign employment are in Malaysia (30.1%) followed by Qatar (27.4%), Saudi Arabia (20.2%), United Arab Emirates (13.1%) and others (9.2%) respectively (Chhetri, KC and Dhakal 2020). Remittance can generate a positive effect on the economy through various channels such as savings, investment, growth, consumption, and poverty and income distribution through which remittance can bring positive effect in the economy. At the national level, remittances contribute significantly to GDP. Promoting the productive use of remittance is arduous and challenging. It requires concerted effort from government and other agencies (bilateral and multilateral) to create new channel for productive use of remittances and promote migrants savings both at household level and national level (Dhakal and Maharjan, 2018). Government has accept labor migration as one of the main strategies to reduce poverty. For the labor migration government has not any clear plans to help the existing and potential migrants or to facilitate the transfer of remittance and their use at the household level to meet such an objectives.

As we know remittance is one of the major source for the development of the country but without various dimensions of the governance (voice and accountability, political stability and absence of violence, government effectiveness, regularity quality, rule of law, control of corruption) remittance does not play any role in development. The supply of remittance increases the country's dependence on it rather than investments. However, a sudden stop in the in flow of these remittances can cause serious financial crisis. And if the country's pillars are backed majorly by remittances, the crisis would be even worse. According to Ebke, 2012 the interaction between remittance inflows and governance negatively affects the level of public spending, it means remittance are likely to reduce public spending in countries suffering from governance problem (regarding the control of corruption, regulation, government effectiveness and accountability). Some optimistic and pessimistic views on remittance are listed below:

Optimistic views:

Brain drain into brain gain, governance of remittance, management of labor migration, use of remittance in productive sectors and remittance based products (macro level-

meso level- micro level) and remittance based services (macro level- meso level- micro level) (Pasa, 2019) are the basic views of optimistic views of remittance.

Pessimistic views:

The error correction model (ECM) shows the positive relationship of remittance into the import and trade deficit in the long run. In bad governance, remittance inflows lead to household moral hazards and public moral hazard in developing countries (Ebeke, 2012) and remittance is using at social level to implement different infrastructure development projects related to health, education, road and rural energy in Myagdi (Pasa, 2019).

2.2.3 Micro Economic Determinants of Remittance

Migrants care about households wellbeing and remit to improve living conditions (Altruism) e.g. for various household consumption, they also transfer remittance income for self interest motives i.e. investment in home country, which motivates remitters for remittance. Remittance is basically a foreign exchange which is remitted by a people who are living abroad. Remittance includes cash/ noncash items that flows through in/formal channels such as via migrant, electronic wires and curriers (Pasa and Bishwokarma, 2020). It is one of the capital flows that play a very important role in the economic development, especially for developing countries. In one hand, remittance promotes economic development by providing funds that recipients can spend on education, health care, business investment. In other hand it can boost aggregate demand and there by GDP as well as spur economic growth (Anh, 2018). For the proper flow of remittance income the micro economic determinants of the remittance also plays the vital role in remittance receiving by household members . Micro economic determinants of remittance consist of following determinants:

- Age and sex group of remitters
- Marital status of the remitters
- Gender Construction
- Level of education and trade related skills
- Nature of job (full time, part time, seasonal)
- Self interest and value of remit

Remittance plays vital role for the improvement of households, for the upliftment of the livelihood it plays pioneer role. It can give the households the initial capital

necessary to start a small business and entrepreneurship. Following are the microeconomic benefits of remittance family income:

- Remittance can improve human security
- Remittance improves the standard of living (e.g. health care, nutrition, education)
- Remittance eases working capital constraints for saving and investments ventures
- Plays significant role in improving gender relations
- Remittance generates ripple effects in family and community, due to increased consumption (Rahman, Yong and Ullah, 2014 & Pasa, 2019)

2.3 Policy Review

Remittance is an important factor of economic development in Nepal. Remittance has emerged as a backbone of Nepal's economy in the last two decades. Nepal is one of the poor and least developed countries in the world. Agriculture is the main occupation of the economy, providing a livelihood for almost two thirds of the population of the country and its contribution for only one third of GDP (Economic Survey, 2073/74). Nepal is heavily dependent on remittances which values to 30 percent of GDP (Economic Survey, 2073/74). Also, Nepal is ranked number one remittance recipient country in terms of GDP in 2009 which shows Nepalese economy is highly dependent on remittance. As per the size of US\$ (billions), India is the top remittance recipient country where as Nepal is in the fifth position in 2010 (sah, 2019)

National Planning Commission (NPC), the apex body that frames the country's development plans and policies, has endorsed the concept note on 14th Periodic Plan based on which strategies, policies and programmes would be devised to provide to the government's plan of attaining sustainable development goals (SDGs) and transforming Nepal into a middle-income economy by 2030. NPC is implementing a new three-year plan considered as short- to medium- term development strategy. This is the 14th time government is coming up with periodic plan, based on which annual budget and other development policies, plans, programs and strategies are prepared. The upcoming periodic plan will basically aim to support the government in achieving all the SDGs by 2030 and help Nepal emerge as a middle-income country by that time by embracing the spirit of a welfare state.

According to Foreign employment policy 2068 major policies related to foreign employment are as follows:

- To identify and promote employment opportunities at international market.
- To develop skilled human resources having competitive capacity for maximize benefits from foreign employment
- To create employment process simple/transparent, reliable/organized and safe.
- To address concerns of female workers on labour market and ensure their rights in overall migration cycle
- To ensure good governance on foreign employment management.
- To mobilize local, national and international resources for foreign employment management and also promote collaborative efforts through increasing sectorial partnership.
- To mobilize remittance on human development and productive sector as much as possible

Similarly, National Employment policy 2071 also developed policy mentioned below:

- A provision will be introduced in which workers and foreign employment agents will have to sign a contract regarding remuneration and other perquisites in the presence of the department concerned.
- The agencies concerned will be restructured to extend foreign employment services down to the local level.
- International conventions that ensure the rights of immigrant workers will gradually be ratified and partnership will be entered into with international community to safeguard workers' rights.
- Awareness programs will be conducted to disseminate information about opportunities in the destination countries as well as the risks related to migration.
- By accepting foreign employment as an intermediate strategy, workers aspiring to go for overseas employment will be imparted suitable training and skills. Policy-level and institutional improvement activities will be carried out to ensure safe foreign employment, whereas provision will be made for mandatory training so that those aspiring to go abroad for work can have easy access to such training programs.

- Nepalese missions abroad will be mobilized to ensure decent, safe, profitable and credible foreign employment promotion.
- Labour agreements will be signed with destination countries for the security and welfare of Nepalese migrant workers.
- Programs will be conducted to provide skill-oriented training as demanded by foreign employers, to manage credit facility for overseas employment and to strengthen monitoring system.
- The youth belonging to Dalit, indigenous nationalities, Madhesi, Muslim and marginalized communities from backward regions will be provided with opportunities for foreign employment.
- Stress will be laid on ensuring safe and decent foreign employment for women.
- The remittance system will be made more simple and easy and investment of remittances in productive sectors, with appropriate plans and programs, will be encouraged. For this, a policy on mobilization of remittance

The ILO promotes a four-pronged approach, based on International Labor Standards, for a sustained and resilient recovery from COVID-19 and the achievement of SDG 8 and related Goals. The four policy pillars are:

Pillar 1. Stimulating the economy and employment.:

The COVID-19 crisis impacts on both the demand and the supply sides of the labor market, and it has major implications for the goal of ensuring full employment and decent work. In particular, the crisis is pushing many families into poverty and increasing existing inequalities. Response measure should therefore encompass an active fiscal policy; an accommodative monetary policy; and lending and financial support to specific sectors, including the health sector.

Pillar 2. Supporting enterprises, jobs and incomes:

This is important as measures to contain the spread of the virus have disrupted production flows caused demand for non-essential goods and services to plummet, and forced enterprises around the world to suspend or scale down operations. This requires: providing various types of relief, including financial and tax relief, for enterprises; implementation of employment retention measures; and extension of social protection for everyone.

Pillar 3. Protecting workers in the workplace:

To respond to the fact that while many people have lost their jobs and income, many others continue to work and thus to ensure that that work can be performed safely is a shared priority. Actions under this pillar include: strengthening occupational safety and health measures; adapting work arrangements (e.g. teleworking); prevention of discrimination and exclusion; and expanding access to paid leave (UN, 2021)

Pillar 4. Relying on social dialogue for solutions:

The lessons from previous global crises have shown that governments alone cannot address the challenges stemming from strong shocks. This pillar rests on: strengthening the capacity and resilience of employers' and workers' organizations; strengthening the capacity of governments; and strengthening social dialogue, collective bargaining and labor relations institutions and processes

2.4 Empirical Review

An empirical literature review is more commonly called a systematic literature review and it examines past empirical studies to answer a particular research question. The empirical studies we examine are usually random controlled trials (RCTs). Because most RCTs have low sampling sizes, we can often see mixed results from study to study and we hope to provide more clarity by combining the results of all existing studies. Empirical literature review explores past studies in view of attempting to answer specific research questions which are empirically under-explored. Many of the relevant previous research works have been presented in this section. During the course of review, focus was given to appraise performance relevancy, effectiveness, efficiency, impact and sustainability of remittance reported in international and national context.

Nepal Rastra Bank (NRB) report 2017/18 reported that remittance of Nepal is increased in the first eleven months of FY 2017-18. In its latest Macroeconomic Report, NRB said the country's remittance earnings saw a 7.3 percent rise to Rs.679.73 billion in the first eleven months of the fiscal year. The rise in remittances was observed despite a decline in number of Nepali migrant workers moving abroad for jobs and is majorly attributed to the rise of Dollar against Nepali Rupees

NRB (2016) has conducted a field survey of 320 households from 16 selected districts to explore the saving and investment of remittance receiving households. The study has analyzed the data obtained from the field survey using single equation logic and OLS model. The study has shown that foreign employment has contributed in reducing

unemployment rate and has worked as safety valve for Nepalese society. 4.38 million Workers have gone for foreign employment from 1994 to 2016, i.e. the ratio of international labor migrants to Nepal's total population is 15.4%. The average annual remittance send by Nepalese workers working abroad is 5 lakh 32 thousand Nepalese rupees. The survey result also showed that 90.9% of remittance is coming through official channel. The study revealed that out of total remittance receiving households, 18.8% are completely dependent on remittance for their daily expenditure. Out of the total remittance income received, households have used 25.3% to pay back the loan, 23.9% for food and clothes, and 9.7% for education and health, 3% for social activities, 1.1% on productive use and 28% on saving. Also, 132 .6% of the remittance receiving households saves money from remittance income and 48.8% of those households save the money in order to buy land and buildings. The remittance receiving households were found to opt for more leisure than work.

Dhungana and Pandit (2014) have tried to explore the impact of remittance on social and economic status at the household level. With 147 households with at least one member being a migrant in Lekhnath Municipality of Kaski District using various descriptive and inferential statistics the study found that the remittance in a household is significantly associated with other socio-economic variables. Overseas remittances have brought qualitative changes in children's education and health status, an improvement in the economics status of the migrant households and the involvement of the households in the community development activities. The study concluded that remittances have brought positive change in overall socio-economic status of migrants households.

The UNCTAD and World Bank Report (2015) analyzed top 5 remittances receiving countries in 2015 as % of GDP which is shown below;

Table 2.1: Remittance Receiving Countries in 2015 as % of GDP

| S.N. | Countries | Remittance as % GDP |
|------|-----------------|---------------------|
| 1. | Tajikistan | 41.7 |
| 2. | Kyrgyz Republic | 30.3 |
| 3. | Nepal | 29.2 |
| 4. | Tonga | 27.9 |
| 5. | Moldova | 26.2 |

Source: (UNCTAD, 2015; World Bank, 2015)

A study conducted by Ebeke in 2012, highlighted skeptical view points on remittance and highlighted adverse effect of remittance in national economy. The research is found to be very rigorous that spent about a decade (1997-2006) to get the findings from large sample chosen from 86 developing countries. The test hypothesis claimed that remittance does not do better as thought by most of the people. Remittance brings public moral hazard by detaching state and public and it also brings house hold moral hazard because people stop working but they prefer to migrate. Another study conducted by Sharma, 2006 came with the conclusion that remittance can have both positive and negative impact to increase GDP as well as to grow Nepalese economy. In his study he has used the simple OLS model to assess the impact of remittance in GDP.

Remittance is a very important role in sustaining several economies around the world the COVID-19 pandemic has inevitably affected the numbers of labor migrant and remittance send by them. According to the World Bank, in least developed and developing countries, remittances have decreased from USD 548 billion in 2019 to USD 540 billion in 2020, a decline of around 1.5%. Despite the scale of the pandemic, this decline is minimal compared to the Global Financial Crisis when remittances declined by around 5% (Pokhrel, 2021). After an effect of Covid-19 remittance inflows in Nepal is expected to fall dramatically which has predicted to fall 20% that have started immediately with lockdowns. This decline is the sharpest drop in the recent history: most notably in Europe and in Central Asia by 27.5 percent, the Middle East and the North Africa by 19.6%, Latin America and the Caribbean by 19.3%, and the East Asia and Pacific by 13 percent that attributes the largest fall in the movement of migrant workers (Kafle, 2021). According to government data, by 15 September 2020, 63,347 people had returned home via Covid-19 related rescue flights coordinated by the government of Nepal, while further 200,000 Nepalese had applied for return and were waiting for repatriation (Ghimire, 2021). There are also the case of Nepalese labor migrants are not paid during pandemic. Hundreds of Nepalese migrants were on strike at UAE after not paying salary over 2 months. About 500 workers terminated their work at oil and gas company in Ruwais, Abhu Dhabi, protested against their employer for not paying them (Bhattarai and Subedi, 2021). Remittance are largely dependent on changes in foreign employment status, economic and political condition of destination countries, salaries and allowances of the labors and means and charges on sending remittance. Following data shows the data of Nepalese migrant workers to major

destination countries, juxtaposed with estimated job loss triggered by Covid-19 pandemic.

Table 2.2: 2019 Data of Nepalese Migrant Workers to Major Destination Countries, Juxtaposed with Estimated Job Loss Triggered by Covid-19

| Destination Countries | Number of Nepalese migrant laborers | Estimated Job Loss |
|-----------------------|-------------------------------------|--------------------|
| Malaysia | 500,000 | 30% |
| UAE | 400,000 | 30% |
| Qatar | 425,000 | 20% |
| Saudi Arabia | 380,000 | 20% |
| Kuwait | 80,000 | 15% |
| Bahrain | 35,000 | 12% |
| Oman | 17,500 | 10% |

Source: CBS and ILO, 2019; Bhattarai and Subedi, 2021

From the above empirical review, the researcher understood that most of the study highlighted macro-economic analysis. Even in Nepalese context, the entire researcher highlighted contributions of remittance in household economy. Owing to that the researcher found some gaps in empirical literatures. It is inevitable to conduct study that focus on microeconomic analysis in general and analyze distribution pattern of remittance in particular. Even from the stand point theoretical point of view, the researcher also worked in South Korea for three years. After returning back to own village, the researcher became curious enough to analyze distribution of remittance in family income and expenditure.

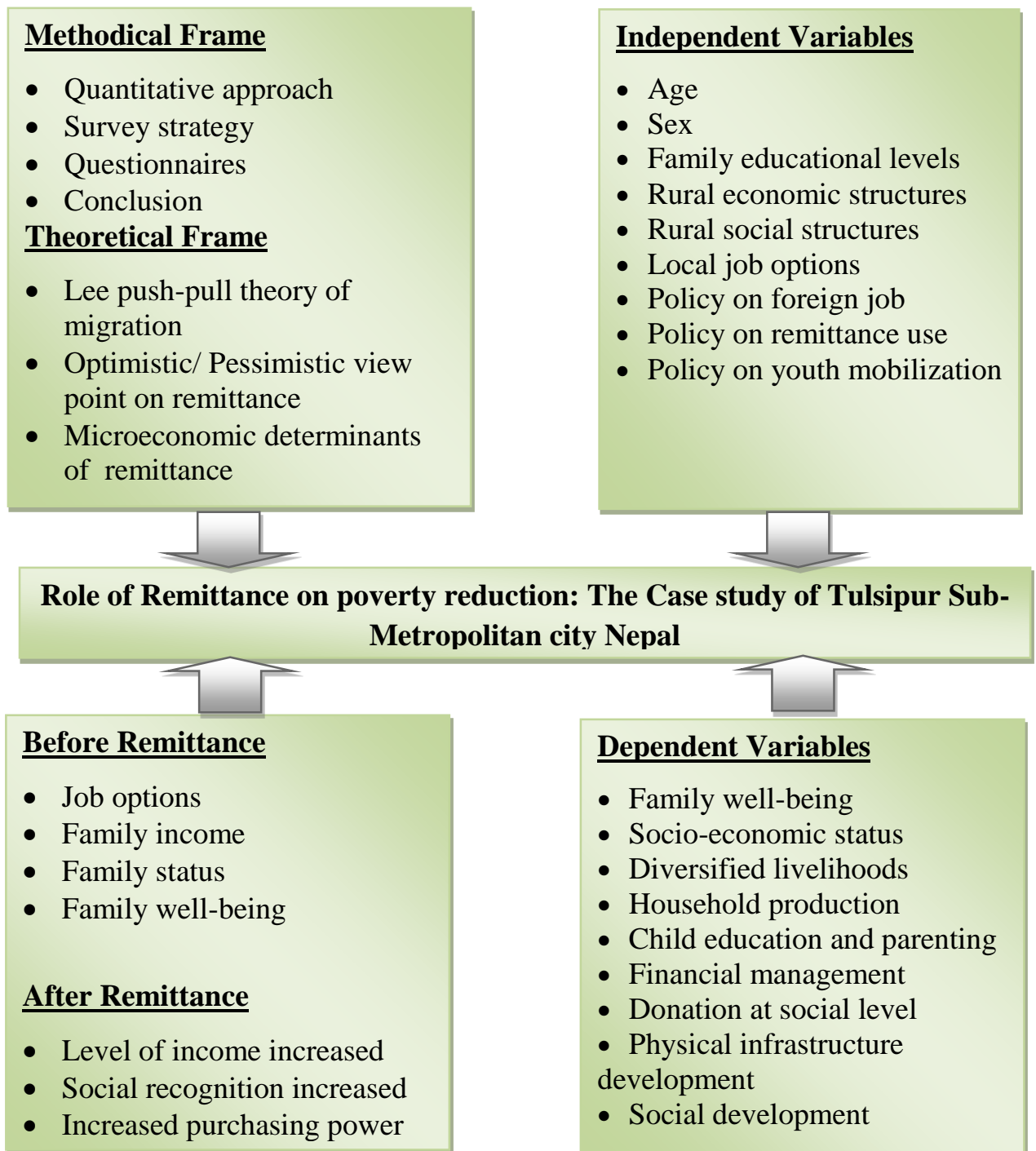
2.5 Conceptual Framework of the Study

The conceptual framework guided researcher during whole research process. Through this framework researcher conceptualized researching process in a correct way. Even readers also can get a conceptual idea from this framework. The methodological frame (at left) shows the hierarchy of overall research methodology from ontological view to the point of conclusion.

The middle parts (in the boxes) enlisted the independent and dependent variables and before after measurement variables. This supported researcher to see the distributions of remittance in household income and expenditure. The overall researching

phenomena have been explained and interpreted with the support of some theoretical aspects viz. push and pull factors of migration as shown in figure below:

Figure 2.2: Conceptual Framework of the Study



Source: Developed by Researcher, 2022

CHAPTER III

RESEARCH METHODOLOGY

The purpose of this chapter is to present the philosophical assumptions underpinning this research, as well as to introduce the research strategy and the empirical techniques applied. The chapter defines the scope and limitations of the research design, and situates the research amongst existing research traditions in information systems

3.1 Research Design

Research Design is a framework and methods of a techniques chosen to combine various components research in a reasonably logical manner so that the research problem is efficiently handled. The type of research design depends on the nature and objectives of the study. This study has been designed under quantitative approach and survey study methodology. Data in this research are presented in descriptive way so it is descriptive research design .The essence of survey method is questioning individuals on a topics and then describing the responses. Out of the various forms of survey, the researcher applied specialized survey that covers distributions of remittance and its impact on rural transformation as major subjects in the field of study (UN, 2007).

3.2 The Field and Rationale

Tulsipur Sub-metropolitan municipality ward no.16 has been selected as a field of the study. The city Tulsipur is located at Lumbini province of dang district with population 141,528 with population density 371.4/km² with annual population change 2.1%.The total area of Tulsipur Sub-metropolitan municipality is 384.6 km².The total number of wards in this city are 19. There were two rationales behind selecting Tulsipur city of ward no.16 as a field of the study. Firstly, the study is conducted with self-effort of the researcher just for partial fulfilment of Master Degree in Rural Development. This indicates that the researcher went through constraints of time and money. Secondly, comparing to neighboring local level, this municipality has higher numbers of households receiving remittance from gulf countries and Malaysia.

3.3 Nature and Sources of Data

3.3.1 Primary Data Collection

Primary data and information has been collect by using household survey questionnaire. The questionnaire include both open and closed types of questions.

3.3.2 Secondary Data Collection

Besides, primary data the relevant secondary data has taken from publication of national planning commission secretariat, central bureau of statistic (CBS), budget speech of government, economy survey, and annual publication of Nepal Rastra Bank, Books, Report, and Magazine etc.

3.4 Sampling and Population

This is a small proportion of population selected for observation and analysis of data information. This study is basically grounded on primary data collection. According to profile of Tulsipur Sub-metropolitan municipality ward no.16 the total number of households are 1535 (Karki, 2019). Out of that 300 remittance receiving households are regarded as sample population of the study. According to rule of thumb based on central limit theorem out of total sample population, 90 remittance receiving (i.e. 30% of total remittance receiving households) households are selected as sample numbers based on simple random sampling for this study.

3.5 Data Collection Techniques and Tools

During data collection, the researchers must identify the data types, the sources of data, and what methods are being used. There are many different ways to collect data/information. Among them required data of this study has been collected through following techniques

3.5.1 Household Survey

For 90 remittance receiving households survey questions has been designed in the circumstances of individual and household information in which the demography, composition of the household, economic condition, number and age of all households numbers will be included.

3.5.2 Key Informant Interview

Key informant interview (KII) is more reliable source of information. The primary information also has been collected from key informants using the semi-structured

interview guidelines The key informant's interview will be conducted with selected key individuals like distinctive people, ward chairman, school teachers, returned labor migrant etc. The informants were interviewed on the basis of interview guideline.

Table 3.1: List of KII Participants

| S.N | Name | Designation |
|------------|----------------|---------------------------|
| 1 | S. Dangi | Ward Chairman |
| 2 | P. Khadka | School's Headmaster |
| 3 | R. Bishowkarma | Member of Youth Club |
| 4 | M.Chaudhari | Returned Labor Migrant |
| 5 | P. Khatri | Teacher of Private School |

3.6 Data Analysis

Data collected from field were edited and classified and tabulated to meet the needs of the study. Data processing has been done with the help of the computer. The SPSS Software is used for assigning codes to data, creating appropriate file structure, and entering data. The data were analyze quantitatively. Descriptive analytical tool such as tables were presented wherever necessary. Analysis of data helped researcher to understand underlying meanings of obtained data. Finally, interpretation of data help researcher to understand researching issues form theoretical perspectives.

CHAPTER IV

PRESENTATION AND ANALYSIS OF FIELD DATA

This chapter is concerned with data presentation of the findings obtained from the study. This is all about the description of the economic status of the respondents, uses of remittance income of respondents, income earned in abroad, system of transfer remittance income, the effect of remittance income in poverty reduction and status of households after remittance income etc. In other word, this chapters deals with all the data related to the topic which are collected in the field survey.

4.1: Socio-Demographic Profile of Households

Socio-demographics refer to a combination of social and demographic factors that define people in a specific group or population. In other words, when we talk about socio-demographics, we mean different social and demographic features help us know what members of a group have in common. Socio-demographic details are often used to describe realize samples.

This section socio-demographic profile of respondents contains general information of respondents, household details and structure of family member. Socio-demographic variables like age, sex, education, caste, religion, occupation etc. are concluded in general information of respondents, in household details of respondents it include different age group of respondents, sex group of respondents etc. and the last part structure of family members include the relation with family member of out migrant, their age, gender, education and occupation of out migrant.

4.1.1 General Information of Respondents

General information is necessary to ask the respondents because it helps researcher to create friendly environment with respondents which further helps in asking various questions of the research. The section general information of the respondents holds the name, gender, age, education, cast, religion and occupation of the respondents. All the general information for the thesis research are collected from the field survey of 2022. Demographic profile of respondents include the indicators, variables, frequency and percentage of the respondents. Following table 4.1 gives the detail information about the demographic profile of respondents.

Table 4.1: Demographic Profile of Respondents

| Indicators | Variables | Frequency | Percentage |
|--------------|-------------------|-----------|---------------|
| Gender | Male | 33 | 36.70 |
| | Female | 57 | 63.30 |
| Age | <15 | - | - |
| | 15-29 | 23 | 26.50 |
| | 30-44 | 33 | 36.70 |
| | 35-59 | 24 | 26.70 |
| | >60 | 10 | 11.20 |
| Education | Illiterate | 27 | 30.00 |
| | Below SLC/ SEE | 40 | 44.40 |
| | SLC/ SEE | 13 | 14.40 |
| | Intermediate | 8 | 8.90 |
| | Bachelor's Degree | 2 | 2.20 |
| Caste | Brahmin | 3 | 3.30 |
| | Chhetri | 24 | 26.70 |
| | Janajati | 54 | 60.00 |
| | Dalit | 7 | 7.80 |
| | Others | 2 | 2.20 |
| Religion | Hinduism | 88 | 97.80 |
| | Christianity | 2 | 2.20 |
| Occupation | Agriculture | 58 | 64.40 |
| | Housewife | 13 | 14.40 |
| | Private job | 2 | 2.20 |
| | Government job | 1 | 1.10 |
| | Business | 4 | 4.40 |
| | Student | 5 | 5.60 |
| | Others | 7 | 7.80 |
| Total | | 90 | 100.00 |

Source: Field Survey, 2022

From the table 4.1 the male number of respondents are 33 and the female number of respondents are 57. It is found that the female number of respondents are more than

male number of respondents. The age group of respondents in the thesis research is divided into four groups that is <15, 15-29, 30-44, 35-59 and >60. As we see in table 1 we can see that the number of respondents below 15 are 0, number of respondents from 15-29 are 23, number of respondents from 30-44 are 33, number of respondents from 35-59 are 24 and the number of respondents above 60 are 10. Here we can see that the education status of the respondents is also divided into five groups namely Illiterate, Below SLC/ SEE, SLC/ SEE, Intermediate and Bachelor's Degree. In this thesis research there are various types of castes taken as respondents they are Brahmin, Chhetri, Janajati, Dalit and Others Casts. Only 3 numbers of respondents are Brahmin, 24 are Chhetri, The large group of respondents 54 are Janajati, 7 are Dalits and the number of respondents of other castes are only 2.

In the case of Tulsipur sub-metropolitan municipality ward no.16 from the 90 sample number the number of respondents who follow Hinduism are 88 and the number of respondents who follow Christianity are only 2. It shows the number of people who follow Hinduism are more than the Christianity. From table no 4.1 it is clear that the people of the ward are involved in various sectors for jobs like Agriculture, Housewife, Private job, Government job, Business, Students and other jobs also. In table 4.1 it is clearly mentioned that the number of respondents who are involved in agriculture are 58 and it is the major job of the people of the ward, the number of respondents who just work as housewife are 13, private job are 2, government job is only 1, the number of respondents who are involved in business are 4, 5 number of respondents are students in this ward the number of people who work as other jobs are only 7.

From the above demographic profile of respondents demographic information provides data regarding research participants and is necessary for the determination of whether the individuals in a particular study are a representative sample of the target population for generalization purposes. Demographic information allows to better understand certain background characteristics of an audience, whether it's their age, race, ethnicity, income, work situation, marital status, etc. By asking demographic questions in surveys, we can gather demographic information about current and potential respondents at scale, and in turn, help us to design a strategy to reach the right people.

4.1.2 Demographic Characteristics of Respondents

In this section the number the age group of the respondents and their sex group is mentioned. The demographic characteristics of the respondents is set in such a way that the sex ratio is divided in two group male and female where the age group is divided into three part namely below 15, 15- 65 and above 65. The demographic characteristics of respondents (male and female respondents) is shown in below table 4.2 and table 4.3.

Table 4.2: Demographic Characteristics of the Respondents (A)

| Indicators | Variables | Frequency | Percentage |
|--------------------------------|-----------------------------------|-----------|---------------|
| Males below age of 15 | Households with no male below 15 | 43 | 47.80 |
| | Households with 1 male below 15 | 39 | 43.30 |
| | Households with 2 males below 15 | 8 | 8.90 |
| Males of age from 15-65 | Households with 1 male | 35 | 38.90 |
| | Households with 2 males | 40 | 44.40 |
| | Households with 3 males | 12 | 13.30 |
| | Households with 4 males | 3 | 3.30 |
| Males of age above 65 | Households with no males above 65 | 75 | 83.30 |
| | Households with 1 male above 65 | 15 | 16.7 |
| Total no. of males of all ages | Households with 1 males | 4 | 4.40 |
| | Households with 2 males | 41 | 45.60 |
| | Households with 3 males | 36 | 40.00 |
| | Households with 4 males | 5 | 5.60 |
| | Households with 5 males | 3 | 3.30 |
| | Households with 6 males | 1 | 1.10 |
| Total | | 90 | 100.00 |

Source: Field Survey, 2022

Table 4.2 shows the demographic characteristics of males respondents. Here we have males respondents with different age group and are divided into four parts with different variable. Here at demographic characteristics of male respondents we have indicators like male below age of 15, males of age from 15-65, males of age above 65 and last we have total no of males with all ages as shown in above table which is shown clearly in the form of data.

Table 4.3: Demographic Characteristics of the Respondents (B)

| Indicators | Variables | Frequency | Percentage |
|---------------------------------|-------------------------------------|------------------|-------------------|
| Females below age of 15 | Households with no females below 15 | 51 | 56.70 |
| | Households with 1 female below 15 | 35 | 38.90 |
| | Households with 2 males below 15 | 4 | 4.40 |
| Females of age from 15-65 | Households with 1 female | 35 | 38.90 |
| | Households with 2 females | 40 | 44.40 |
| | Households with 3 females | 12 | 13.30 |
| | Households with 4 females | 3 | 3.30 |
| Females of age above 65 | Households with no females above 65 | 81 | 90.00 |
| | Households with 1 female above 65 | 9 | 10.00 |
| Total no of females of all ages | Households with 1 females | 20 | 22.20 |
| | Households with 2 females | 32 | 35.60 |
| | Households with 3 females | 29 | 32.20 |
| | Households with 4 females | 9 | 10.00 |
| Total | | 90 | 100.00 |

Source: Field Survey, 2022

Above table 4.3 shows the demographic characteristics of female respondents. Here we have female respondents with different age group and are divided into four parts with different variable. Here at demographic characteristics of female respondents we have indicators like females below age of 15, females of from 15-65, females age above 65 and last we have total no of females with all ages as shown in above table which is shown clearly in the form of data.

4.1.3 Numbers of Labor Migrants from each Households

In this section the numbers of labor migrants from each households gone abroad for foreign employment from the 90 households are included. The questions is designed in such a way that numbers of labor migrants from each households gone for foreign employment are included in 1,2,3 and more than 3. The following table 4.4 shows clearly about the study.

Table 4.4: Numbers of Labor Migrants from each Households

| No. of family members | No. of Households | Percentage |
|-----------------------|-------------------|---------------|
| 1 | 17 | 85.60 |
| 2 | 13 | 14.40 |
| 3 | - | - |
| >3 | - | - |
| Total | 90 | 100.00 |

Source: Field Survey, 2022

From above table 4.4 it is clear that from 17 households only 1 member of a family have gone out for foreign employment and from 13 households 2 members of a family have gone for foreign employment. There are zero numbers of households from where 3 and more than 3 family members are gone for foreign employment.

4.1.4 Education Status of Labor Migrants

This topic holds the education status of the labor migrant who have gone abroad i.e., the qualification status of labor migrant. This section gives the detailed education information about the out migrant. Here education status is divided into five parts namely Illiterate, Below SLC/ SEE, SLC/ SEE, Intermediate level and Bachelor's level. The following table 4.5 gives the detailed information about the education status of the out migrant.

Table 4.5: Education Status of Labor Migrants

| Education status | Frequency | Percentage |
|--------------------|-----------|---------------|
| Illiterate | 2 | 2.20 |
| Below SLC/ SEE | 54 | 60.00 |
| SLC/ SEE | 17 | 18.90 |
| Intermediate Level | 6 | 6.70 |
| Bachelor's Level | 11 | 12.20 |
| Total | 90 | 100.00 |

Source: Field Survey, 2022

From above table 4.5 it is clear that this table shows the education status of labor migrants. The illiterate people who are migrate for employment of this ward are 2.20 percent here illiterate refers those people who do not even read and write their names.

60.00 percent people are below SLC/ SEE, here below SLC/ SEE refers to those who are literate and have taken any formal education at any educational institution. 18.90 percent people have passed SLC/SEE and are transferred as labor migrants. Those who have passed intermediate level and even gone abroad are of 6.70 percent and 12.20 percent labor migrants have passed bachelors level. Its is clearly shown in the above table 4.5.

4.1.5: Age group of Labor Migrants

This topic include the age group of labor migrants. From this section we can able to know the different age group of migrants. As we know youth are also forced for out migration even middle aged people are also travelled as labor migrant so this section gives the detailed information about the age group of labor migrant. From the table given below will helps us to know about how much fruitful aged group people are forced for labor migration due to the various problems like, family problem, violence, vandalism, political instability, financial problem etc. The following table 4.6 gives the detail information about the age groups of the labor migrants.

Table 4.6: Age Group of Labor Migrants

| Age Group | Frequency | Percentage |
|------------------|------------------|-------------------|
| 18-28 | 30 | 33.40 |
| 29-39 | 47 | 52.20 |
| 40-50 | 12 | 13.30 |
| >50 | 1 | 1.10 |
| Total | 90 | 100.00 |

Source: Field Survey, 2022

From above table it is clear that 33.40 percent people are of age between the 18-28, 52.20 percent people are of age between 29-39, 13.30 percent people are of age between 40-50 and only 1.10 percent people are above age of 50. From above table it shows clearly that very young and energetic youths of age between 29-39 are forced for migration are travelling for 4D works (Difficult, Dirty, Dangerous, Demeaning). Very fruitful aged people of the ward are travelling for foreign employment which is one of the main cause for development. As we see youths are very much affected due to labor migration problem which is clearly shown in above table 4.6.

A member of youth club of Tulsipur sub-metropolitan municipality, ward no.16 shared that, “Youths of the ward are gone for foreign employment if you search a youth for immediate help in this ward hardly it will find and the ward is fulfilled with old peoples, women and children even in death ceremony of any villagers it is very much hard to find youths for help. So in this aspect foreign employment is one of the big problem” (R. Bishowkarma, 2022 [KII]).

According to a local people who returned from out migration shared that, “If you see most of the energetic people of this ward are gone for foreign employment and this is the sign of retardation in development. And next thing is energetic people are working abroad and those manpower needed here for various institution and various sectors are hiring from other districts and those hired manpower invest their salary at their own place which shows the sign of capital drain also which means they are developing their place not ours”(M. Chaudhari, 2022 [KII]).

4.1.6: Gender Scenario of Labor Migrants

This section helps us to know the gender scenario of labor migrants. This topic gives us the detailed information about how much female and male people are transferred as labor migrants. The following table helps us to know about the gender ration of labor migrants.

Table 4.7: Gender Scenario of Labor Migrants

| Gender | No. of Out Migrants | Percentage |
|---------------|----------------------------|-------------------|
| Male | 78 | 86.60 |
| Female | 12 | 13.40 |
| Total | 90 | 100.00 |

Source: Field Survey, 2022

From above table it is clear that the numbers of male travelling as labor migrants are more than female. 86.60 percent male population are travelling as labor migrants where only 13.40 percent female are travelling as labor migrants form Tulsipur sub-metropolitan municipality ward no.16, Dang. Above table 4.7 gives the detailed information about the gender scenario of labor migrants.

4.1.7 Source of Financing Incurred for Foreign Employment

In this section I tried to dig out the number of migrants who have taken loan for out migration from different institutions like bank/ finance, co-operatives and relatives. Here none refers to the number of migrants who have not taken loan for out migration from any institution like bank/ finance, co-operatives and relatives.

Table 4.8: Source of Financing Incurred for Foreign Employment

| Indicators | Frequency | Percentage |
|---------------|-----------|---------------|
| Bank/ Finance | 4 | 4.40 |
| Co-operatives | 2 | 2.20 |
| Relatives | 74 | 82.20 |
| None | 10 | 11.10 |
| Total | 90 | 100.00 |

Source: Field survey, 2022

From the above table it is clear that from bank/ Finance only 4 households have taken loan, from co-operatives 2 (i.e. 2.20%) households have taken loan to send their relatives to foreign country, 74 (i.e. 82.20%) households have taken loan from relatives and only 10 (i.e. 10.00%) households have not taken loan from any institution to send their family members to foreign country.

According to local people who returned from out migration shared that, “ *Firstly, people are using their remittance income for paying off the loan because we are not so rich that even we can afford countries like Gulf and we know for foreign employment we must invest some amount of money and it comes from relatives and other agencies as loan. Even interest rate is so high that loan must be paid first and every out migrant struggles first for paying off the loan then after only they think about their dream*” (M. Chaudhari, 2022 [KII]).

4.1.8 Interest Rate of Loan for Out Migration

This section examines the pattern of interest rate of loan of households who have taken loan to send their family member abroad. This section shows that most of people are still paying 25 percent to 36 percent interest rate of loan to their relatives. In this section none refers to those who have not taken loan from any institution i.e. neither bank and co-operatives nor relatives

Table 4.9: Interest Rate of Loan for Out Migration

| Interest rate | No. of People | Percentage |
|----------------------|----------------------|-------------------|
| 0%-12% | - | - |
| 13%-24% | 6 | 6.70 |
| 25%-36% | 72 | 80.00 |
| Above 36% | 2 | 2.20 |
| None | 10 | 11.10 |
| Total | 90 | 100.00 |

Source: Field survey, 2022

From above table it is clear that most of the people are paying very high interest rate i.e. 25 percent to 36 percent which directly drag them into the line of poverty. Some people are still not taking loan from any institution which holds 11.10 percent which is clearly maintained at the table 4.9.

4.2: Microeconomic Determinants of Remitters in the Study Area

The conventional theory of economics of remittances suggest that there are three motives of sending money to their households of origin including altruism, self-interest and tempered altruism or enlightened self-interest (an unlimited form of the two first motives) (Anh, 2018). This section microeconomic determinants of remitters in the study area gives the detail information about the remitters like their countrywide employment situation, purpose of foreign employment, working sector of migrant population, types of manpower for out migration, status of labor migrants in training before migration, monthly income in foreign employment of migrants.

4.2.1 Countrywide employment situation

This section holds the major destination of migrants workers for foreign employment, study, visit etc. This section helps us to know about how many peoples have gone for foreign employment. Total number of country wise description of workers gone abroad for employment is given below:

Table 4.10: Countrywide Employment Situation

| Countries | No. of Persons | Percentage |
|--------------|----------------|---------------|
| Qatar | 13 | 14.40 |
| Saudi Arabia | 24 | 26.70 |
| Malaysia | 9 | 10.00 |
| South Korea | 2 | 2.20 |
| UAE | 26 | 28.90 |
| USA | 1 | 1.10 |
| Australia | 5 | 5.60 |
| Japan | 4 | 4.40 |
| Others | 6 | 6.70 |
| Total | 90 | 100.00 |

Source: Field Survey, 2022

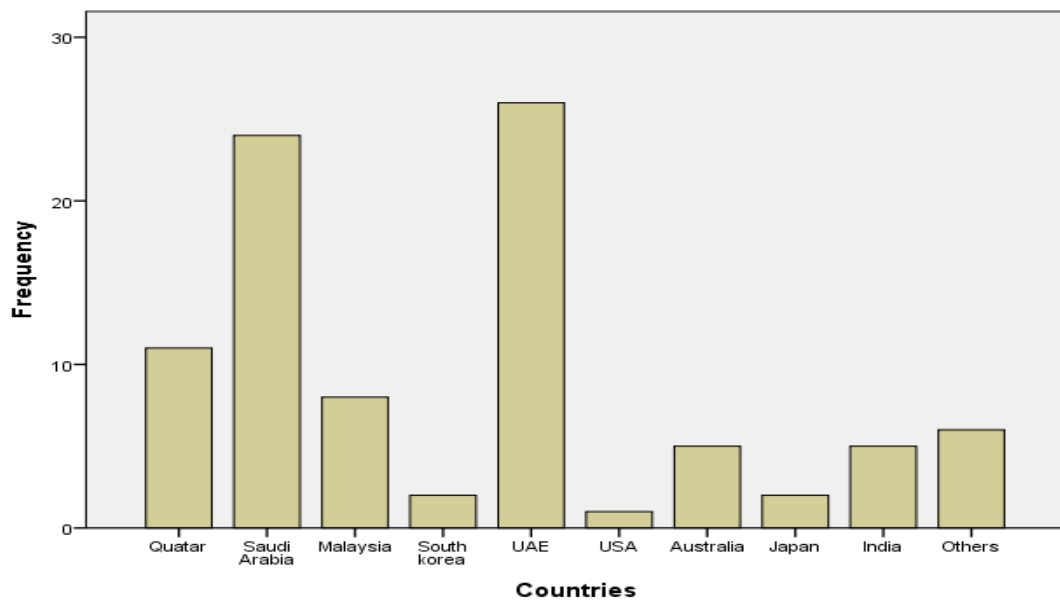
From above table 4.10 it is clear that most of population of Tulsipur sub-metropolitan city ward no.16 are in UAE and Saudi Arabia which holds 28.90 percent and 26.70 percent respectively. The lowest no of people are at USA and Japan which holds 1.10 percent and 2.20 percent. The number of people at other countries are only 6.70 percent.

Ward chairperson of Tulsipur sub-metropolitan municipality ward no 16 shared that *“Most of the people in this ward are in gulf countries even they are staying there from many years but the situation of their household is same because they do not have any idea about using money and they are still using their remittance income in unproductive sector. In this ward these local people do not involve in any training even when the ward have some vacancies from Nepal government ,quota remains vacant because these local peoples are not interested in any training so they are forced to go gulf countries for third class work”* (S. Dangi, 2022 [KII]).

Another local people who returned from out migration shared that *“we are not so much qualified that we need to try for American or European countries even in the case of mine I passed SLC at 2064 B.S now you tell me how can I try for USA or Australia isn’t gulf countries or India will be better option for me. Even educated people are jobless in Nepal how can I secure my life here so, gulf countries are for us, he said **khadi muluk bhaneko hami jasta ko pir bisaunne thalo ho**”* (M. Chaudhari,2022 [KII]).

According headmaster of the ward, “to improve foreign employment government need to provide various types of training, government must make policies like provide loans in low interest, subsidy, rewards etc. on the behalf of those people who wants to do something in their country, not only government individuals also must have willpower to do something inside the country they must have interest to do something inside the country” (P. Khadka, 2022 [KII])

Figure 4.1: Countrywide Employment Situation



4.2.2 Purpose of Foreign Employment

In this content I tried to show for what purpose the peoples of city are migrated foreign country. Here are five proposes; Employment, higher studies, Visit, Business and others

Table 4.11: Purpose of Foreign Employment

| Purpose | No. of peoples | Percentage |
|----------------|----------------|---------------|
| Employment | 82 | 91.10 |
| Higher Studies | 8 | 8.90 |
| Visit | - | - |
| Business | - | - |
| Others | - | - |
| Total | 90 | 100.00 |

Source: Field survey, 2022

From the field survey of 2022 it is clear that the most of the people of Tulsipur sub-metropolitan municipality, ward no.16 are gone abroad for employment purpose which holds 91.9 percent and rest 8.9 percent population of the city is gone abroad for the higher studies which is clearly shown above table 4.11.

Local people of Tulsipur sub-metropolitan municipality ward no 16, who return back from foreign employment shared that *“every people who tried for foreign countries are just for employment because here in Nepal they can’t see any opportunities and secureness of life. Even if you see those people who are trying for American or European countries for higher studies, visit or whatever they are also migrating for the employment and better wages rate. It’s true that they get higher wages rate than people of gulf countries but the target of all is earning money”* (M. Chaudhari,2022 [KII]).

The teacher of private boarding school of this ward shared that *“I have noticed that native people of this ward are not interested in study, even if you see the girls of this ward most of them who are studying in government school they do not complete their study and are interested in marriage at small age and in the case of boys they are not interested for higher studies and are interested for out migration countries like gulf countries for employment”*(P. Khatri, 2022[KII]).

4.2.3 Working Sector of Migrant Population

This topic holds the working sector of the migrant population. There are various working sector in the world but here we have five sectors of working namely, construction, hotel/catering, service, manufacturing and others. The given below data shows the sectors of working of migrant population.

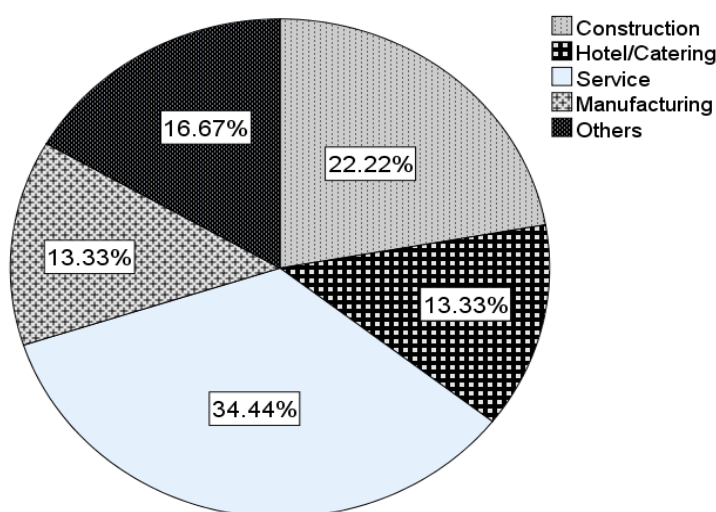
Table 4.12: Working Sector of Migrant Population

| Sectors | No. of People | Percentage |
|-----------------|----------------------|-------------------|
| Construction | 20 | 22.20 |
| Hotel/ Catering | 12 | 13.30 |
| Services | 31 | 34.40 |
| Manufacturing | 12 | 13.30 |
| Others | 15 | 16.70 |
| Total | 90 | 100.00 |

Source: Field survey, 2022

From above table it is clear that most of the migrant workers are involved in Service sectors which holds 34.40 percent and the lowest number of migrants are working at manufacturing and hotel/catering sector which both contains only 13.30 percent. The above table 4.12 shows the sectors of working and percentage of people working at the various sectors

Figure 4.2: Working Sector of Migrant Population



4.2.4 Types of Manpower for Out Migration

In this topic, I tried to know how much percentage manpower is skilled, unskilled and semiskilled. The following table gives the clarity about the types of manpower.

Table 4.13: Types of Manpower for Out Migration

| Types of Manpower | No. of Peoples | Percentage |
|-------------------|----------------|---------------|
| Skilled | 16 | 17.80 |
| Unskilled | 73 | 81.10 |
| Semiskilled | 1 | 1.10 |
| Total | 90 | 100.00 |

Source: Field survey, 2022

From above table it is clear that the highest people are unskilled manpower which holds 81.00 percent out of 100.00 percent where only 17.80 percent are of skilled manpower and 1.10 percent are semiskilled.

Ward chairperson of Tulsipur sub-metropolitan municipality ward no 16 shared that *“Most of the people in this ward are in gulf countries even they are staying there from many years but the situation of their household is same because they do not have any idea about using money and they are still using their remittance income in unproductive sector. In this ward these local people do not involve in any training even when the ward have vacant space for training from Nepal government ,quota remains unoccupied because these local peoples are not interested in any training so they are forced to go gulf countries for third class work”* (S. Dangi, 2022[KII]).

A member of youth club shared that *“In this ward every people shows their own power, powerful people can involve in training here and they provide such training to their relatives but people like we even can’t get any notice about the training from ward office no one knows about it* (R. Bishowkarma, 2022[KII])

4.2.5 Status of Labor Migrants in Training before Migration

In this section how much no of migrants were participate in training before migration is taken. In this section question is designed with two option yes and no. those who have taken training before migration are putted in yes group and those who are not involved in training before migration are putted into no group.

Table 4.14: Status of Labor Migrants in Training before Migration

| Indicators | Frequency | Percentage |
|-------------------|------------------|-------------------|
| Trained | 15 | 16.70 |
| Untrained | 75 | 83.30 |
| Total | 90 | 100.00 |

Source: Field survey, 2022

From the table 4.14 it is clear that the total number of migrants who have taken training before migration are only 15 (i.e. 16.70%) out of 90 and the no of migrants who have not taken training before out migration are 75 (i.e. 83.30%) as shown in table 4.14.

A member of youth club of Tulsipur sub-metropolitan municipality ward no16 shared that *“In this ward every people shows their own power, powerful people can involve in training here and they provide such training to their relatives but people like we even can’t get any notice about the training no one knows about it .In the case of the our city there are not any good institution for training and we middle class people can’t afford to go to the capital city* (R. Bishowkarma, 2022[KII]).

4.2.6 Monthly Income from foreign Employment of Migrants

Throughout the survey, it was found that the remittance receiving households received salary on the basis of monthly income from foreign employment of migrants, a total of 90 households migrants income were classified into 4 groups

Table 4.15: Monthly Income from Foreign Employment of Migrants

| Monthly Income | No. of migrants | Percentage |
|----------------------|-----------------|---------------|
| Below Rs.20,000 | 2 | 2.20 |
| Rs.20,000-Rs.40,000 | 48 | 53.30 |
| Rs.40,000- Rs.60,000 | 16 | 17.80 |
| Above Rs.60,000 | 24 | 26.70 |
| Total | 90 | 100.00 |

Source: Field survey, 2022

Table 4.15 shows that the monthly income below Rs.20,000 is earned by 2 (i.e. 2.20%) migrants, Rs.20,000-Rs.40,000 is earned by 48 i.e. (53.30) migrants, Rs.40,000-Rs.60,000 is earned by 16 (i.e. 17.80%) migrants and above Rs.60,000 is earned by 24 (i.e. 26.70) migrants. Above filled data was taken by field survey, 2022 .Due to the lack of skills and techniques many migrants workers are compelled to work in low wages.

4.2.7 Channel of Receiving Remittance

Remittance can be send through different methods, people use various channels to transfer remittance to their household members from foreign country. The channels are categorized into various four heading such as IME/ Western Union Money Transfer, Finance/ Bank, Hundi and Other. To find out the channels used by sample population in the study area, collected data has shown by table.

Table 4.16: Channel of Receiving Remittance

| Channels | No. of Households | Percentage |
|-----------------------------------|-------------------|---------------|
| IME/ Western union money transfer | 83 | 92.20 |
| Finance/ Bank | 6 | 6.70 |
| Hundi | - | - |
| Others | 1 | 1.10 |
| Total | 90 | 100.00 |

Source: Field survey, 2022

During field survey it was found that the large number of households receive remittance through IME/Western Union Money Transfer i.e. 92.20 percent. 6.70 percent people receives remittance through Finance/ Bank. Nobody uses hundi as channel of remittance receiving. 1.10 percent uses other channels to receive remittance income.

4.3 Distribution Pattern of Remittance in the Remittance Receiving Households

This section shows the distribution pattern of remittance income in different sectors in remittance receiving households. From this topic we can easily able to know about the use of remittance in different sectors like expenditure pattern of respondents, per year saving pattern of remittance by household members, sectoral use of remittance by household members, investing pattern of remittance by households and challenges of remittance investment.

4.3.1 Expenditure Patterns of Respondents

This section examines the expenditure patterns of respondents after receiving remittance. In which sector respondents are expending the remittance income send by out migrants is included in this section. Expenditure of respondents are mainly divided into five groups such as Houses expenses, Paying loan, Buying luxurious things, Saving and Others .Average expenditure of respondents are given below in table 4.17

Table 4.17: Expenditure Patterns of Respondents

| Particular | Frequency | Percentage |
|-------------------------|------------------|-------------------|
| Household expenses | 19 | 21.10 |
| Paying loan | 54 | 60.00 |
| Buying luxurious things | 6 | 6.70 |
| savings | 10 | 11.10 |
| Others | 1 | 1.10 |
| Total | 90 | 100.00 |

Source: Field survey, 2022

From table 4.17 it is clear that 21.10% percent households uses remittance income as house expenses .The major 60.00 percent of the households use remittance income for paying off loan, 6.70 percent of the households use remittance income for buying luxurious things, 10.00 percent households use remittance for saving purpose and rest 1.10 percent of the households uses remittance income for other purpose. So it shows

huge amount of money is just using by households for only paying off loan and house expenses which is unproductive sector.

4.3.2 Per Year Savings Pattern of Remittance by Households Members

This part introduce the savings pattern of households member of out migrants in a one year . How much remittance income is saved by the house holds member in every year is described and introduced in this sector.

Table 4.18: Per Year Savings Pattern of Remittance by Households Members

| Particulars | No. of households | Percentage |
|-----------------------|--------------------------|-------------------|
| Below Rs.25,000 | 4 | 4.40 |
| Rs.25,000-Rs.50,000 | 3 | 3.30 |
| Rs.50,000-Rs.1,00,000 | 9 | 10.00 |
| Above Rs.1,00,000 | 38 | 42.20 |
| None | 36 | 40.00 |
| Total | 90 | 100.00 |

Source: Field survey, 2022

From above table it is clear that 42.20 percent of households member saves above Rs.1,00,000 remittance income per year. 40.00 percent of the people do not saves their remittance income due to various problem. Below Rs.25,000 is saved by only 4.40 percent households, from Rs.25,000-Rs.50,000 is only saved by 3.30 percent households, Rupee between Rs.50,000-Rs.1,00,000 is saved by only 10.00 percent households as given in table 4.18. It is clear that the large number of people 36.00 percent people do not have any savings of remittance income.

4.3.3 Sectoral Use of Remittance by Household Members

In this topic the use of remittance will be shown. This topic shows the numbers of households using remittance income either in productive sectors, Unproductive sectors or just staying neutral with remittance income. The following table will help more to find out the sectoral use of remittance by household members.

Table 4.19: Sectoral Use of Remittance by Household Members

| Sector | No. of Households | Percentage |
|--------------|-------------------|---------------|
| Productive | 17 | 18.90 |
| Unproductive | 64 | 71.10 |
| Neutral | 9 | 10.00 |
| Total | 90 | 100.00 |

Source: Field survey, 2022

From the above table it is clear that the 17 households (i.e. 18.90%) are using their remittance income in productive sector, 64 households (i.e. 71.10) percent of households are using their remittance income in unproductive sectors like buying valuable ornaments, buying land, paying off borrowing loan, house expenses etc. where 9 (i.e. 10%) households are staying neutral it means they have not any plan for managing the remittance income which is clearly shown in above table 4.19.

4.3.4 Investing Pattern of Remittance by Households

This section shows the investing pattern of households members in various sector. This section also justify the using pattern of remittance in productive or non-productive sector like land, entrepreneurship, business, stock market etc. Here none refers those households who are not investing their remittance in any sectors. Below table 4.20 shows the investment of remittance by households members.

Table 4.20: Investing Pattern of Remittance by Households

| Particulars | No. of Households | Percentage |
|------------------|-------------------|---------------|
| Land | 33 | 36.70 |
| Entrepreneurship | 9 | 10.00 |
| Business | 3 | 3.30 |
| Stock market | 2 | 2.20 |
| None | 43 | 47.80 |
| Total | 90 | 100.00 |

Source: Field survey, 2022

Table 4.20 makes clear that 36.70 percent of the remittance income is invested in land, 10.00 percent is on entrepreneurship, 3.30 percent of remittance income is invested on business, 2.20 percent on stock market and 47.80 percent are not investing their

remittance in any sectors which is clearly shown on above table 4.20 in the form of data.

Ward chair person of Tulsipur sub- metropolitan municipality ward no 16 shared that, *most of the remittance income is investing in land sector, some are using in entrepreneurship and business but maximum part of remittance income is investing in land sector, those whose family members are in gulf countries they are purchasing land for shelter and farming purpose but those whose family members are in western countries they are doing business of land* (S. Dangi, 2022 [KII])

4.3.5 Challenges of Remittance Investment

This section shows the challenges to invest remittance income, what types of challenges are facing by households to invest remittance income send by their relatives is covered in this section. We have some challenges like poor business environment, insufficient capital, lack of proper capital, lack of skill and ideas etc.

Table 4.21: Challenges of Remittance Investment

| Challenges | No. of Households | Percentage |
|---------------------------|-------------------|---------------|
| Poor business environment | 1 | 1.10 |
| Insufficient capital | 35 | 38.90 |
| Lack of proper capital | 3 | 3.30 |
| Lack of skills and ideas | 4 | 4.40 |
| Other challenges | 47 | 52.20 |
| Total | 90 | 100.00 |

Source: Field survey, 2022

From above table it is clear that 1.10 percent are fail to invest remittance income due to Poor Business Environment, 38.90 percent households are fail to invest due to insufficient capital, 3.30 percent due to lack of proper capital, due to lack of skill and ideas 4.40 percent people are still failing to invest remittance income and 52.20 people are still failing to invest their remittance income because of others various types of problems.

In the context of challenges to invest remittance income ward chairperson said that, *“to reduce the challenges to invest remittance income we the people of the ward can’t make*

any policies or rules for the overcome of challenges our government should make policies on the behalf of the remitters. Our government is very much responsible for not making business environment friendly, even government is not providing any training to run business which may be fruitful for the remitters and remittance receiving households” (S. Dangi, 2022 [KII])

According to headmaster of laxmi madhyamik vidhyalaya in the context of challenges to invest remittance he said that, “Every individual must involve in training themselves, if they have a passion they must try to achieve their goal, we should not only wait for the steps of the government” (P. Khakda , 2022 [KII]).

4.4 Role of Remittance in Poverty Reduction in the Study Area

This section shows the impact of remittance on poverty reduction, In which sectors does remittance is effecting to the households like social, economical, health etc. In this section the main thing to find out is about the vital role of remittance for poverty reduction process. The condition of beneficial households in various sector for the upliftment of their livelihood is the main thing that I tried to find in this thesis research.

4.4.1 Changes Seen in Family Members after Remittances Receiving

In this topic what type of changes has seen in family member after receiving of remittance in household is taken. Various changes like in economic condition, in social status, in daily life spending, in skilled development and others changes are shown in this topic.

Table 4.22: Changes Seen in Family Member after Remittances Receiving

| Changes | No. of Households | Percentage |
|------------------------|--------------------------|-------------------|
| In economic condition | 35 | 38.90 |
| In social status | 14 | 15.60 |
| In daily life spending | 32 | 35.60 |
| In skill development | 8 | 8.90 |
| Others | 1 | 1.10 |
| Total | 9 | 100.00 |

Source: Field survey, 2022

From above table 4.22 it is clear that the among 90 households 35 households (i.e. 38.90%) have changes in economic condition, 14 households (i.e. 15.60%) have seen changes in their social status, 32 household (i.e. 35.60%) have seen changes in their

daily life spending, 8 households (i.e. 8.90%) have seen changes in their skill development and other changes have seen in only 1 households (i.e. 1.10%) which is clearly shown in table 4.22.

According to Headmaster of laxmi madhyamik vidhyalaya, *“Remittance is one of the major thing to improve the economic status and decrease poverty of the people. Even we can see differences in households after remittance receiving, their status have been changed, their purchasing power have been increased, their children’s are studying in private schools, their way of living is changed but that is all for temporary. According to him **Bidesh ko paisa bhaneko khahare khola ko bhel jastai ho bhel banda huda khola pani suke jastai ho.** Further he said, those out migrant must think about long lasting they need to save their remittance and must invest in productive sector that their economic condition remains the same”* (P. Khadka, 2022 [KII])

According to ward chairman he shared that, *“Remittance is not only a way to decrease a poverty it’s a compulsion of people inside the ward because they are uneducated, unskilled due to which they are not eligible for other various job and are forced to out migration. Further he says yes remittance is playing vital role to improve economic status of remitters households because their living standard has been changed, they are now able to invest their remittance to some productive sectors also so from my point of view remittance is playing important role to decrease poverty inside our ward no.16”* (S. Dangi, 2022 [KII]).

Further ward chairperson of Tulsipur sub-metropolitan municipality ward no 16 shared that *“Most of the people in this ward are in gulf countries even they are staying there from many years but they do not have any idea about using money and they are still using their remittance income in unproductive sector. In this ward these local people do not involve in any training even when the ward have some vacant space for training from Nepal government ,quota remains unoccupied because these local peoples are not interested in any training so they are forced to go gulf countries for third class work”* (S. Dangi, 2022[KII]).

4.4.2 Opportunities Provided by Remittance Income

This section shows that what are the opportunities provided by the household members from remittance income. Here households members are divided into four categories in the context of opportunities they are getting after remittance income such as new

business started, living standard improved, social welfare, consume things etc. as shown below.

Table 4.23: Opportunities Provided by Remittance Income

| Opportunities | No. of Households | Percentage |
|--------------------------|--------------------------|-------------------|
| New business started | 9 | 10.00 |
| Living standard improved | 40 | 44.40 |
| Consume things | 41 | 45.50 |
| Total | 90 | 100.00 |

Source: Field survey, 2022

From above table it is clear that new business started household percentage is 10.00 percent, living standard improve household percentage is 44.40 percent, social welfare is 1.10 percent and those households who are able to consume things is 44.40 percent.

4.4.3 Effect on Food Sufficiency after Remittance Income

In this topic we discuss about the effect on food habit of the respondents after remittance receiving. Purchasing capacity in the context of food has included in this topic. Here I have three choice answers for the question either they have increased food sufficiency, constant food sufficiency or decreased food sufficiency after the remittance income.

Table 4.24: Effect on Food Sufficiency after Remittance Income

| Particulars | No. of Households | Percentage |
|--------------------|--------------------------|-------------------|
| Increased | 70 | 77.80 |
| Constant | 19 | 21.10 |
| Decreased | 1 | 1.10 |
| Total | 90 | 100.00 |

Source: Field survey, 2022

From table 4.24 we have seen that those households whose food sufficiency after remittance has increased is 70 (i.e. 77.8%), 19 (i.e. 21.10) households have constant food sufficiency after remittance income. Here, I found 1 (i.e. 1.10%) household have decreased food sufficiency after remittance income.

4.4.4 Home Condition of Respondents

In this section I tried to find out the home condition of respondents before remittance income and home condition of respondents after remittance income if they are able to

modify the home condition after the remittance income. As we know after our migration people use their remittance income for the modification of the home condition. By the home condition the impact of remittance is also directly seen. Here I have four options for the condition of home they are concrete, tin roof, thatch roof and other condition. For this topic following table 4.25 data gives the brief description about the home condition of the respondents before remittance income and home condition of respondents after remittance income.

Table 4.25: Home Condition of Respondents

| Particulars | Before Remittance Income | | After Remittance Income | |
|---------------|--------------------------|---------------|-------------------------|---------------|
| | No. of Households | Percentage | No. of Households | Percentage |
| Concrete | 6 | 6.70 | 25 | 27.80 |
| Thatched roof | 26 | 28.90 | 18 | 20.00 |
| Tin roof | 58 | 64.40 | 47 | 52.20 |
| Others | - | - | - | - |
| Total | 90 | 100.00 | 90 | 100.00 |

Source: Field survey, 2022

From above table it is seen that before remittance income people who have house made of concrete is 6, Thatched roof is 26 and tin roof is 58 but after the remittance income the home condition of respondents has been changed people who have house made of concrete is 25, thatched roof is 18 and tin roof is 47 which is clearly shown in the table 4.25.

A member of youth club of Tulsipur sub-metropolitan municipality ward no16 shared that, *Five years ago in this ward most of the people have houses of mud and thatched roof some have houses with tin roof also but now people are earning money from foreign employment and their first target is to make houses of concrete. So I think most of the people are using remittance for buying land and making house* (R.Bishowkarma, 2022 [KII]).

CHAPTER V

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.1 Summary of Findings

Tulsipur sub-metropolitan municipality ward no.16 of Dang district was selected area and sample survey was conducted at 2022. In this thesis research 300 remittance receiving households were regarded as sample population of the study. According to rule of thumb based on central limit theorem out of total sample population, 30 percent of remittance receiving households (i.e. 90) were selected as sample number for this study. Some secondary data were used to show and compare the composition of foreign employment and remittance of the national level as well as of the local level in the study.

Remittance is an important source of foreign income for developing countries like Nepal increasing dramatically in size over recent decades. It is a private income that is regularly or periodically transferred from international migrants to family members in their country of origin. It represents one of the largest sources of financial flows to developing countries. Foreign employment is gradually getting a major source of foreign exchange earnings and sustaining the positive balance of payment in Nepal. International migrants send their money to the home countries through formal and informal channels. Formal channels are related to the banking channels and money transfer operators. Language barriers and lack of awareness on banking channels for transferring funds, some migrant workers may use informal channels. So, it is necessary to make this sector systematic and take additional advantages from the flow of remittance through formal channels.

As we know most of the people of this ward are at gulf countries for foreign employment. 12.20 percent people of this ward are at Qatar, 26.70 percent are at Saudi Arabia, 8.90 percent are at Malaysia, 2.20 percent are at South Korea, 28.90 percent are at UAE, 1.10 percent are at USA, 5.60 percent are Australia, 2.20 percent are at Japan, 5.60 percent are at India and 6.70 percent people are in at others country. 91.10 percent people from this ward are gone abroad for employment propose, 8.90 percent people are gone for higher studies. Among out migrant 22.20 percent people are working in construction sector , 13.30 percent people are working in Hotel/ catering sector , 34.40 percent people are working in services sector, in manufacturing sector 13.30 percent

people are working and in others sectors 16.70 percent people are working. We know most of the people who are working as labor migrant are unskilled i.e, 81.10 percent and only 17.80 percent people are skilled where 1.10 percent are semiskilled. This is the reason why labor migrant are forced to work in 4D works (Difficult, Danger, Dirty, Demeaning). According to field survey 2022, in the context of labor migrant 83.30 percent people do not participate in training before migration and only 16.70 percent people involve in training before migration and are forced to work in less paying job and are getting low wages. 2.20 percent migrant labor are earning below Rs.20,000, 53.30 percent labor migrants are earning between Rs.20,000-Rs.40,000, 17.80 percent are earning between Rs.40,000-Rs.60,000 and only 26.60 percent people are earning above Rs.60,000.

It is clear that after remittance receiving the economic status of the households of ward no 16 has been improved because among 90 households, there is increment in daily life spending of 32 households i.e, 35.60 percent, 8 households are involve in skill development, the economic condition of 35 household have been improved and the social status of 14 households i.e, 15.60 percent have been improved. Broadly if we observe the data due to the remittance income 10.00 percent people have started new business, 44.40 percent people's standard of living has been improved, 41.50 percent peoples are able to consume things. Here in ward no.16 we can see the effect on food sufficiency after remittance income 77.80 percent food sufficiency has been increased, 1.10 percent has been decreased and 21.10 percent have constant food sufficiency ration in this ward. Even home condition of the households has been changed due to the remittance income, theses all things shows that there after remittance receiving the economic status of remittance receiving households has been improved.

Even labor migrants are sending remittance to their households but most of the households i.e, 71.10 percent households are using their remittance in unproductive sector where only 18.80 percent remittance are just using remittance income in productive sector. In the context of using pattern of remittance income 21.10 percent people are using their remittance income for house hold expenses, 60.00 percent households are using remittance income for the paying of loan, 6.70 percent are using remittance for buying luxurious things, 11.10 percent people saves their remittance income and 1.10 percent people use remittance income for other purpose. If we see the saving pattern of remittance income by households member below Rs.25,000 is just

saving by 4.40 percent households in a year, between Rs.25,000-Rs.50,000 is just save by 3.30 percent people, between Rs.50,000-Rs.1,00,000 is just save by 10.00 percent people where 42.20 percent people saves above Rs.1,00,000 remittance income in every year. Those who are investing their remittance income in various sectors are investing in different fields like 36.70 percent people are investing their remittance income in land sector, 10.00 percent are investing their remittance in entrepreneurship, 3.30 percent are investing in business sector, 2.20 percent are investing remittance in stock market where 47.70 percent people are not investing their remittance income in any fields. According to respondents there are various types of challenges also to invest the remittance income, they shared that they have various types of problems to invest the remittance 1.10 percent people are failed to invest remittance due to poor business environment, 38.90 percent people are unable to invest remittance income due to insufficient capital with them, 3.30 percent people are not able to invest remittance due to lack of proper capital to invest, 4.40 percent people do not have any idea for the better investment and those people who are facing other challenges and are unable to invest remittance income are 52.20 percent.

As we see it is clear that after remittance receiving the economic status of the households of the ward no 16 has been improves because most of people in this ward are abroad due to which they are involving at work and are sending remittance at home town. From the remittance income some households have started their own business, their consuming capacity has been increased, home condition has been changed after remittance receiving. Not only that after remittance receiving households are involving in various training and skill development activities due to which they are using remittance in productive sector like business, entrepreneurship, stock markets etc. If we observe carefully we can see that most of the people are also investing their remittance in unproductive sectors like, some are paying their loan, some are just spending for home decor, some are just using remittance in buying luxurious things like gold, jewelries, ornaments. In this ward according to key informant most of the people are investing their remittance in land sector.

5.2 Conclusion

The most of the population of the ward are transferred at UAE (28.90%) for the propose of employment (91.10%) and most of them are working at services sectors (34.40%)

without skill (81.10%) even they are not involved in training before migration(83.30%). From the research it is found that most of the population use their remittance for paying loan (60.00%). 42.20 percent households only saves their remittance more than Rs. 100,000 and 71.1% are using remittance in unproductive sector. Most of the households are using their remittance in land (36%) where 38.90 percent people are not investing remittance due to insufficient capital. But inside the ward living standard of people has been raise up to 44.40 percent, consuming capacity has increased (45.50%), people are using remittance income for skill development also (8.90%), food sufficiency have increased (77.80%), 10 percent households have started their own business, 10 percent households are working as entrepreneur due to remittance. people are living healthy life and social status of people has been raise up.

From the research of the ward, it is concluded that economic and social condition of all the families who have involved in foreign employment has increased. It may be on both aspects i.e. economic as well as social but surely there is positive change in status of the families of the respondents due to remittance income. In the study area the level of poverty is reducing gradually. Living standard of people has been raise up, education status has been raise up, people are living healthy life and social status of people has been raise up. In overall scenario the poverty level has been reduced and now people are living higher living standard. Therefore, we can say that remittance income is playing vital role in reducing the poverty level of Tulsipur sub-metropolitan municipality ward no.16 Dang, Nepal.

5.3 Recommendation

Based on the empirical findings and conclusion, this study has enlisted following recommendations for the better distributions of remittance:

- Land are being barren inside the city due to out migration of youths so, government should think about such problem which can create starvation in very near future.
- Due to the brain drain qualified manpower are still lack inside the city due to which even school teacher are haired from neighboring district, so to block the problem proper salary must be provided which may help in stopping labor migration.
- Due to out migration of youths old aged people inside the city are in trouble for their proper care government and every individual should think about it.

- For skill development training should give free by government to the out migrant.
- Subsidy and loan in low interest should be provided by government to the youths who wants to do something inside the country.
- The remittance income inside city is still utilizing in unproductive sector, so government should provide training for the proper utilization of remittance income.
- Government should encourage every youth to work inside the country.
- The government must make new policies to create new employment for youth inside the country.
- Various awareness program and campaign about training necessary before out migration need to lunch by various private sectors and government sectors.
- It is necessary to provide training and education about skill development and entrepreneurship to the women of the wards for the proper use of remittance income.

5.4 Future Direction

This study has been conducted in ward no. 16 of Tulsipur sub-metropolitan municipality of dang district empirically. This study is conducted in small size and may not be sufficient to make general conclusion for the whole sub-metropolitan city about the role of remittance income. For more reliability other study can cover whole 19 wards of the sub-metropolitan municipality while addressing similar researching issues. This thesis research is unable to cover information from remitters hence other study can make remitters as sample respondents. Methodologically, this study applied descriptive research design and applied quantitative dominant data other researching issues may apply qualitative other researching strategies like, in-depth interview, focus group, phenomenology, ethnography, narrative enquiry and content analysis. Perception of the remitters may different so on the basis of their perception on foreign employment, working sector, remittance income the title of the study may be changed. My long term research agenda involves an expansion of my central substantive area in the context of remittance and poverty reduction.

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e) Others

7. In which sector s/he has been working ?

a) Construction

b) Hotel/ Catering

c) Service

d) Manufacturing

e) Others

8. Is s/he skilled, unskilled or semiskilled manpower ?

a) Skilled

b) Unskilled

c) Semiskilled

9. Did s/he participated in training before migration ?

a) Yes

b) No

10. Did you took loan to send your family members to go abroad?

a) Yes.....If yes from which institute

-Bank

-Co-operatives

-Relatives

b) No

11. If you have taken loan, what is the interest rate ?

a) 0%-12%

b) 13%-24%

c) 25%-36%

d) Above 36%

12. What is the monthly income from foreign employment ?

a) Below Rs.20,00

b) Rs.20,000-Rs.40,000

c) Rs.40,000-Rs.60,000

d) Above Rs.60,000

13) How do you receive remittance?

a) IME/Western Union Money Transfer

b) Finance/Bank

c) Hundi

d) Others (specify).....

14. What changes have seen in your family members after remittances receiving?

a) In economic condition

b) In social status

c) In daily life spending

d) In skilled development

e) Others.....

15. What are the opportunities provided by remittance ?

- a) New business started
- b) Living standard improved
- c) Social welfare
- d) Consume Things

16. Has it improved your economic status ?

- a) Yes
- b) No

17. What is the effect on food sufficiency after remittance income ?

- a) Increased
- b) Constant
- c) Decreased

18. Specify your home condition before remittance income.

- a) Concrete
- b) Thin roof
- c) Thatch
- d) Other (specify).....

19. Specify your home condition after remittance income.

- a) Concrete
- b) Thin roof
- c) Thatch
- d) Other (specify).....

20. For what purpose you expends remittance?

- a) House expenses
- b) Paying loan
- c) Buying luxurious things
- d) savings
- e) Others (specify).....

21. Do you save remittance?

- a) Yes
- b) No

22. If yes then amount of saving per year.

- a) Below Rs.25,000
- b) Rs.25,000-Rs.50,000
- c) Rs.50,000- Rs.1,00,000
- d) Above Rs.1,00,000

23. In which sector you use remittance ?

Annex II

Key Informant Interview (Guideline)

To decline the poverty in rural areas, on the basis of research on remittance income, we made some questions to collect key information. The questions are asked to the people of research area like distinctive people, ward chairman, school teachers, returned labor migrant etc.

1. Which sector is most invested sector in your area?
2. For what purpose people are using remittance income in your area?
3. Is remittance income playing vital role to decrease poverty in your area?
4. From your point of view which sector is the best sector for remittance utilization?
5. What you think is remittance only a way to decrease poverty in your area?
6. Do you have any idea to improve foreign employment?
7. Is there any institution to provide training inside your area?
8. Is out migration necessary for employment?

Annex III
Glimpse of Field Survey



