

# CHAPTER - I

## INTRODUCTION

### 1.1 General Background

International migration has a long history in Nepal, dating back to the early 1800s when men from the hill region of Gorkha were recruited into the army of the Sikh ruler Ranjit Singh in Lahore, then a part of India. This service, followed by a war in Gorkha with the British East India Company, earned the soldiers a reputation for bravery. The Anglo-Nepal Treaty of Peace and Friendship signed in 1816 after the war recruited 3,000 Nepalese soldiers in British Gorkha Regiment and inaugurated a culture of labor migration from Nepal, which continues to the present.

The number of job aspirants in foreign land increased dramatically, especially after the restoration of democracy. The Labor Act, 1985 came as a boon for facilitating foreign employment and opening up avenues for the private sector. With the enactment of Foreign Employment Act, 1985 and arrangement of distributing passport to the potential migrant workers by the District Development Offices, accompanied by higher demand for labor created by the oil boom in the Gulf, the Nepalese started to migrate beyond India, particularly to the Gulf.

Human resources are the wealth of a nation and its importance has tremendously increased in recent years for unskilled, semi-skilled and skilled people have shown tremendous inclination towards foreign employment resulting in substantial growth of remittance. According to Department Of Foreign Employment Annual Report (2013/14) 5, 21,878 people have migrated for foreign employment. Mostly out of them have been migrated 103,850 in Qatar, 206,719 in Malaysia, 75,026 in Saudi Arabia, 42,542 in UAE, 8,979 in Kuwait, 5,865 in Bahrain, 5,627 in South Korea, 3,163 in Oman, 243 in Lebanon, 574 in Israel, 1,144 in Japan, 823 in Afghanistan and 3,666 in other countries. Out of them, 4,92,726 males and 29,152 females have migrated for foreign employment. Millions of youth are compelled to heading for overseas seeking employment due to failure in creating employment opportunities

within the country. The population census of 2011 reported that 1, 917,903 persons were out of the country to foreign employment. The major factor attributing to large demand labor employment from Nepal are related to higher rate of unemployment situation, low salary structure in the economy, insecurity in the rural areas because of insecurity and so on. Other main reasons the lack of adequate opportunities for local employment (Shrestha, 2004) Increase in demand for oil has created new job opportunities in the oil exporting countries and decrease in the population growth rate in the developed countries made a shortage of human resources in their countries to keep their economic growth. These developments make a demand for unskilled and semiskilled labor from the developing countries. In the earlier period only male had migrated abroad for foreign employment but at the current time, many females also have been encouraging to go and it has been a trend for them. Mostly indigenous people have been migrating for foreign employment due to improve the economic status of them. The wave of globalization and liberalization has induced the Nepali youths for better living standard, which is the important pull factor for international migration. Beyond this, high population growth, unemployment, food scarcity, political instability are the strong pull factors (World Bank, 2006).

International migrant remittances are the largest source of external finance in developing nations. Remittance has helped to boost individual household consumption, reduce poverty, increase in investment such as land, food, children's education also increase in expenditure behavior of households and provide temporary financial relief at household and community level. The number of Nepalese households receiving remittances has increased. Remittance income in developing countries has become a lifeline for economic development. By remittance mean sending income in terms of money or goods in home by the migrants or workers who have their earnings outside their home country. Now-a-days, this source of foreign income has been growing rapidly in each year in developing countries. Nepal's official remittances inflows have tremendously since

the 1990s and are estimated to reach US\$5,115 million in 2012(World Bank 2012). Foreign employment has generated enormous remittance money, transforming the agricultural economy of Nepal in to a remittance economy. Nepal has been considered among the top ten recipients in terms of the share of remittances in GDP in 2011(World Bank 2012). The IMF estimate that 80 percent of foreign remittances in Nepal are informal, 78 percent through migrants and 2 percent through the informal system (Hundi), 6 percent through financial institutions and the remainder through other means (IMF, 2006 as cited in Shrestha, 2006). The informal channel dominates largely because 90 percent of remittances from India are brought in by the migrants themselves, whose porous border and proximity facilitate informal channels. Among formal channels, money transfer operators (MTOs) are the largest in Nepal. International money transfer operators such as Western Union and MoneyGram, along with local Nepali money transfer operator (such as Prabhu Money exchange and International Money Express), dominate the remittance market in Nepal (World Bank 2012). The MTOs were allowed to enter the market in 2001; the aftermath is that formal remittances have tripled. The total amount of remittance received by Nepal has reached NRs.560.60 billion in 2013/14 from NRs.54.2 billion in 2002/03. The share of remittances in the total GDP of the country was 11.0 percent in 2002/03, which increased to about 29.1 percent in 2013/14 (Economic Survey 2013/14). These calculations are based on the official transfers.

## **1.2 Statement of the problem**

Migration and its outcome remittances have large benefit to receiving countries in national as well as in household level. There is growing evidence that remittances have reduced poverty and increase in household expenditure in several developing countries. However an important discussion regarding remittances in a country like Nepal is do the amount of money received as remittances are used for investment

with long benefits like human capital formation or they always used for household expenditure/consumption. Information is lacking in each and every step for potential labor migrants. Most of them are not aware where they are going, what work they have to do, the actual cost they need to spend to go for work and other social and cultural information about the country of destination. As a result, there are numerous realistic stories of the suffering of Nepalese migrant worker in abroad. It is believed that Nepalese worker are accepted in East and South Asia as well as gulf countries only because of they are cheap and they do whatever job given. Most of the migrants are educated from middle and lower middle class families who go abroad with the hope of earning much within short period of time. The contribution of remittances in the economy mainly depends on the role it plays in increasing employment or the national income. This crucial depends on the productive use of remittance or investment in the economy. It has been found that about 80 percent of remittances used on repaying the debt, consumption purposes, purchasing land, more expensive education for children, expenditure on social functions like marriage and other ceremonies etc. only remaining 20 percent is used for productive purposes like small business, investment in the industry, agricultural business etc. therefore some author believe that remittances have greater negative impact in the economy including the unproductive expenditure and the demonstration effect of the migrants, domestic currency appreciation and inflation etc. Despite a constant rise in remittance earnings, the productive use of remittances has been the matter of concern. While the direct economic impact of remittances to alleviate poverty is not much controversial, the non-pecuniary consequences of remittance, such as impact on health, education, gender issues, social participation, politics, women empowerment, and cultural and social changes in origin societies have been still under-plowed areas. Apparently, for instance, the increased income resulting from remittance inflow urges households to reconsider their decision on health and education expenditure. In addition, the increase in household consumption resulting from remittance income, provided that they occur

locally, can transmit positive impacts to other households in the community through increased economic activities. Besides, the increased number of migration help raise local wage rate leading to the direct benefits to the people stay behind in the community.

Adding to all this, the channel by which workers sent their money has been another debatable issue. It is said that most of the money transferred by migrant workers does not come through formal banking channels but instead they sent money through informal channels such as Hundi and relatives. It poses the problem of figuring out the exact volume of foreign exchange that the country earns, affecting then the foreign exchange policy of the country. Besides, the money sent by informal channels keeps government from receiving tax revenue that accrues when it is sent through formal channels. Yet another less explored area so far regarding remittances is how the people going abroad finance their migration cost. Most of the people going for foreign job belong to the families who are economically very poor and they often live in the areas where there is acute lack of financial services. On this ground, this research also aimed at identifying how migrant workers finance their cost of foreign trip.

Kailali district has remained one of the remittance-recipient districts in the country. With an enormous number of people residing outside for the foreign job, however, the question is that how money sent by those workers in the district has affected the livelihood of their families and neighborhoods back in the country. This study is expected to answer this question by conducting a comprehensive survey in migrant-sending communities of the district.

### **1.3 Objectives of the study**

The specific objectives of the study are:-

- To identify whether migrant workers use their remittance earnings in productive or non-productive areas.
- To show the impact of remittance income in different indicators.
- To show the impact of remittance on expenditure behavior of the study area.

## **1.4 Significance of the study**

There has been number of studies conducted at national level on the remittance. But no study has been conducted in Dhangadhi Municipality ward number 2 of Kailali District regarding impact of remittance on household expenditure behavior and its uses. So this study is an attempt to analyze the household expenditure behavior between remittance receiving household and remittance non-receiving household of this Municipality through micro level of study. The government of Nepal and Nepal Rastra Bank Discussion about remittance and their use of different sector and try to avoid remittance through informal channel but they never initiated for the solution satisfactorily.

This study will be important for the remittance sector explorer, policy makers, donors who want to know poverty alleviation and household expenditure, use of remittance who concern about them and it will be helpful to the Local Government for the arranging the local development activities. It will be important for the planner, researcher and all who has been concerned about it. So this study will be significant in different ways to identify the expenditure behavior faced by the households in the field.

In the present study area Dhangadhi Municipality Ward number 2 of Kailali District, where large number of household found received remittance. Therefore, try to write about the impact of remittance on expenditure behavior after receiving remittance and before receiving remittance and use of remittance either productive sector or unproductive sector. This is expected to provide accurate information on the impact of remittance which may be helpful for those who are interested in this field.

## **1.5 Limitations of the study**

- As this study limited in Dhangadhi Municipality Ward number 2 only, so the findings result may not be generalized for other areas.

## **1.6 Organization of the study**

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

## **CHAPTER - II**

### **REVIEW OF LITERATURE**

This chapter presents the reviews on use of remittance and household expenditure behavior and related other documents by different scholars. It provides the strong foundation for advancing a comprehensive theoretical framework. Thus, here some of them are reviewed.

#### **International Context**

The theory of remittance or its relations with different variables has not been yet established. This is because there is no perfect relationship of it with other variables. The causes of migration, place of destination, types of work engaged in destination, environment of destination, family causes and many variables affect. Volume of remittance and its use and impart. However any model has not been a fit, different scholar academicians have tried to theorize their empirical researches in a conclusive frame. Chaudhary (1993) has quoted five different researches conducted by i) H. Remple, R. Lobdell ii) G.E. Jonson and W.E. Whitelaw in Kenya iii) Remple and Cobdell in Pakistan iv) B. Banrjee in Delhi v) ILO and presented by A.S. Oberai and HKM Singh. Their common idea is propensity to remit of all migrants and proportion of remittance is equal and depends on the types of work received abroad, level of education of migrants, marital status, origin of migrant rural or urban. The proportion of income remitted is more or less same of all types of migrants, but the amount of remittance certainly is not equal. Chaudhary (1993) studied research about use of remittance. Chaudhary has concluded that first, initial consumption pattern largely affect the use of it. If the recipient is below the poverty line elasticity of demand on necessary thing is high, i.e. it encourages local consumption expenditure. If recipient is above the poverty



line, it makes him/her rise in income status, so consumption pattern shifts to goods for facility and luxury. Secondly, expenditure of remittance in receiving household depends upon availability of desired commodities or services too. Thirdly, the use of it depends on propensity to save and it is affected by level of income and ceremonial duties like marriage. If ceremonial duties are high one's propensity to invest reduce. The fourth element proposed by Chaudhary that affected the use of value, system and attitude towards different types of occupation.

Adams, H. And John p., (2005) tried to examine the benefit of these additional resources, more precisely, what remittances enable poor and vulnerable household to do, which is of interest in the emerging on remittance flow and poverty. There are two main channels through which remittances can support poverty reduction effort. First, remittances could flow towards the neediest groups of the population and therefore directly contribute to poverty reduction. Thus, it is possible that even if these flows are fully consumed, they have significant positive welfare effects. Second, with imperfect insurance and financial markets, remittances can also contribute to higher investment in human and physical capital. For example, these flows can remove some of the financial constraints faced by households and small-scale entrepreneurs that prevented them from investing. Similarly, remittances can provide insurance and therefore allow households and entrepreneurs to pursue more risky asset accumulation strategies. Thus in this regard, remittances may also potentially contribute to raising the country's long run growth potential through higher rates of capital accumulation. Understanding the impact of remittance would be incomplete without the knowledge of how it also affects income distribution amongst the recipient households. (Stark et al, 1988) in their seminal paper argue that the impact of migration and remittance on income inequality depends on the magnitude of remittance in relation to the income from other source and upon the position of remittance-receiving households in the distribution of income. They state that when migration is incipient then remittances tend to have an un-

equalizing effect on inequality as the migration can be expected to come from better-off households given that migration costs and uncertainty decline with the spread of information more households become a part of the migration networks. Thus increase in migration amongst the worse-off can have poverty and inequality reducing effects.

In practice, however these positive impacts may be counterbalance in cases where migrations do not come from the poorest of households so remittances do not flow towards the poorest. Moreover, Acosta et al, (2007; 2008) stated that comparing observed poverty rates and inequality indicators with those calculated on the basis of non-remittance income may exaggerate the estimate development impact of these flows. They stated that before leaving their home countries migrants are likely to have contributed to their households' income, which should be taken in to account when calculating counterfactual poverty rates in a scenario of neither migration nor remittances.

The study by Adams and Page (2005) with the extensive coverage of 71 developing countries concluded that international migration and remittances significantly reduce the level, depth, and severity of poverty in the developing world. It is believed that international remittances flowing from north to south hemisphere have reduced poverty directly or indirectly. This result can be explained by the fact that the households in low income countries receive a very large share of their total household income from remittances. When these very poor households receive remittances, their income status changes dramatically, resulting in a large effect on poverty reduction (Adams (2004)). This study revealed that the mean income of a migrant household is 17.3 percent higher than a non-migrant household. The shares of household expenditures on food, education, clothing, and recreation all increased with the availability of remittances.

Aubrey D. Tabuga (2007) explained the relationship between remittance and household expenditures theoretically by treating remittances as a source of income of the households receiving them. Traditional consumption models such as the lifecycle and permanent income theories of consumption state that the source of income doesn't matter in consumption behavior, as households tend to smooth consumption. Thus, we should expect that households receiving remittances behave like any other households with all other things the same. However, a number of recent studies have been showing that household receiving remittances have exhibited varying tendency to consume and invest compared to those that do not. Several studies using a behavioral approach also show that sources and amount of income both play roles in placing them in certain accounts. Since remittance is one source of income, then this study is quite similar to examining any difference on how households with various income sources spend them in certain commodities. However, since the survey does not ask how households spend income according to the sources, we could not put it this way. Moreover, since remittance income is fungible, it doesn't make sense to separate it and see how it is being spent because families spending remittances on consumption goods can devote other income to investments or vice versa.

In understanding the household expenditure behavior of remittance receiving households, it is important as well to look at the reason behind sending remittances. Remittances are one of the direct effects of labor migration. The New Economics of Labor Migration views migration as a risk-minimization strategy of the family by diversifying sources of income saying that remittances are motivated by altruism or concern of the remitter for their families receiving the remittances (Lucas & Stark, 1988). The social network theory on the other hand suggests that there is a social role that remittances play since the exchange happens between members of a social network. It may be that the senders are accumulating social obligations from the receivers or that those receiving them may reciprocate remittances through say, services to their family members. Remitters may be conforming to some social

norms where they are made to believe sending remittance is what they are supposed to do. There is also the view that remittances are a repayment to non-migrant members for their support in the migrant's education (Lucas & Stark, 1988). Understanding such motivations to remit is important in studying the way households receiving remittances actually spend their income. If the remitter does expect something in return like enjoying the investments made out of the remittance when he gets back to his place of origin, then the motivation is economic in nature. When the motivation is economic, then there is more reason to believe that this may be spent in more productive consumption like investing in entrepreneurial activities or education. On the other hand, if the reason for remitting is part of a social norm, then there is likely to be more conspicuous consumption than productive investment.

Given the growing importance of remittances as a source of PCF, these flows could potentially become an important tool for economic development, especially if they can be channeled into productive investment (Ratha 2007). From a macro-economic perspective, it is increasingly accepted that remittances can generate output growth either by increasing consumption or by increasing investment. In this context, the positive multiplier effects of remittances may well promote growth, as, for instance, when remittances are used to purchase domestically produced goods and services (Stahl and Arnold 1986). The ability of households to spend on health, housing and nutrition can also enhance their productivity and spur economic growth over the longer term.

Other studies have shown that remittances have been important in generating output growth by increasing investment in countries with less developed financial sectors. The reason for this is that many migrants invest their savings in small businesses, real estate or other assets in their own countries and therefore support local markets. In economies where the financial system is underdeveloped, remittances may alleviate credit constraints and act as a substitute for financial

development. In other words, remittances in these countries have provided an alternative means for financing investment and reducing liquidity constraints. “Remittances make a significant contribution to savings and investment in island economies such as Samoa and Tonga” (Brown 1994); in Tunisia, workers who have limited access to the financial market tend to use such remittances to invest (Mesnard 2004). In short, to the extent that economic remittance transfers finance health, education and increase investment, they could have a positive effect on economic growth. However, large remittance inflows, like any other foreign currency inflows, can cause an appreciation of the real exchange rate and raise the price of traditional exports, while making imports more expensive. Although empirical evidence of such ‘Dutch Disease’ effects of remittances is still lacking, the impact is likely to be large in small economies. For instance, some countries, including El Salvador, Kenya and Moldova, are worried about the effects of large remittance inflows on currency appreciation. Several studies have suggested that, since workers’ remittances are mainly used for consumption purposes, they have a minimal impact on investment.

Zhut and Luo (2008) examined the impact of remittances on rural poverty and inequality in china. The data used for the analysis was brought from a survey on the resettlement of Shiyan-Manehuan highway project in Hubei Province. The survey contained 1208 households with complete information. For the sampling they use quasi random sampling. Among the 1208 households surveyed, 740 have migrants (called migrant household) while 468 do not (called non-migrant households). The survey included only permanent household of each household, information on demographics of each member's household assets, geographical location, household income and other necessary information concerning compensation and resettlement were recorded. Household income, including monetary income and income in kind, refers to actual income earned from different sources, such as agriculture, forestry, livestock and fishing, industry, construction, transportation, services and other income. At first, researcher estimates households' income equation from observed

values. Second, they used the income equation to simulate what household income would have been if the household didn't participate in migration, and third, compared the income distribution of simulated income-the household income without remittances but including the simulated migrants home earnings with that of the observed income-the total income with remittance.

The result indicated that, participation in migration noticeably reduce rural poverty. Poverty headcount, poverty depth and poverty severity are significantly lower the presence of migration in the case of Hubei. By using the basic poverty line developed by Ravalli on (2007) for rural areas which is equal to 850 Yuan in 2002, the study found that remittance lead to decline in the incidence of household poverty from 27.5 percent to 14.3 percent.

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

## **National Context**

Osmolovski and Lokshi(2008) examined the work related migration and poverty reduction in Nepal. This research paper used total per capita consumption expenditure as an indicator of household welfare. Their consumption aggregate includes monthly household expenditure on food and non food items, imputed housing expenditure an implied stream of services from durable goods, as well as cash expenditure and inputted expenditure for goods and services produced by the household itself. The value of home produce items are calculated as a product of the quantity of each food item and its prevailing local market price. The poverty line for the analysis is constructed using cost of basic needs approach. To assure inter temporal and interregional comparability, all monetary indicators (household consumption values of remittances wager and so on) are deflated to 2004 all Nepal prices. The cost of the poverty basket in 2004 all Nepal prices equals NPR 7,694 per year per person equivalent to US \$ 107 or US \$ 590 in PPP (WB, 2006). In these research three groups of households classified, the first group consists of household with migrants who send no remittances. The second group comprises households that receive remittance but do not report them. Finally some households could receive remittance from individuals who are not household member.

The result of this study show that almost 20 percent of the decline in poverty in Nepal between 1995 and 2004 can be attributed to increased work - related migration and the resulting remittances sent back home. In the absence of migration the poverty rate in Nepal would increase from the currently observed 30.0 percent to 33.6 percent and the mean per capita expenditure would decline from 15000 to 14000 NPR. Migration and remittance have a strong impact on the living condition of households with a migrant. The poverty rate among households with a member who migrants within Nepal would be twice as high as current levels if the migrants had stayed at home. The poverty rate for households with a migrant working abroad would also be substantial higher had their member not migrated.

They emphasize the role of migration for work and remittance inflows in raising the living standards of recipient families and reducing aggregate poverty in Nepal.

Upadhyay, (2007) analyzed the role of remittance for poverty alleviation in Nepal. Data were secondary. Secondary data taken from Nepal living standard survey 1995/96 and 2003/04 on headcount poverty rate of different types of household according to their migration status in 2003/04. If the pattern of receiving remittances remained the pattern of receiving remittances remained the same as in 1995/96, then poverty rate among households with internal migrants would have been higher than the observed one by 4.2 percentage points, where as poverty rates among households with migrants abroad would have been higher than the observed one by 19.5 percentage points. Overall the increase in the incidence of remittance accounts for a 3.9 percentage points in poverty rate.

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

Sharma and Gurung (2009), tried to examine the impact of global economic slowdown on remittance inflows and poverty reduction in Nepal. Secondary time series data were taken for analysis. The study found that the remittance income rent invested mainly on household purposes of land, purchase and maintenance of new houses, paying off loans, deposit cash in bank and finally interest for business purposes. Some returnee migrants have also invested their saving in business



ventures. Given the political and economic realities in Nepal and the limited space for expanding employed and income opportunities, foreign employment will remain an attraction for new entrants in the Nepal labor market for long time to come. While the attractions are strong and realistic the foreign labor market remains fragile subject to different factor, including local demands and global economic situation. Since the bulk of the Nepali migrant workers consist of unskilled labor, youth are exposed of insecure and low-paid jobs. Lastly they recommended that the private sector should take the initiative to make the most productive use of remittance income, which is now largely invested in land, housing and buildings. In the long term it would be not sustainable for promoting foreign employment.

A study done by UNFPA (as cited in Khatri, 2006) looked at 74 low and middle income developing countries are found that there is statistically significant correlation between remittances and decline in poverty. It is noted that 10 percent increase in the share of remittance in a country's GDP can lead to a 1.2 percent reduction in poverty. Moreover, a 10 percent increase of migration flow from the sending country will lead to 1.6 percent decline in the share of people living on less than \$1 a day. Although the methodology used in reaching the finding in the study is somewhat controversial, the positive impact of remittance on employment and poverty alleviation is widely accepted.

Remittance impact on poverty reduction in a small country like Nepal can be even higher than the average impact for 74 countries indicated by UNFPA study. There are two reasons why this can happen, first the country is poor and per capita income is low and second productive is also low. For example, a study done by national living standard survey on the contribution of remittances in reducing poverty between 1996 and 2003 was 11 percent. Remittances not only help to reduce poverty, but also to reduce the depth and severity of poverty in Nepal and other countries. The money that is available to families improves human

development of the country since resources can be used to provide education for children and look after the overall health of family members (Khatri, 2006).

Nepal Rastra Bank janakpur (2012) stated that remittance sent by international migrants to their countries of origin has now grown to be substantially higher. Nepal has been one of the greatest shareholders of global remittance but the issue is how such flows have been used in the livelihood of remittance-recipient households. The objective of this study is to identify how remittances impact various socio-economic dimensions of remittance-recipient households. This study conducted an impact evaluation based on propensity score matching (PSM) approach by surveying both remittance-recipient households (treatment households) and non-recipient households (control households) in Dhanusha district, one of the largest migrant-sending districts in Nepal, and analyzes the impact gain resulting from remittance flows in the study area.

The impact evaluation of remittances in Dhanusha district revealed that of the total 25 socio-economic variables the study took for granted, more than half of them received expected impacts from remittances. The land purchase was most significantly affected variable from remittance income. Similarly, the agricultural income was also substantially affected by remittances. Remittance-recipient households experienced a substantial rise in agricultural income after they started receiving remittances.

The households of migrant workers were also found to be allocating a significant amount of their income in educational expenses. Consistent with that, study hours at home of their children were also positively affected. This outcome was in contrary with the results some prior studies had revealed that educational efforts of the children of migrant-sending households had adversely affected. The positive effects were also observed in the access of communication means such as radio, TV, and telephone. In the same line, the migrant households' radio listening and television watching habits were also increased significantly.

The results in women empowerment were mixed, however. The women's decisions regarding children's education and financial transactions were positively affected whereas the effects were negative for women's health consciousness and child birth. Besides, the remittance-recipient households were found to be less conscious on their health conditions. The tendency of using open toilet in bushes and fields, for example, was higher in remittance-recipient households than in non-recipient households. The analysis with only treatment households demonstrated that there was no female worker among those who went abroad for foreign employment. Middle East was the most favorite destination of the migrants in the study area followed by Malaysia. The income from migration per migrant worker stood NRs 169,000 resulting in income of NRs 14,000 per month, indicating that the income of migrant workers is relatively low. Most of migration expenditure was financed by borrowing and only a trivial amount from savings. In borrowing, the average interest rates these households paid was 28.3 percent per annum, which was mostly from moneylenders who charged them as much as 40 percent per annum on average. Only 14 percent of total borrowings of these households were from formal bank and financial institutions at the average interest rates of 16.6 percent per annum.

Pant, Bhubanesh(2008) tried to examine the significant portion of relevant literature on remittances argues that they are primarily spent on consumption, housing and land, and are not utilized for productive investment that would contribute to long-run development. In this context, the distinction between “productive and non-productive” uses of remittances needs to be reexamined. The recognition that only a small proportion of remittances are utilized to establish small businesses, improve agricultural practices, or on other forms of ‘productive’ investment created disillusionment over the development impact of remittances among researchers and policy makers in the 1970s and early 1980s. In recent years, the distinction between consumption and investment has been criticized by researchers that expenditure on ‘consumption’ items such as health and education

should be understood as investment in human capital. As an example, in both the short and long run, investment in education denotes an improvement of the educational infrastructure of the labor exporting economy. Migrants, in combination with high productive physical capital, yield returns that are normally much higher than they would have been if the migrants were employed in their home country. The migrants' family members, who stay behind in their home country, enjoy a higher standard of living through the migrants' savings. Hence, expenditure on consumption and housing produces indirect multiplier effects, which encourage investment and output in related industries. Thus, making a distinction between the productive and unproductive remittances seems quite blur, and both contribute to livelihoods and development, with productive uses contributing more.

Based on the above analysis, the major thrust of this study is to recommend measures for the productive use of remittances. The rest of this paper is planned as follows. The next section examines some general policy measures for employing remittances into productive use preceded by the experiences of South Asian countries in Section III. While Section IV discusses the impact of the growing remittances on the Nepalese economy and lists some measures initiated for attracting more remittances through the official channel, Section V spells out some policy alternatives for mobilizing remittances and using them productively. The last section concludes the study.

NRB (2002) explained that the remittance earnings were primarily used for household purposes, purchase of land, purchase/maintenance of house, repayment of loan and interest for migration and other purpose, paying off loan, buy Jewellry, financing migration of other family members and as bank deposits. This study has tried to include every cast/ethnic groups, geographical region and different people from different socio-economic background, the income level and expenditure pattern are mostly affected by socio-economic academic background and geographic region.

Bhadra (2007) observed the mixed impacts on the children of migrant mothers in Nepal: positive impacts were seen on the opportunities for education, health care and lifestyle but worsening psychology of their children as their mothers apart for a long time. By being able to earn an income, support the family financially and have the freedom of financial decision-making, traveling to foreign countries with new experiences, seeing new places, and meeting with people from different parts of the world and interacting with them brings the feeling of independence and confidence for the migrants and this effect impart to their immediate family as well.

## **Conclusion**

After reviewing the various literatures, it is concluded that the international labor migration is one of great importance for receiving high degree of remittance. The Nepalese immigration sent a considerable remittance back their home which play vital role for their overall development. In case of Nepal one of the major exports is labor and most of the households now depend on at least one members earning from abroad. Generally the Nepalese labor force is comparatively low skilled in terms of education and vocational training. Thus a higher qualification could be beneficial at foreign as well as national labor market. Most of the previous studies were role of remittance on poverty and education but present study tries to show impact of remittance in national economy as well as expenditure behavior in household's level.

## **CHAPTER - III**

### **RESEARCH METHODOLOGY**

There is vital role of methodology in any type of research process. To collect the reliable data from research area and presentation of collected data one can use various types of research method. Methods are different from one problem to another and can be used specific methods on the basis of study area and nature of subject matter. So, the researcher should choose carefully which methods have to use to solve the problem.

#### **3.1 Research Design**

This is a case study of Dhangadhi Municipality. It is a micro level study. The design of this study is pre and post-recall as well as comparison of remittance receiving household's expenditure with before and after receiving remittance income. This study adopted the descriptive and analytical method. The main objective of this study is to review the impact of remittance in use and expenditure behavior of households.

#### **3.2 Source of Data and Data Collection**

Besides, primary data and secondary data also needed to fulfill the research objective.

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

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

validity and relevancy of questionnaire. The format of the questionnaire is given in appendix I.

### **3.2.2 Secondary Data Collection**

The source of secondary data should be taken from official and unofficial sources. The relevant data taken from publication of national Planning Commission Secretariat, Central Bureau Of Statistics(CBS), Budget Speech of GON, Economic Survey, Annual Publication of Nepal Rastra Bank, Books, Reports, Magazines, Seminar Papers, Report of Research Centre's data and information from donor agencies like WB, ADB, IMF, UNDP etc.

### **3.3 Sampling Design**

The Dhangadhi Municipality Ward number 2 of Kailali District was purposively chosen for the study site. In Dhangadhi Municipality Ward number 2, there are 2758 households. Total population of the study area is 12459 as recorded in municipality profile (2014). Among these households, 570 households are receiving remittance. Out of these households only 105 households are selected by using simple random sampling. From the Municipality profile total numbers of remittance receiving households (RRHH) are identified in each tole on the basis of different cast group. Such as Brahmin/Chhetry, Janajati and Dalit. Total population and sample size of the study area are as below:

**Table 3.1 Total Population and sample size of Ward Number 2, Dhangadhi Municipality, Kailali**

Toles	Total Households	Sample size	Sample percent
Behadi Tole	345	16	4.63
Ramjanaki Tole	275	13	4.74
Everest Tole	300	15	5.00
Santoshi Tole	405	14	3.32
Katan Tole	250	09	3.2
Krishna Tole	528	19	3.61
Purano Bhansar	425	13	2.05
Ratopul	230	06	2.62
Total	2758	105	29.27

Source: Field Survey, 2014/ District Election Commission, 2014



### **3.4 Data Processing**

After the completing the field work, all information of the filled up questionnaire in presented master table which are identified by the respondent number and the variable related. Some variable are editing and cross checking. Data processing is done with the help of scientific calculator and computer with using different variable related simple graph, tabulation, frequency distribution, means, percentage are sketched and calculated in possible area. The data has been entered on excel 2007 of Microsoft.

### **3.5 Data Analysis**

After collecting data, all information of the questionnaire have been classified and tabulated to meet the need of study. Data analysis has been done with the help of required tools and techniques. In data analysis simple techniques have been used to analyze the result.

## **CHAPTER - IV**

### **FOREIGN EMPLOYMENT AND REMITTANCE ECONOMY OF NEPAL**

#### **4.1 Foreign Employment**

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

Foreign Employment has remained as backbone of national economy since long. Currently, the remittance of the NRNs occupies a significant chunk of Nepal's Gross Domestic Product (GDP). It accounts for around 26 percent of the GDP. In fact, foreign employment has increased the foreign currency reserve in the central bank contributing to the adequate availability of liquidity. It has also helped to maintain the balance of payment in a tentatively standard level. Thus, Nepal has now turned to be a remittance dependent economy. NRNs are the major contributors of the remittance, which has been the backbone of the country's economy. On the other hand, it has increased the living standard of the respective families and the loved ones of each NRN. More importantly, foreign employment has helped to create a pool of technologically and skill wise talented people who can contribute to a great deal even after they return to Nepal for the socio-economic transformation of the country. Thus, knowledge, skill, capital, technological know-how of NRNs achieved during the course of foreign employment may be of great importance in the making of new Nepal.

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

#### **4.2 Growth Pattern of Labor Migration**

The government of Nepal, Foreign employment Department has opened 107 countries where Nepalese workers can go for foreign employment purposes. Out of them, 91 countries have been recognized after the year 1997/98. Even though all the required data is not available with the official agency and department of the country, the available record shows that Nepalese people have spread all over the world from south Asia to America, Europe etc.

#### **4.3 Most Favored Destinations of Nepalese Workers**

The most favored destination countries for Nepalese workers for foreign employment is defined from the perspective of the number of workers in that country. It might be either related to the level of skill needed to enter into the country for any type of work or it might be related to the conditional ties and the cost to entry that particular country. In other part of s discussion the wage factor might be also the main issue of the workers. Generally, the Nepalese workers are either unskilled or semi skilled. So they prefer those countries for the foreign employment where they can adjust with their qualification. So Malaysia and Arabian countries are being the easiest destination for

Nepalese workers to get employment and earn some money. Nepalese workers in different fiscal year are given in the following table.

**Table 4.1: Number of Nepalese migrant workers in different countries in FY 2003/04 to 2013/14**

F.Y.	Malaysia	Qatar	UAE	S.Arabia	Kuwait	Baharain	S.Korea	Other Countries	Total
2003/04	154215	106200	51082	118324	7074	4595	0	10849	452792
2004/05	220506	148594	63808	131690	8863	5131	0	12320	591695
2005/06	296032	204486	79125	147503	9503	5671	0	12908	756039
2006/07	370061	264191	104297	186782	11944	6871	765	13754	959985
2007/08	420615	349633	149639	229176	13911	11970	911	23856	1203657
2008/09	455685	425808	181327	277925	16202	18330	3820	26210	1413500
2009/10	569667	481748	214515	341325	24457	22564	6352	30133	1702239
2010/11	675573	584714	258979	412441	39644	27211	10080	33123	2055685
2011/12	773940	690395	313461	492896	64219	33076	15438	36603	2437111
2012/13	930710	781330	365756	579172	78620	36466	19737	40941	2852929
2013/14	1047917	860199	400269	630692	93671	39235	21291	48897	3164491

Source: Foreign Employment Department, 2013/14

Table 4.1 shows that up to FY 2003/04 Malaysia received the maximum number of Nepalese and followed by Saudi Arabia. From FY 2004/05 onward Malaysia remains first and Qatar remains second most desired country for the Nepalese workers. Now the principle employing country for Nepalese workers are Malaysia and Qatar. There is same trend between UAE and Saudi Arabia for Nepalese workers comparing to the workers from other countries. From the FY 2008/09 agreement held between Government of Nepal and Korea than after increasing in workers demand in South Korea.

#### **4.4. Remittance**

In the early days remittance brought by British Gorkha Soldiers and the wages earned in different parts of India by seasonally employed Nepalese labors were significant in the Nepalese economy, but no due attention was given to it. There was n accounting of Nepalese employed in India. British Gorkha Soldiers brought remittance in the foreign currency and foreign employment increased tremendously and the remittance in hard foreign currency brought by them attracted the national attention. Internal arm conflict started in 1995 had negative impact on several sectors of the economy such as industry, tourism and even in the agriculture. The sustainability of Nepalese economy depends mostly in foreign aid and remittance. This is how remittance got prime attention in Nepalese context and several countries were opened for foreign employment. Nepalese unemployment youth were attracted to foreign employment. The importance of remittance on Nepalese economy can be judged by the growth in the number of persons leaving the country each year for foreign employment.

##### **4.4.1 Growth of Remittance**

In the present situation of Nepalese economy, remittance provides not only significant portion of the GDP but it also contributes in saving and investment. The growth of remittance depends on the number of labor force working outside the country, the level of earning and the portion of income that is sent back to home. Other sources of remittance are as government transfer, investment made by nations in other countries. The size of remittance also determines the availability of foreign currency in the country. Nepal Rastra Bank, the central bank of Nepal published data related to remittance continuously. The growth of remittance and sources of remittance is given in the following table. The category of other remittance includes the money remitted by the labor employed in foreign land. It is only the money sent by the official agencies (formal channels).

**Table 4.2: Status of Remittance in FY 2001/02 to 2013/14 (Rs. In Millions)**

F.Y.	Total CFE Receipt	Total Remittance	Share of remittance in CFE (Percent)
2001/02	76153.3	14859.8	19.51
2002/03	98681.8	41630	42.18
2003/04	120643.2	56629.8	46.93
2004/05	123268.5	61784.8	50.12
2005/06	157297.3	92748.6	58.96
2006/07	179967.2	107417.4	59.69
2007/08	236927.1	139421.5	58.84
2008/09	324391.9	194215.6	59.87
2009/10	346370.7	213998.9	61.78
2010/11	420154	225909.4	53.76
2011/12	589893.3	333366.8	56.51
2012/13	629655.7	394348.7	62.63
2013/14	794334	490302.5	61.72

Source: Quarterly Economic Bulletin, NRB, Mid-July 2014.

Table 4.2 shows that the convertible foreign exchange grew from Rs.76153.3 million in 2001/02 to Rs.794334 million in 2013/14 which is about 10.43 times more. Similarly remittance increase 32.99 times. It indicates that when remittance is increased then convertible foreign exchange also increase because the increasing rate of remittance contributes to increasing rate of convertible foreign exchange. Initially it was 19.51 percent but it highly jumped to 62.63 percent in FY 2012/13 and 61.72 percent in FY 2013/14. The trend of fluctuating after 2001/02 is highly jumped.

As a summary, the annual growth rate of remittance, total CFE receipt as well as the share of remittance is increasing year by year. Especially after the FY 2002/03 the value of remittance and the share of remittance had increased dramatically with the increment of Nepalese labor migration in the foreign countries.

#### 4.4.2. Impact of Remittance to the National Economy

It is known to all of us that impact of remittance to the economic growth of the country was not discovered in Nepal before 1990s. From the mid 1990s remittance was viewed as the direct role to promote the national economy, but we can only study about the direct roles of the remittance income because of the availability of required data. The direct impact of remittance income to the national economy has been increased in CFE, increase in saving and investment, decrease in unemployment rate etc. investment depends on domestic saving and foreign assistance. Since there is increase in domestic saving due to remittance, it has helped in the investment and growth of economy. The data obtained from Economic Survey 2013/14 in this regard is presented in the following table:

**Table 4.3: Composition of GDP, Saving, Investment and Remittance in Nepal in FY 2002/03 to 2013/14**

FY	GDP(product Price)Rs.In Billion	Remittance (Rs. In Billions)	Domestic saving (In Percent)	Investment (In Percent)	Remittance as Percent of GDP	Change in Annual Percent of Remittance
2002/03	492.2	54.2	8.6	19.9	11.0	14.0
2003/04	536.8	58.6	11.8	20.3	10.9	8.1
2004/05	589.4	65.5	11.6	19.9	11.1	11.9
2005/06	654.1	97.7	9.0	20.7	14.9	49.0
2006/07	727.8	100.1	9.8	21.1	13.8	2.5
2007/08	815.7	142.7	9.8	21.8	17.5	42.5
2008/09	988.3	209.7	9.4	21.4	21.2	47.0
2009/10	1192.8	231.7	11.4	22.2	19.4	10.5
2010/11	1366.9	253.6	14.0	21.4	18.5	9.4
2011/12	1527.3	359.6	11.0	20.8	23.5	41.8
2012/13	1692.6	434.6	10.1	22.6	25.7	20.9
2013/14	1928.5	560.6	8.9	23.2	29.1	29.0

Source: Economic survey 2013/14

Table 4.3 shows that the GDP grew from Rs. 492.2 billion in FY 2001/03 to Rs.1928.5 billion in FY 2013/14, which is about 3.91 times more. The saving is also increased by

1.03 times more and investment increased by 1.16 times. If we compare the growth of remittance it is 10.34 times more in the same period. Initially the contribution of remittance to the GDP was only the 11.0 percent which is grown by 29.1 percent providing its importance. Remittance as the percentage of saving has increased from about 8.6 percent in FY 2002/03 to 8.9 percent in 2013/14. If compare the contribution of remittance in the investment portfolio, it has increased from 19.9 percentages in 2002/03 to 23.2 percent in the FY 2013/14. It indicates if remittance is increased, it supports the increase in domestic saving. If domestic saving increases, investment GDP also increases. From the above data it is economic growth or economic stability of the country in a conflict ridden situation remittance has played a significant role.

#### **4.4.3: Conclusion**

It is clearly shown that national GDP growth rate is directly related to the various factors like total saving and total investment of the economy. On the other hand saving is determined by the investment, without investment, the country cannot get higher GDP growth rate. The investment of the country like Nepal is directly dependent on the remittance earning invested on the economy. Therefore, we can say that the remittance is the major factor of development of the economy of the country like Nepal.



## **CHAPTER -V**

### **SOCIO-ECONOMIC AND DEMOGRAPHIC FEATURE OF THE STUDY AREA**

#### **5.1 Socio-economic status of sample households**

Socio- economic status reflects the social and economic well being of the households. So, their socio-economic profile is reported below which is found in the study area.

#### **5.2 Introduction of the study area**

Kailali district lies in the Seti zone of Far-western development region of Nepal with the borders Lakhimpur khiri district (Utterpardesh- India) in south, Surkhet and Bardiya in the east, Doti, Dadeldhura and Surkhet in the north and Kanchanpur and Dadeldhura districts are in the west. The district headquarter Dhangadhi is also the HQ of the Seti zone. Kailali is divided into 42 VDCs and 2 municipalities. Geographically, Kailali is the largest district among the Terai districts and approximately half of it is covered with hills and half terrain. The climate is hot except for three months of the year from November to January. Maximum temperature is 43 Celsius and minimum 5 degrees Celcius. Monsoon occurs during the months of July and August. The altitude of Kailali district varies from 109 m to 1950 m above the sea level. Almost all the VDCs along with both municipalities have had good road access and also link up with Mahendra National Highway. According to the Population Census 2011, the total population of the Kailali district is 7, 75,709 where male are 3, 78,417(48.78 Percent) and population of female 3, 97,292(51.22 Percent). It covers the 2.93 Percent in national population. The sex ratio of the Kailali district is 95.2. The population under 14 years is 37.1 percent and the population above the 60 years is 12.4 percent. There are 1, 42,480 households in Kailali district. The average household's size of Kailali district is 5.44 which are quite high in the present situation. The literacy rate of Kailali district is 69.75 percent which is comparatively high.

Dhangadhi municipality is headquarter of Kailali District and is situated in Seti Zone and Far-West Development region of Nepal. Dhangadhi municipality covers an area of 103.73 Sq. Km and shares its boundary with Belapur V.D.C in the north, Mohana River

in the south, Khutiya River in the east and Geta V.D.C in the south. According to the 2011 Census, the municipality has a total population of 101,970, among the total population 51439 are male and 50531 are female. Comparatively, the number of male is higher than female population, among which 12 Percent belong to the Dalit caste, 36 Percent are ethnic minorities and the remaining 52 Percent compose of Brahmins, Kshetris and other castes. The municipality was established in 2033 B.S and is divided into 14 wards. The annual population growth rate of Dhangadhi municipality is 5.16 Percent.

The average household's size is 4.94 of the Dhangadhi Municipality. The sex ratio of the Dhangadhi Municipality is 104.8 and total population density of this Municipality is 1003.

### **5.3 Demographic Status**

According to the Municipality Profile 2014, the total population of this Municipality is 1, 01,970 out of them 51,439 are males and 50,531 are female. The population of this municipality consist Chhetry, Brahman, Chaudhary, Kami, Sarki, Sunar. The population of Janjati and dalit caste group is lower in comparison to the chhetry and Brahman group. The total households of the municipality are 21030. The following table 5.3 shows the sex wise population distribution of the study area.

**Table 5.1: Ward wise population Distribution of the Study Area**

Ward No	Total no. of Households	Total population	% of total Population	Male		Female	
				Total	Percent	Total	Percent
1	3105	14333	14.05	7326	14.24	7007	13.87
2	2758	12459	12.21	6410	12.47	6049	11.98
3	2868	13549	13.28	6795	13.21	6754	13.37
4	2142	9175	8.99	4886	9.50	4289	8.48
5	2675	11644	11.41	6064	11.79	5580	11.04
6	940	5365	5.26	2610	5.08	2755	5.45
7	1706	9043	8.86	4610	8.97	4433	8.77
8	1152	6041	5.92	3102	6.04	2939	5.82
9	354	1782	1.75	787	1.53	995	1.96
10	250	1779	1.74	858	1.67	921	1.83
11	309	2311	2.26	1149	2.24	1162	2.30
12	1998	10009	9.81	4637	9.02	5372	10.64
13	501	2982	2.92	1517	2.95	1465	2.89
14	272	1498	1.46	688	1.34	810	1.60
Total	21,030	101,970	100	51,439	100	50,531	100

Source: Municipality Profile, 2014

Table 5.1 shows that ward and sex wise population of Dhangadhi Municipality. The male population of the Municipality is 51,439 which 50.44 percent of total population and female population of this municipality are 50,531, which is 49.55 percent of total population. Comparatively the male population of the Municipality is 0.89 percent more than female population. But in some wards, female population is greater than male population. On the basis of population, the largest and smallest wards of the municipality are ward no. 01 and ward no 14 respectively. The tole wise demographic status on the basis of different caste is shown in the following table.

**Table 5.2 Tole wise population Distribution of the Study Area on the Basis of Different Caste**

Tole	Chhetry/Brahmin			Janajati			Dalit		
	No of HH	Total pop.	Percent	No of HH	Total pop.	Percent	No of HH	Total pop.	Percent
Behadi Tole	235	835	8.22	100	432	25.56	25	94	15.25
Ramjanaki Tole	165	576	5.67	90	365	21.59	20	74	12.02
Everest Tole	205	878	8.64	80	309	18.28	9	59	9.58
Santoshi Tole	305	1408	13.86	70	178	10.53	30	108	17.54
Katan Tole	178	734	7.22	25	81	4.79	35	129	20.94
Krishna Tole	476	2570	25.31	35	104	6.15	17	68	11.04
Purano Bhansar	345	2127	20.94	70	184	10.88	10	61	9.91
Ratopul	220	1025	10.09	8	37	2.19	5	23	3.74
Total	2129	10153	100	47	1690	100	151	616	100

Source: Municipality Profile and Election Commission, 2014

Table 5.2 makes clear that chhetry/Brahmin consist the 2129 households, which is 77.19 percent of the total households. The population of Chhetry/Brahmin is 10153, which is 81.50 percent of the total population. The total households of Janajati are 478 and their total population is 1690, which is 13.56 percent of total population. Similarly, total households of Dalit caste group are 151 and their total population is 616, which is 4.94 percent of the total population.

#### 5.4 Status of the Foreign Employment

Most of the households from this Municipality are associated in foreign employment due to the lack of employment opportunities in the country. Remittance income becomes a second main source of income besides agriculture and entrepreneurship. The number of migrant households and population is presented as below:

**Table 5.3: number of migrant households and population from this Municipality ward no 2**

Tole	Total HH	Total Pop.	Total Migrant HH	% of total migrant HH	Total Migrant Pop.	% of total migrant pop.
Behadi	345	1361	72	12.63	75	12.5
Ramjanaki	275	1015	77	13.50	80	13.33
Everest	300	1246	90	15.78	90	15.00
Santoshi	405	1694	93	16.31	95	15.83
Katan	250	944	52	9.12	60	10.00
Krishna	528	2742	70	12.28	75	12.5
Puranobhansar	425	2372	61	10.70	66	11.00
Ratopul	230	1085	55	9.64	59	9.83
Total	2758	12459	570	100.00	600	100.00

Source: Municipality Profile (2014)

Table 5.3 shows that 570 household were found migrant household out of total 2758 households, which is 20.67 percent of total households. Similarly, total migrated population of the municipality (Ward number 2) is 600, which is 4.82 percent of total population. The large number of population is migrated from santoshi tole, where 95 people are associated in foreign employment, which is 15.83 percent of total population of ward number 2. Similarly this study found that migration rate of population for foreign employment from Ratopul of the ward number 2 is lower in comparison to the other. This Tole is appropriate for trading activities. This result shows that the association in foreign employment from each tole is not equal.

## 5.5 Age and Sex Distribution of the Population of the Study Area

The population distribution of remittance receiving households under different age group is presented in the following table.

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

Age group	Remittance Receiving Households			
	Male	Female	Total	Percent
Below 15	57	64	121	17.90
15 - 24	43	55	98	14.49
25 - 44	122	102	224	33.13
45 - 59	69	75	144	21.30
60 - 74	36	34	70	10.35
Above 75	12	7	19	2.81
Total	339	337	676	100.00

Source: Field Survey, 2014.

Table 5.4 shows that out of the total population of the sample households below 14 years are 17.90 percent. Similarly average population above 60 years is 6.58percent. This result shows that dependent population of the study area is about 31.06 percent. Here the study shows that the number of economically active population is comparatively higher in comparison to the inactive population i.e. 68.92 percent of population is counted as economically active. Between the ages of 15 to 60 years regarded as economically active population.

## 5.6 Occupational Composition

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

**Table 5.5: Occupational Composition of the Households**

Tole	Total	Agri.	Study	Trade/Industry	Govt./Private Job	Foreign employment	Not work
Behadi	96	5	12	24	30	12	13
Ramjanaki	52	1	3	5	8	15	20
Everest	90	3	10	21	18	16	22
Santoshi	103	7	20	8	25	20	23
Katan	71	10	19	8	8	11	15
Krishna	98	6	22	15	15	19	21
Puranobhansar	89	4	24	10	11	17	23
Ratopul	75	2	15	16	13	15	14
Total	674	38	125	107	128	125	151
Percent	100.00	5.63	18.54	15.87	18.99	18.54	22.40

Source: Field Survey, 2014

Table 5.5 reveals that 5.63 percentage of sampled population is involved in the agriculture. Similarly the percentage of study, trade and industry, government and private job, foreign employment are 18.54, 15.87, 18.99 and 18.54 respectively. Lastly 22.40 percent of total population is not involved in any occupation. This result shows that government/private job is the main occupation of this ward, because the percentage of government/private job holder based population is 18.99 percent. However government/private job is not sufficient for their lifecycle and to plan go abroad. Here is same proportional percentage of government/ private job holder and foreign employment.

## 5.7 Educational Status of the Study Area

Tole wise education status of total population from sampled households is presented in the following table.

**Table 5.6: Educational Status of Remittance Receiving Households**

Tole	Total sample Pop <sup>n</sup> .	Illiterate		Literate		Up to 5 Class		Up to SLC		Intermediate		Bachelor and above	
		M	F	M	F	M	F	M	F	M	F	M	F
Behadi	96	2	3	7	5	18	12	14	10	6	6	8	5
Ramjanaki	52	3	5	8	7	2	3	5	8	4	2	2	3
Everest	90	4	6	12	10	10	8	9	7	6	9	5	4
Santoshi	103	8	7	11	9	14	10	12	8	6	5	8	5
Katan	71	10	7	3	4	7	5	11	9	6	3	2	4
Krishna	98	4	6	13	10	12	8	10	11	9	8	4	3
Puranobhansar	89	5	5	10	9	7	8	12	13	7	6	4	3
Ratopul	75	7	6	6	6	8	4	9	10	5	6	5	3
Total	674	43	45	70	60	78	58	82	76	49	45	38	30
Percent	100.00	6.37	6.67	10.38	8.90	11.57	8.60	12.16	11.27	7.27	6.67	5.63	4.45

Source: Field Survey, 2014

Table 5.6 shows that nearly 13.04 percent of total population has been still illiterate where 6.37 percent is male and 6.67 percent is female and 24.02 percent of total populations were successes for higher education that is not satisfactory for the total population. This result shows that the percentage of male population getting higher education is greater than female i.e. 12.9 percent of male where as 11.12 percent is female. 23.43 percent of total population is in SLC where 12.26 percent is male and 11.27 percent is female. Here the field study shows that male is more literate than their female counterpart.



### 5.8 Level and Sources of Income (Annual)

In the study area the main occupation of the people is government/private job holder. But it comes less amount of income in comparison to remittance but greater than other sectors liken agriculture, trade/business etc. The following table clarifies the sources and level sample household's income.

**Table: 5.7 Level and Sources of Household's Income**

Tole	No. of sample HH	Annual average income (Rs. In 000)					Total Income
		Agriculture	Trade/business	Govt./private job	Foreign Employment	Wage Employment	
Behadi	12	32.89	9.56	122.94	127.33	2.17	2518.93
Ramjanaki	16	36.88	12.05	195.89	114.72	4.52	5599.63
Everest	14	91.50	6.56	151.75	174.35	1.11	4844.13
Santoshi	16	41.94	6.90	161.74	319.50	2.81	5449.91
Katan	9	38.23	14.61	140.03	140.56	2.20	4706.36
Krishna	11	66.48	7.92	226.48	169.25	6.67	5039.97
Puranobhansar	12	45.17	14.14	225.67	294.55	1.18	5346.82
Ratopul	15	37.21	35.83	217.68	239.83	3.92	3451.55
Total income	105	4039.00	1080.10	17255.54	18688.50	284.60	41347.74
Percent		9.76	2.62	41.73	45.19	0.68	100.00

Source: Field Survey, 2014

Table 5.7 shows the sources and annual average income of sampled remittance receiving households. This table shows that 45.19 percent of total income is gained through foreign employment. This is higher amount of income in comparison to other sectors. Similarly, agriculture, trade and business, government/private job and wage income covers 9.76 percent, 2.62 percent, 41.73 percent and 0.68 percent respectively. The share of income from wage employment and trade and business is comparatively less than other sectors.

## CHAPTER - VI

### PRESENTATION AND ANALYSIS OF DATA

This chapter categorized into different section. Each section have own value. Collected data were processing and analyzing through various statistical implementation such as percentage, graph and table are using in this chapter to fulfill the primary objectives. This chapter discusses the composition and pattern of labor migration, income earned from foreign employment, utilization of remittances etc. as well as the impact of remittance on different indicators.

#### 6.1 Composition and Pattern of Labor Migration

##### 6.1.1 Causes for Seeking Foreign Employment

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

**Table 6.1: Causes of Seeking Foreign Employment from Ward number 2 of Dhangadhi Municipality**

Causes of seeking foreign employment	Chhetry/Brahman		Janajati		Dalit		Total	Percent
	No. of Respondent	Percent	No. of Respondent	Percent	No. of Respondent	Percent		
Unemployment	19	32.20	11	25.58	6	31.58	36	29.75
Family debt	11	18.64	13	30.23	7	36.84	31	25.62
Political instability	7	11.86	4	9.30	1	5.26	12	9.92
Earn Money	13	22.03	10	23.25	3	15.79	26	21.49
Internal desire	9	15.25	5	11.63	2	10.52	16	13.22
Total	59	100.0	43	100.00	19	100.00	121	100.0

Source: Field Survey, 2014

Table 6.1 shows that unemployment is the main causes of foreign employment. Among the entire respondent about 29.75 percent had stated that unemployment as the main

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

### **6.1.2 Cost Paid for Foreign Employment and Duration of Stay**

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

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

**Table 6.2: Cost Paid for Foreign Employment and Duration of Stay in Foreign Country**

Cast Group	No. of Respondent	Average Cost(in Rs.000)	Rang of Cost (in Rs.000)		Average duration of stay (Years)
			Minimum	Maximum	
Chhetry/Brahmin	59	105.05	46.61	215.71	3
Janajati	43	88.99	41.50	235.90	3.20
Dalit	19	82.60	38.00	160.30	2.80
Total	121	92.21	42.04	209.97	3

Source: Field Survey, 2014

Table 6.2 shows that average cost paid by chhetry/Brahmin cast group for foreign employment is Rs. 105.05 thousands. This caste group had paid high average cost than other cast group because they prefer to go high quality work like salesman, security, accounting etc. for foreign employment and they are going those countries where the wage rate is high and other facilities like air fare, medical facility, holiday time to time etc. given by the company. The average cost paid by Janajati and Dalit caste group is 88.99 thousand and 82.60 thousand respectively. The population of Dalit caste group is unable to pay high cost for foreign employment so they are receiving less salary in comparison to the other caste group. We can see that there is too much variation in the cost of foreign employment among the different caste groups. Similarly, the average cost for foreign employment is Rs.92.21 thousand and the minimum cost 42.04 and maximum cost is Rs. 203.97 thousand. This result shows that the respondent of this ward had wide range of cost and it highly varies with the sample.

According to the duration of stay from the field survey we know that the respondents from Janajati caste group have longest duration of stay where they stay on an average of 3 years. After janajati, chhetry and Brahmin caste group spent average of 3.20 years and Dalit caste group average duration of stay around 2.80 years. It means that the average duration of stay of the respondents from Dhangadhi Municipality ward no. 2 is 3 years.

### 6.1.3 Types of Jobs

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

**Table 6.3: Types of Jobs Performing in Abroad**

Types of jobs	Chhetry/brahmin		Janajati		Dalit		Total	Percent
	Total	Percent	Total	Percent	Total	Percent		
Manufacturing	22	37.28	17	39.53	6	31.57	45	37.19
Salesman	13	22.03	10	23.25	1	5.26	24	19.83
Hotel/Catering	10	16.94	7	16.17	5	26.31	22	18.18
Security	8	13.55	4	9.30	3	15.78	15	12.40
Others	6	10.16	5	11.16	4	21.05	15	12.40
Total	59	100.00	43	100.00	19	100.00	121	100.00

Source: Field Survey, 2014

Table 6.3 shows that most of the migrated people work in the manufacturing area which is 37.19 percent of the total migrated population. Most of the unskilled workers are associated in the manufacturing area due to lack of other technical knowledge to work in the other sector. The second most employed area is salesman in which 19.83 percent members is working and third most employed area is hotel/catering in which 18.18 percent respondents are working and equal 12.40 percent migrated members are working in security and others sectors like agriculture, cleaning etc. Due to the lack of education and skill, the percentage of Dalit population working as salesman is lower in comparison to the other caste group. Only 5.26 percent Dalit population is working as salesman in abroad.

#### 6.1.4 Source of Financing

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

**Table 6.4: source of Financing for the Foreign Employment**

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

Source: Field Survey, 2014

Table 6.4 shows that 45.44 percent, 34.06 percent, 20.50 percent amount in total cost paid from family saving by three caste groups Chhetry/Brahmin, Janajati and Dalit respectively. Among them Chhetry/Brahmin, caste group paid large amount of cost from their family saving in comparison to the other caste groups. The population of Dalit caste group, 38.21 percent amount of total cost is paid from loan which is higher in comparison to the other caste groups. Other population of two caste groups Chhetry/Brahman and janajati, 36.36 percent and 25.43 percent amount of cost is paid by making loan. This result shows that the saving of Dalit caste group is lower in comparison to the other caste groups. Similarly, population of these three caste groups Chhetry/Brahmin, janajati and Dalit paid 21.90 percent, 45.23 percent and 32.87 percent amount is by selling property like land, gold etc respectively.

### 6.1.5 Income Earned From Foreign Employment (Remittance Income)

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

**Table 6.5: Income Earned in Abroad (Annual)**

Caste groups	No. of respondents	Average Annual income Rs. (in 000)								
		Based on destination		Based on education		Based on jobs				
		Gulf	Malaysia	Literate	Illiterate	Construction	Salesman	Hotel	Security	Other
Chhetry/Brahmin	59	218.56	104.07	137.81	100.83	106.78	132.89	99.23	117.89	86.08
Janajati	43	196.80	96.45	116.74	96.51	93.56	124.98	92.34	114.63	76.45
Dalit	19	178.65	81.29	92.42	67.52	87.90	110.45	87.85	101.75	65.50
Total	121	198.67	93.94	115.66	88.29	96.08	122.77	93.41	111.42	66.01

Source: Field Survey, 2014

Table 6.5 shows that the respondents who have done the work in the gulf countries earned more money than the respondents worked in Malaysia, comparing the two countries the average annual income of the respondents in Malaysia is Rs. 93.94 thousands whereas the average annual income in gulf countries is Rs. 198.67 thousands. Comparing the income of the respondents caste wise, we can get the result that the respondents from Chhetry/Brahmin caste group gets more average annual income than others because they get information about all the rules and regulations of their work and their salary before they departed to the destination countries. The annual average income in gulf countries is lower than Malaysia for Dalit caste group because most of the workers from this group is working in Malaysia due to low cost and easy to processing. In other aspect of this table we can understand that the average annual income between literate workers and illiterate workers is very different. The literate workers are getting the average annual income of around Rs. 115.66 thousand where as the illiterate workers getting around Rs. 88.29 thousand rupees averagely in a year. The average annual income varies according to types of jobs also. Among five types of jobs salesman get higher

average annual salary which is Rs.122.77 thousand per year. Security, construction, hotel and others get average annual salary Rs. 111.42 thousand, Rs. 96.08 thousand, Rs.93.14 thousand and Rs.66.01 thousand respectively.

### 6.1.6 Use of Remittance

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

**Table 6.6: Use of Remittance Income in Different Sectors**

Caste group	No. of HH	Total remittance income (in 000)	Annual expenditure of remittance income (Rs. In 000)					
			HH consumption	Loan repayment	Land and real state	Investment in business	Saving	Education
Chhetry / Brahmin	52	10579.50	1360.75 (12.86 Percent)	997.36 (9.42 Percent)	4821.72 (45.58 Percent)	816.28 (8.14 Percent)	2538.64 (23.99 Percent)	1050.34 (9.92 percent)
Janajati	36	6170.00	1931.23 (31.30 Percent)	1191.93 (19.32 Percent)	1628.74 (26.39 Percent)	345.21 (5.59 Percent)	1072.63 (17.38 Percent)	456.25 (7.39 percent)
Dalit	17	1939.00	921.36 (47.52 Percent)	415.88 (15.16 Percent)	293.95 (15.16 Percent)	95.49 (4.92 Percent)	212.92 (10.98 Percent)	200.78 (10.35 percent)
Total	105	18688.50	4213.34	2605.17	6744.41	1301.98	3824.19	1707.37
Percent	-	100.00	22.54	13.93	36.08	6.96	20.46	9.13

Source: field survey, 2014.

Table 6.6 shows that chhetry and Brahmins caste group received remittance income Rs 10579.50 thousand in the last year. This caste group uses the remittance income in



household consumption, loan repayment, to purchase land and real estate investment in business, savings and is 12.86 percent, 9.42 percent, 45.58 percent, 8.14 percent, 23.99 percent and 9.92 percent respectively. Janajati caste group received the remittance income Rs.6170.00 thousand in the last year. This cast group uses the remittance income in household consumption, loan repayment, to purchase land and real estate, investment in business, saving and education is 31.30 percent, 26.39 percent, 5.59 percent, 17.38 percent and 7.39 percent respectively. Similarly, Dalit caste group received Rs.1939.00 thousand remittance incomes in the last year. This caste group uses the remittance income in household consumption, loan repayment, to purchase land and real estate, investment in business, savings and education is 47.52 percent 21.45 percent, 15.16 percent, 4.92 percent, 10.98 percent and 10.35 percent respectively. In the total 22.54 percent remittance income is used in the household consumption purposes, 13.93 percent remittance income is used to repayment loan, 36.08 percent remittance income is used to purchase land and real estate, 6.96 percent remittance income is used to invest in business sectors, 20.46 percent remittance income is in saving and 9.13 percent remittance income is used for education. Chhetry and Brahmins caste group have been made the large amount of expenditure in purchasing land and real-estate. Janjati and Dalit caste group have been made the large amount of expenditure in household consumption purposes. This result shows that all the caste groups have been made lower expenditure in investing business and industrial sectors but increasing in education. From this analysis we concluded that the large amount of remittance income is investing in unproductive sectors.

## 6.2 Impact of Remittance Income on Different Indicators

### 6.2.1 Impact of Remittance on Income Status

Remittance income helps to increase the income status of households. The general income scenario of remittance receiving households, before remittance receiving and after remittance receiving households is presented in the table.

**Table 6.7 Impact of Remittance on Income Status**

Annual earnings (Rs. In 000)	No. of remittance receiving households			
	Before	Percent	After	Percent
Below 49	3	2.83	0	0.00
50-99	17	16.04	6	5.66
100-149	15	14.15	14	13.21
150-199	27	26.41	6	5.66
200-249	16	15.09	11	10.37
250-299	12	11.32	9	8.49
300-349	8	7.54	18	16.98
350-399	4	3.77	22	21.69
Above 400	3	2.83	19	17.92
Total	105	100.00	105	100.00

Source: Field Survey, 2014

Table 6.7 presents the income status of remittance recipient households. Before the remittance receiving 26.41 percent household's annual income is between 150 to 199 thousand. The large numbers of households before remittance receiving were in this class. Only 3.77 percent and 2.83 percent households were having the income between 350 to 399 thousand and above 400 thousand before the remittance received. But after receiving the remittance income the percentage having annual income under these two income class has been increased by 21.69 percent and 17.92 percent respectively. This result shows that the remittance income really helps to increase the economic status of the households. From this analysis we concluded that there is high income inequality before and after received remittance income.

## 6.2.2 Impact of Remittance in Occupation

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

**Table 6.8: Impact of Remittance in Occupation (All Groups)**

Occupation	Population (RRHH)			
	Before	Percent	After	Percent
Agriculture	215	29.05	185	21.29
Trade/Business	128	17.29	165	19.52
Govt./Private Job	120	16.21	130	15.38
Foreign employment	35	4.72	121	14.31
Study	143	19.32	130	15.38
Not work	99	13.37	114	13.49
Total	740	100.00	845	100.00

Source: Field Survey, 2014

Table 6.8 shows that the agriculture is the main occupation of the remittance receiving households. Before receiving the remittance income 29.05 percent population were associating in agriculture which is decreased to 21.29 percent after receiving the remittance. Migration in abroad for foreign employment is the main reason to decline the agricultural population. Before receiving remittance income 17.29 percent population were associating in business and trade which is increased to 19.52 percent after receiving the remittance. Similarly the percentage of govt./private job holder before receiving the remittance income 16.21 percent population were associating in govt./private job which is decreased to 15.38 percent after receiving the remittance. The percentage of study population also decline after receiving the remittance income. The population who are not working any work is increased from 13.37 percent to 13.49 percent after receiving the remittance income. If compare the occupational situation of remittance before receiving remittance and after receiving remittance, to find that the percentage of population associating in all types of occupations is different. Agriculture, Govt. /private job holder and study percentage is decreased after receiving remittance. Similarly Trade/Business and not working is increased after receiving remittance.

### 6.2.3 Impact of Remittance on Education

The impact of remittance income on education has been analyzed by comparing educational level and percentage of population. This is shown in the table.

**Table 6.9: Impact of Remittance on Education (above 6 years)**

Education level	Population of RRHH(In %)			
	Before receiving remittance		After receiving remittance	
	Male	Female	Male	Female
Illiterate	25.90	21.71	23.88	20.69
Literate	74.10	78.29	76.12	79.31
Total %	100.00	100.00	100.00	100.00
Informal education	15.88	23.18	10.19	16.42
Up to class 5	34.11	29.09	27.06	19.32
Up to SLC	28.03	30.45	30.59	35.75
Intermediate	15.42	12.72	23.14	19.81
Bachelor and above	6.54	4.55	9.02	8.69
Total %	100.00	100.00	100.00	100.00
Total number	289	281	336	261

Source: Field survey, 2014

Table 6.9 shows that the illiterate population of male and female are decreased after receiving the remittance income. Before receiving the remittance income 25.90 percent male and 21.71 percent female population are illiterate and after receiving the remittance income it decreased to 23.88 percent and 20.69 percent respectively. This shows that remittance income helps to reduce the illiteracy in the study area. Similarly, percentage of population getting up to SLC is increased after receiving the remittance income. Before receiving the remittance income 28.03 percent male and 30.45 percent female is in SLC level. After receiving the remittance income this percentage are increased to 30.59 percent and 35.75 percent respectively. Before receiving the remittance income male and female population getting education up to intermediate is 15.42 percent and 12.75 percent respectively. After receiving the remittance income percentage of male and female population getting education up to intermediate is increased to 23.14 percent and 19.81 percent respectively. Similarly population of well educated also increased after receiving

the remittance income. The male and female population getting the education bachelor and above is 6.54 percent and 4.55 percent respectively. After receiving the remittance income the population getting bachelor and above is increased to 9.02 percent and 8.69 percent respectively. This result shows that remittance income helps to making expenditure for higher education.

#### 6.2.4 Impact of Remittance on Size of Land Holding

In the study area, some of the people's occupation is agriculture. However there is extreme inequality in the distribution of land. Most of the poor families have only small pieces of land. After receiving the remittance most of the households buy land and real-state. The following table shows the unequal distribution and holding of land among the sample households.

**Table 6.10: Distribution of Land among Sample Households**

Size of land in (Katta)	No. Remittance Receiving Households			
	Before	Percent	After	Percent
Landless	2	1.90	1	0.95
Below 2	14	13.33	11	10.47
3 to 5	26	24.76	21	20
6 to 10	24	22.85	14	13.33
11 to 15	20	19.04	22	20.95
16 to 20	13	12.38	19	18.09
Above 20	6	5.71	17	16.19
Total	105	100.00	105	100.00

Source: Field Survey, 2014

Table 6.10 shows that the unequal distribution of land among the sample households of remittance receiving households before and after. Before receiving the remittance 1.90 percent households were landless households out of 105 households. After receiving the remittance income the landless households decrease to 1 percent. Before receiving the remittances percentage of households having land below 2 katta, 3 to 5 katta, 6 to 10 katta, 11 to 15 katta, 16 to 20 katta and above 20 katta were 13.33 percent, 24.76 percent, 22.85 percent, 19.04 percent, 12.38 percent and 5.71 percent respectively. After receiving the remittance income land having 16 to 20 katta and above 20 katta households is

increased to 18.09 percent and 16.19 percent respectively. Similarly, percentage of remittance before receiving remittance and after receiving remittance households having land 16 to 20 and above 20 katta is 18.09 percent and 34.28 percent respectively. This result shows that land holding power is increased after receiving the remittance income.

### 6.2.5 Impact of Remittance on Health Care Seeking Behavior

The flow of remittance in the study area has increased the peoples approach to the health facilities. There is a hospital being run by government and many private medical clinics providing the health service to the people in this municipality. To find out the approach of health treatment of household members, they were asked question where they first go for treatment. The following table shows the approach of health treatment.

**Table 6.11: Health Care Seeking Behavior of Households**

People receiving health facilities from	No. of remittance receiving Households			
	Before	Percent	After	Percent
Dhami/jhakri	23	21.90	5	4.76
Ayurvedic treatment	16	15.23	11	10.47
Health post	7	6.66	9	8.57
Private clinic	13	12.38	36	34.28
Govt. hospital	46	43.80	44	41.90
Total	105	100.00	105	100.00

Source: Field Survey, 2014

Table 6.11 presents the data about the households where they go first for their health checkup. Above table shows that before receiving the remittance income 21.90 percent households went to dhami/jhakri for their health checkup. After receiving the remittance income this percent decreased to 4.76 percent. Before receiving the remittance income 15.23 percent, 6.66 percent, 12.38 percent and 43.80 percent households were receiving the first health checkup from Ayurvedic method, health post, private clinic and governmental hospital. After receiving the remittance income, the percentage of households going first for treatment in private clinic and governmental hospital has been increased to 34.28 percent and 41.90 percent respectively. This shows that the increasing

income of the households helps to increase the percentage households taking health facility from private clinic and government hospital. Similarly, the percentage of households going private clinic and government hospital is greater in after remittance receiving households in comparison to the before remittance receiving households. It is found that the large numbers of population from sample households are taking health facility from governmental hospital. From this analysis we concluded that approach of health treatment depends on level of income.

### 6.2.6 Types of Housing

Types of dwelling and frequency distribution of sample households is shown in the table.

**Table 6.12: Types of Housing and Frequency Distribution of Sample Households**

Types of Dwelling	No. of Remittance receiving households			
	Before	Percent	After	Percent
Made by mud and bricks	14	13.33	9	8.58
Made by wood	8	7.61	5	4.76
Made by cement and bricks	80	76.19	89	84.77
Other	3	2.85	2	1.91
Total	105	100.00	105	100.00

Source: Field Survey, 2014

Table 6.12 shows that the types of dwelling on the basis of constructions. Before receiving the remittance 13.33 percent household's dwelling were made by mud and bricks. After receiving the remittance income it decreased to 8.58 percent. Before receiving the remittance 7.61 percent household's dwelling were made by wood and 2.85 percent household's dwellings were others and after receiving the remittance this percentage has been decreased to 4.76 percent and 1.91 percent respectively. From the field survey it is found that the large number of households dwelling is made from cement and bricks i.e.76.19 percent before receiving the remittance and it has been increased to 84.77 percent after receiving the remittance income. From this analysis we concluded that the remittance income helps to change the types of dwelling of the sample households.

### 6.3 Impact of Remittances on Expenditure Behavior

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

#### 6.3.1 Food Expenditure Behavior

Remittance income directly affects the average annual food expenditure of remittance receiving households. It is found that the average annual food expenditure of after remittance receiving households is higher in comparison to the before remittance receiving households. This is shown in the table.

**Table 6.13: Annual Average food Expenditure of RRHH**

Caste Group	No. of HH	Annual Expenditure on food of RRHH(Rs. In 100)				Total
		Before	Percent	After	Percent	
Chhatry/Brahmin	52	200.44	45.25	242.45	54.74	442.89
Janajati	36	185.25	47.88	210.63	54.44	386.88
Dalit	17	148.46	48.68	156.46	51.31	304.92
Total	105	178.05	47.27	203.18	53.49	1134.69

Source: Field Survey, 2014

Table 6.13 presents the differences of annual average food expenditure of households before and after receiving the remittance. Before the remittance receiving households, Chhetri/Brahmin caste group has been made Rs. 200.44 thousand (45.25 percent) expenditure on food which is Rs. 242.45 thousand(54.74 percent) after receiving remittance of this caste group. Similarly, before receiving the remittance Janajati and Dalit caste group has been made annual food expenditure Rs. 185.25 thousand (47.88 percent) and Rs.148.46 thousand(48.68 percent) respectively which are Rs.210.63



thousand (54.44 percent) and Rs.156.46 thousand(51.31 percent) in after receiving remittance income. This result clear that the annual average food expenditure after remittance receiving household is higher than before to receiving remittance.

### 6.3.2 Educational Expenditure Behavior

In Nepal high amount of remittance income is found to use in unproductive sectors such as consumption, loan repayment, real-estate and purchase of electronic goods. However, educational expenditure is also found to increase. Remittance recipients seem curious to spend high amount of remittance on education of their children/young. Annual average educational expenditure of remittance receiving households before and after which is given below.

**Table 6.14 Annual Averages Educational Expenditure of Households**

Caste Group	No. of HH	Annual Expenditure on Education of RRHH(Rs. In 100)				Total
		Before	Percent	After	Percent	
Chhatry/Brahmin	52	150.25	33.92	292.64	66.08	442.89
Janajati	36	100.44	25.96	286.44	74.04	386.88
Dalit	17	80.46	26.38	224.46	73.62	304.92
Total	105	110.38	28.75	267.84	71.24	1134.69

Source: Field Survey, 2014

The result of this survey shows that there is remarkable different in average annual spending on education before and after receiving remittance income. Before the remittance receiving households Chhatry/Brahmin, Janajati and Dalit caste group have been made average educational expenditure Rs. 150.25 thousand(33.93percent), Rs.100.44 thousand(25.96 percent) and Rs. 80.46 thousand(26.38 percent) respectively. Whereas these three caste groups after receiving remittance have been made annual average educational expenditure Rs. 292.64 thousand (66.08 percent), Rs.286.44 thousand (74.04 percent) and Rs.224.46 thousand (73.62 percent) respectively. The average annual expenditure on education of all caste groups have been made 28.75 percent before and after it increased to 71.24 percent. This fact reveals that the

households after receiving the remittance income expenses the more amount in education in comparison to before to receiving remittance income.

### 6.3.3 Investment on Land and Real-estate

From the field survey it is found that the remittance receiving households investing the large amount of remittance income to purchase land and real-estate in the main place of the city. But amount of investment is not equal before and after receiving remittance income. This is presented in the table.

**Table 6.15 Annual Average Investment of Remittance Receiving Households**

Caste Group	Annual Expenditure of Remittance Receiving Households(Rs.in 000)			
	No.of HH	Total average Expenditure	Average Investment on Land and real-estate Before	Average Investment on Land and real-estate After
Chhetry/Brahmin	52	442.89	49.61	119.23
Janajati	36	386.88	37.91	108.81
Dalit	17	304.92	9.21	32.41
Total	105	378.23	32.24	86.82

Source: Field Survey, 2014

Table 6.15 shows the before and after remittance receiving household's average annual investment in land and real-estate from total annual income. Before the remittance receiving households Chhetry/Brahmin, Janajati and Dalit caste groups make annual average investment on land and real-estate is Rs.49.61 thousand, Rs.37.91 thousand and 9.21 thousand respectively. Similarly, average annual investments of three caste groups after receiving remittance are Rs.119.23 thousand, Rs.108.81 thousand and Rs.32.41 thousand respectively. Here the Chhetry/ Brahmin caste group invest the large amount of land and real-estate than two other. The result shows that the average annual investment on land and real-estate by Dalit caste group is lower in comparison to other caste group.

### 6.3.4 Saving of sample households

In the study area amount of saving ratio is not equal before to receiving remittance and after receiving remittance. It is found that the saving after receiving the remittance is high than before to receiving remittance income. Annual average saving of the households is presented in the table.

**Table 6.16 Annual Average Saving of Households**

Caste group	No. of HH	Annual saving of households	
		Average saving Before	Average saving After
Chhetry/Brahmin	52	28.48	86.69
Janajati	36	23.93	68.41
Dalit	17	10.35	43.23
Total	105	20.92	66.11

Source: Field Survey, 2014

Table 6.16 shows the annual average amount of saving by different caste groups. This table shows that the annual average saving of chhetry/Brahmin caste group is greater than other cast group. Annual average saving before to receiving remittance is Rs.28.48 thousand, Rs. 23.93 thousand and Rs. 10.35 thousand by chhetry/Brahmin, Janajati and Dalit caste group respectively. Similarly, annual average saving after receiving remittance by Chhetry/Brahmin, Janajati and Dalit caste group is Rs. 86.69 thousand, Rs.68.41 thousand and Rs. 43.23 thousand respectively. This result shows that the saving amount after to receiving remittance is greater than before to receiving remittance. This result shows that the saving ratio of Janajati and Dalit caste group is lower in comparison to the Chhetry/Brahmin caste group. It is because they are spent large portion of remittance income in religious activities like festival, marriage ceremony etc.

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

## CHAPTER - VII

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 7.1 Summary of findings

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

To fulfill the above objective of the present study, Dhangadhi Municipality of kailali district was selected area and sample survey was conducted in 2014/15. The sample size was 105 households chosen by random sampling method and data was collected through questionnaire method. Some secondary data were also used to show and compare the composition of foreign employment and remittance of the national level as well as the local level in the study area. Data are analyzed by using simple statistical tools like mean, percentage etc. from the study following conclusions are drawn.

1. Total population of the study area is 12,459 and out of this 6410(51.45percent) are male and 6049(48.55 percent) are female.
2. Majority of the population lies under the age of 15 to 59 years (66.64 percent). Only 14.08 percent of population lies above 60 years and 19.29 percent population is under 14 years.
3. According to Nepal Rastra Bank, total remittances receive through registered source by Nepal in fiscal year 2014/15 is 560.60 billion, which is greater than previous fiscal year.
4. In the national context, main destination of Nepalese workers is Gulf Countries and Malaysia. More than sixty percent of the workers are employed in gulf countries. Country wise Malaysia, Saudi Arabia, Qatar, UAE are the destinations of the Nepalese workers.

5. The average annual income of the households in this municipality is around 135 thousand and 41.73 percent income is covered by both government and private job.
6. The contribution of remittance to the GDP in fiscal year 2013/14 is 29.1 percent.
7. Major reasons to seek foreign employment include unemployment, family debt burden, and political instability and to earn money than which they are earning in their own country.
8. The means to get foreign employment of the most of the sample respondents were manpower agencies. Other went either through unregistered agents or personal initiatives.
9. Majority of the foreign job seekers did not have any skill and took unskilled labor jobs in construction.
10. The average cost paid for foreign employment by the respondents of the study area was around Rs.92 thousand and average duration of stay is 3 years.
11. A source of financing for foreign employment from loan is 42.15 percent and 39.22 percent from family savings and 15.53 percent from property selling.
12. Major sectors of employment for Nepalese workers are construction, salesman and security guard.
13. The migrants' workers earned more income in gulf countries than Malaysia. It was average Rs.198.67 thousand and 93.94 thousand per annual respectively.
14. Total remittance income of last year of the sample households is 18688.5 thousand and share of remittance income in total income is 45.19 percent.
15. 22.54 percent remittance income is used for household's consumption purposes. Similarly, 13.93 percent, 36.08 percent, 6.96 percent and 20.46 percent remittance income is used for loan repayment, to purchase land and real-estate, investment in business and saving respectively.
16. Annual average educational expenditure after receiving remittance is Rs. 71.24 thousand whereas annual educational expenditure before to receiving remittance is Rs.28.75 thousand.

17. Annual average saving after receiving remittance is Rs.66.11 thousand whereas annual average saving before to receiving remittance is only Rs.20.92 thousand.
18. Annual average food expenditure after receiving remittance is Rs. 52.73 thousand whereas annual food expenditure before to receiving remittance is Rs.47.27 thousand.

## **7.2 Conclusion**

Due to the various factors like unemployment, increasing population, political instability, internal conflict etc. many youths are lured to go abroad for employment. Unemployment and family debt burden is the main cause for the foreign employment. Most of the workers of the study area are migrated to those countries where they do not need any especial qualification for the job to be taken, like India, Qatar, Malaysia, UAE, Saudi Arabia and other gulf countries and also to other south Asian countries. Their migration to the different countries depends upon the economic condition of their family and also the regular money income of the members of the family. The average annual income of the households in this area is around 135 thousand and 45.19 percent is covered by foreign employment. In the comparison between male and female, male have been gone abroad than the female. The percentage of Janajati and Dalit population migrated in abroad for employment due to the family debt is higher in comparison to the Chhetry/Brahmin caste group. Since the skill worker is quite low, most of them get employment in manual job. Many workers are found to engage in manufacturing, security guard, hotel, and salesman. In the study area the respondents who have done the work in the gulf countries earned more money than the respondent worked in Malaysia. The average annual income between literate workers and illiterate workers is very different. The literate workers are getting more money than the illiterate workers. The entire caste group have been

made lower expenditure in investing business and industrial sector but increased in educational sector. The large amount of remittance income is investing in unproductive sectors like food, land and real estate, consumption and social custom. After receiving remittance income the population getting bachelor and above education has been increased. It shows that remittance income helps to making positive impact for higher education.

It is concluded that the economic and social condition of all families who have involved in foreign employment have increased. It may be both aspects i.e. economy as well as social but surely there is positive change in the status of the families of the respondents due to the remittance income. In this area remittance is playing a great role in reducing poverty. In the study area the level of poverty is reducing gradually than the previous time. The living standard of the people has been raised up. Educational status has been raised up and the people are now living a healthy life. The social status of the people has been raised up. In overall scenario the people are now living a higher living standard.

### **7.3 Recommendations**

In Nepal, remittance has become the backbone of the economy. If the backbone is well nourished human body can be strong enough to withstand any kind of powerful shocks. By analogy, in order to make our economy strong enough to absorb any kinds of financial shocks, remittance income should be managed and potentialities within remittance inflows should be identified on time. Based upon the summary of the research, recommendation can be made both at the policy level and for the households.

1. The migrated persons with higher secondary and the above are found to earn much higher remittance income than the persons with primary, lower secondary and higher secondary educational level. The government of Nepal should encourage those with higher secondary and above educational level to seek foreign employment.
2. Most of the people are found to go in the construction of building and security guard as unskilled laborer but their earning on an average is very low so the government should give the training of driving, cook, plumber, carpenter and many more compulsory for all those who want to go abroad and government should establish such vocational institutes where in low fee people from grass root level can be skillful. This result in high volume of remittance.
3. Since most of the migrant Nepalese workers have gone to gulf countries and Malaysia so their destination are congested area of the Nepalese workers. Thus, manpower agencies, agent and Employment Company all have cheated to maximum workers. On the other hand, the worker of their destinations cannot earn more money than other destination like Japan, Korea, Hong Kong, USA, UK etc. So, ministry of labor and transport Management GON should make new policy to identify new potentialities destinations and create opportunities to their destination. Where the workers will earn more money than existing countries. Apart from this the labor contract should be made between two countries to give safe environment for the workers.



4. The use of remittance income is consumption biased in the area. So the households should make saving out of the received income for future production.
5. Most of the remittance income in the study area is used in unproductive sectors like consumption, loan repayment; to purchase land and real-estate etc. however it helps to decreased poverty. Therefore to bring up the poor population under the poverty line, government should promote to invest remittance income in to the productive sectors.
6. The impact of remittance income is observed significant to reduce health problems. Ownership of consumer durables etc. this means high proportion of remittance income is used for these proportion. So, the migrated employers can come back and start the business on these sectors.
7. Surely remittance income is playing very positive impact on household's expenditure in different indicator of the study area and also it is improving the social as well as economic indicators of the municipality but this is not satisfactory. Maximum part of remittance income have been used in unproductive sectors like regular households expenditure, loan repayment, to purchase land and real-estate etc. this do not give any return in the future. Thus, the policy should be made to give more information to the respondents own using their remittance income into productive sectors like investment in shares, business etc. and should be given more opportunities in using their newly learnt skill after returning from the foreign employment.
8. The concept of economic diplomacy should be implemented from the government of Nepal to increase the demand of Nepalese labor in the foreign employment.
9. The labor desk should be established in the airport of the major labor migrating countries to help the Nepalese labor in various problems.

10. The bilateral agreement should be done from the ministry level with all the labor importing countries. Agreement done with South Korea can be the best example of positive impact of agreement.
  
11. The impact of remittance income in education and skill development activities is relatively low. The households need to use some proportion of remittance income for education and human development activities as well as infrastructure development also.

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**APPENDIX I**  
**QUESTIONNAIRE**

**The impact of remittance on Household expenditure behavior: A case study of Dhangadhi Municipality, Kailali District**

**Questionnaire for remittance receiving household**

**1. General information**

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

**2. Household structure by Age and Sex:**

Age Group Sex	Below 5Years	6 to 10 Years	11 to15 Years	16 to 24 Years	25 to 45 Years	46 to 60 Years	61 to 75 Years	Above 75 Years
Male								
Female								
Total								

**3. Background of the migrated person:**

Name	A g e	S e x	Period of stay	Monthly salary at NPR	In which sector does your migrated member work?	Whether he/she is still there or returns?	What are the cause s/he to go abroad?

**Main causes to go abroad**

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

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

S. N.	Expenditure Heading	Amount at NPR
1	Passport Expenditure	
2	Medical Expenditure	
3	Support Expenditure	
4	Visa Expenditure	
5	Traveling Expenditure by Airplane	
6	Other Expenditures	
	Total	

**5. During the last 12 months, has any member of your household received remittances? Yes No**

Remittance sender's name	S e x	A g e	education	Country	Who in your HH is the primary recipient?	What is the relationship of the sender to the recipient?	How many times your HH received remittance?	Total amount received by your HH	Total amount received over the last 12 months

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

Expenditure Headings	Amount (Rs.)
Food	
Clothes	
Health treatment	
Education	
Festival and entertainment	
Investment and agriculture	
Dept repayment	
To purchase land and real-state	
Saving and investment	
Other	
Total	

7. In general, which sector that you have spent the remittance income over the past 12 months?

**Different aspect of household before receiving remittances**

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

Age group \ Occupation	Below 5 years	6to10 years	11to15 years	16to24 years	25to45 years	46 to 60 years	61to 75 years	Above 75 years
Agriculture								
Industry								
Study								
Trade								
Govt./private job								
Wage employment								
Foreign employment								
Not work								

2. Educational status of the household:

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

3. Ownership of dwelling:

Self owned..... 1

Shelter on other home..... 2

4. Types of dwelling:

Made by cement and bricks ..... 1

Made by mud and stone..... 2

Made by wood.....

Other..... 4

**5. Does your household own any land?**

a) Yes..... 1

b) No..... 2

**6. Types of own land and its area :**

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

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

Wood/firewood..... 1

Cylinder gas ..... 2

Bio-gas ..... 3

Other..... 4

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

Open fire place ..... 1

Mud stove..... 2

Smokeless stove..... 3

Kerosene/ gas stove..... 4

Others ..... 5

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

a) Lama/Dhami/ jhankri.....1      b) Health post ..... 2

c) Govt. hospital..... 3      d) private clinic ..... 4

e) Ayurvedic treatment ..... 5      f) other ..... 6

**10. What type of toilet is used by yours household?**

Household flush (connect to septic tank) ..... 1

Household non-flush ..... 2

Communal latrine..... 3

No toilet ..... 4

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

Telephone / Mobile phone

Electricity

Cable TV

Yes ..... 1

Email/Internet

No ..... 2

Refrigerator

**12. Does any member of your household have loans?**

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

**13. Income status of the household:**

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

**14. Expenditure status of the household:**



Expenditure Heading	Expenditure amount
Food	
Clothes	
Health treatment	
Education	
Festival and entertainment	
Investment in agriculture	
To purchase land and real-state	
Loan repayment	
Others	
Total	

**Different aspect of household after receiving remittances**

**1. What are the occupational structures of yours family members?**

Age group \ Occupation	Below 5 years	6to10 years	11to15 years	16to24 years	25to45 years	46 to 60 years	61 to 75 years	Above 75 years
Agriculture								
Industry								
Study								
Trade								
Govt./private job								
Wage employment								
Foreign employment								
Not work								

**2. Educational status of the household:**

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

**3. Ownership of dwelling:**

- Self owned..... 1
- Shelter on other home..... 2

**4. Types of dwelling:**

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

**5. Does your household own any land?**

- c) Yes..... 1
- d) No..... 2

**6. Types of own land and its area :**

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

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

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

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

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

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

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

**10. What type of toilet is used by yours household?**

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

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

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

**12. Does any member of your household have loans?**

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

**13. Income status of the household:**

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

**14. Expenditure status of the household:**

Expenditure Heading	Expenditure amount
---------------------	--------------------

Food	
Clothes	
Health treatment	
Education	
Festival and entertainment	
Investment in agriculture	
To purchase land and real-state	
Loan repayment	
Others	
Total	