

**Role of Remittance in Socio-Economic Development of Rural  
Households:  
A Case Study of Taruka VDC, Nuwakot District, Nepal**

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Submitted By:  
Sumitra Gautam  
Central Department of Rural Development  
Regd. No.: 6-1-38-1207-2001  
Exam Roll No.: 282454  
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## DECLARATION

I hereby declare that the thesis entitled “**Role of Remittance in Socio-Economic Development of Rural Households: A Case Study of Taruka VDC, Nuwakot District, Nepal**” submitted to the Central Department of Rural Development, Tribhuvan University, is entirely my original work prepared under the guidance and supervision of my supervisor. I have made due acknowledgements to all ideas and information borrowed from different sources in the course of preparing this thesis. The result of this thesis have not been presented or submitted anywhere else for the award of any degree or for any other purpose. I assure that no part of the content of this thesis has been published in any form before.

.....

**Sumitra Gautam**

TU Reg. No.:6-1-38-1207-2001

Date:

## RECOMMENDATION LETTER

The thesis entitled “**Role of Remittance in Socio-Economic Development of Rural Households: A Case Study of Taruka VDC, Nuwakot District, Nepal**” has been prepared by **Sumitra Gautam** under my guidance and supervision. I hereby forward this thesis to the evaluation committee for final evaluation and approval.

.....

**Prof. Umesh Acharya**

Date:

## ACKNOWLEDGEMENTS

The study “Role of Remittance in Socio-Economic Development of Rural Households: A Case Study of Taruka VDC, Nuwakot District, Nepal” has been carried out in partial fulfillment of the requirement for the degree of Master’s in Rural Development. My special thanks go to my respected supervisor Prof. Umesh Acharya for his precious guidance, advice and invaluable inspiration thoroughly during the period of this study. Without his valuable insight, I would not be able to complete this thesis. Similarly, I would like to give thanks to all the respondents who were participated in this study and give their valuable time to fulfill my queries. In addition, staff members from different institutions. However, I should not bias those writer or publication who published different books, articles and so on which provided me reference and reading materials during the period of research. Moreover, I am grateful to the head of department, lectures and all staff who are working in Department of rural development for their help.

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Sumitra Gautam

## ABSTRACT

This study entitled **Role of Remittance in Socio-Economic Development of Rural Households: A Case Study of Taruka VDC, Nuwakot District, Nepal** was conducted with the objectives of analyze the impact of remittance in rural households; access the contribution of remittance in socio-economic development of rural area.

The general objective of this study was to examine relationship between the socio-economic condition of the rural households before and after the remittances. However, the specific were to analyze the socio-economic conditions of rural households after remittance in the study area; to explore the trend of foreign employment in the study area and to examine the role of remittance in socio-economic development.

The data was collected from the respondent of the VDC. This is analytical as well as descriptive type of research Design. The available data from the various sources where collected, classified and tabulated to meet the needs of the study. Data processing is done with the help of a mathematical tools and technique. Hence, various methods of analysis such as graphical presentation, tabulation were made for the purpose of analysis. Data were studied comparatively to get required results about the socio-economic impact.

The total number of households of Taruka VDC is 1,127 (CBS.2011). There are 308 emigrants household of this VDC. Among them 40 households were selected as sample for the study. Most of the households from the study area were receiving remittance. Foreign employment was main occupation of the study area. From the study area we can conclude that all the households who were receiving remittance are getting benefit. There access to education, health and socio-economic condition has increased. Likewise it also helps in net saving. The remittance is not using properly in productive sector if the households properly invest in productive sector it will help to develop rapidly in rural area. All households were positive towards remittance income. The living standard of people in study area is gradually changing. People are now getting the proper social and economical status is also gradually increasing. The income of the family has been raised up ultimately uplifting the living standard of the people under the poverty line. Some recommendation from our side like the

income coming from remittance should be utilized in productive sector like business, Agriculture etc.

Major reasons to seek foreign employment include unemployment, family debt burden, conflict problems and to earn money then which they are earning in their own country. The means to get foreign employment of the most of the sample (85 percent) respondents were Manpower Agencies. Other went either through unregistered agents or personal initiative. Majority of the foreign job seekers (83 percent) didn't have any skill and took unskilled labor jobs in industries. The respondents of this VDC said that remittances have increases their household economic and social indicators after returning from foreign employment. Around 82.50 percent respondents said that remittance have increased their economic status, 75 percent of respondents said that remittance income have increased their standard of living, around 60 percent of the respondents social attitude have increased with the remittance income.

As a summary, we can say that the remittance income earned from foreign employment is helping the household of the study area in fulfilling their basic needs as well as fulfillment of other social economic 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 role to the respondents and their family to reduce their level of poverty of the study area and help to rural development.

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## **LIST OF ACRONYMS/ABBREVIATIONS**

ADB	:	Asian Development Bank
BOP	:	Balance of Payment
CBS	:	Central Bureau of Statistics
CEF	:	Convertible Foreign Exchange
DFID	:	Departmental for International Development
FDI	:	Foreign Direct Investment
FY	:	Fiscal Year
GDP	:	Gross National Products
GNI	:	Gross National Income
GON	:	Government of Nepal
HDR	:	Human Development Report
IA	:	Intermediate of Arts
ILO	:	International Labor Organization
IMF	:	International Monetary Fund
KSA	:	Kingdom of Saudi Arabia
MOF	:	Ministry of Finance
NLSS	:	Nepal Living Standard Survey
NPC	:	Nepal Planning Commission
NRB	:	Nepal Rastra Bank
SAARC	:	South Asia Association for Regional Cooperation
SLC	:	School Leaving Certificate
UNDP	:	United Nations Development Program
UAE	:	United Arab Emirates
UK	:	United Kingdom
USA	:	United State of America
US\$	:	United State Dollar
VDC	:	Village Development Committee
WB	:	World Bank
WDR	:	World Development Report