

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Migration has been indispensable to human history, culture and civilization. It is evident that migration has played a pivotal role throughout the year in shaping the world as we know it today. During the age of Discovery (15th to 17th century) many Europeans, with the Portuguese and Spanish leading the way undertook maritime travels and explored the America, Africa, Asia and Oceania. This transoceanic migration led to their discovery of new lands, the expansion of trade relations and the development of the economies of both the countries of origin and destination. The second half of the 20th century has seen major shifting in the nature and the extent of worldwide migration.

“International migrants,” as defined by the United Nations, are those living for one year or longer in a country other than the one in which they were born. Thus, many foreign workers and international students are counted as migrants, as are refugees and, in some cases, their descendants. Total migrant stock includes unauthorized or illegal immigrants living in various countries. “Remittances” are funds or other assets sent to their home countries by migrants, either themselves or in the form of compensation (wages) for border, short-term and seasonal employees (Connor et. al.,2013).

The IMF considers a wider definition and incorporates three categories, that is, a) workers' remittances or transfers in cash or in kind from migrants to resident households in the country of origin, b) compensation to employees or the wages, salaries and other remuneration, in cash or in kind, paid to individuals who work in a country other than where they legally reside and c) migrant transfers which denote capital transfers of financial assets made by migrants as they move from one country to another and stay for more than one year. The Nepal Rastra Bank (NRB) follows the IMF Manual in recording remittances or migrant transfers in its Balance of Payment (BOP) computation (Panta, 2008).

Foreign remittances generally refer to the money and goods that are transferred to families by migrant workers waged outside of their country of origin. The flows of

migrant workers remittances from developing to developed countries have been growing constantly. Remittances have become vital private financial resources for families in home countries of migrants, while they cannot be viewed as an auxiliary for foreign direct investment, official development assistance, debt relief or other public sources of finance development.

Remittances represent a major source of income for millions of families and businesses globally, particularly for the most vulnerable, and are often a critical entry point for the financially excluded to access financial services. Remittance flows contribute to the welfare of around 700 million people worldwide. In 2017 alone, remittances to developing countries are expected to reach USD 444 billion (RemitSCOPE, 2017).

The top migrant destination country is the United States, followed by Saudi Arabia, Germany, the Russian Federation, the United Arab Emirates, the United Kingdom, France, Canada, Spain, and Australia. The top six immigration countries, relative to population, are outside the high-income OECD countries: Qatar (91 percent), United Arab Emirates (88 percent), Kuwait (72 percent), Jordan (56 percent), and Bahrain (54 percent) (WB, 2016).

The history of Nepalese going abroad for work dates back to at least the early 19th century, when the British began to recruit men (the Gurkhas) from the hill areas into their armed forces. The end of war between Nepal and British after signing of Sugawali treaty in 1814 opened the recruitment for Nepalese in British Army by establishing Gorkha Recruitment Center. This leads to start the foreign employment opportunity for Nepalese to India as well as Britain. Following its independence from the Britain in 1947, India too started to recruit Nepali people into its military. The Peace and Friendship Treaty (1950) between India and Nepal formalized free boarder movement of people between two countries. We find traditional Lahure pattern of foreign employment during 1814 to 1990 (MoF, 2017).

Nepali workers have been going to present-day India, which borders Nepal on three sides, seeking employment during the dry season for centuries. Following the enactment of the Labour Act of 1985, the first official recognition of the benefits of foreign migration (CBS, 2006), foreign employment destinations diversified to include Southeast and Fareast Asia and later the Middle East. But the scale of

labour-out-migration, especially to overseas countries (other than India), since the late-1990s has been staggering and unprecedented, with the result that remittances have become a veritable mainstay of the Nepalese economy.

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.

Remittance have been playing significant role for overall economic development of Nepal. It is a prime driving force to the economic growth and poverty alleviation in Nepal. The export of manpower is one of the most significant foreign currency earning sectors of Nepal. It contributes our national economy in a large measure by increasing foreign exchange reserve, per capita GDP and employment opportunities.

The ratio of remittance to GDP that stood at 30 percent in FY 2017/18 is estimated to reach 31.1 percent by the end of FY 2017/18. Remittance income that had registered a growth of 4.0 percent in FY 2015/16, the current foreign exchange reserve is sufficient to cover the imports for 15.8 months. (MoF, 2018).

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1.2 Statement of the Problem

Limbu tribe and clans belong to the Kirati nation or Kirat confederation that includes the Rai and Sunuwar who are believed to be the descendants of the ancient Mongolian-Tibeto people and are still known as “Mongolians” in Nepal. The name Limbu is an exonym of uncertain origin. Anyhow the word Limbu roughly means or translates as an archer or ‘the bearer of bows and arrows’. They call themselves Yakhumba/Yakhung (in Limbu language). They are also known as Shong, Xong or Drenjongka (in Tibet) or Chong, Tsong in (Sikkim). Their approx population of

700,000 is centered on the districts of Sankhuwasabha, Tehrathum, Dhankuta, Taplejung, Morang, Sunsari, Jhapa, Panchthar and Ilam, all within the Mechi and Kosi zones in Nepal, also known as Limbuwan, as well as the East and West districts of Sikkim. A smaller number are scattered throughout the cities of Darjeeling and Kalimpong in West Bengal, India and also in North and South Sikkim and Bhutan (MoF, 2017).

The Limbus traditionally practiced subsistence farming. Rice and maize comprised their principal crops. Although there is an abundance of arable land, productivity is greatly limited by insufficient technology. So, they have food insufficiency and so they have to purchase required foods that they cannot be grown in the region.

As Limbu community is marginalized tribe which is far away from the mainstreams of the nation. This community have relatively poor economic condition, less education level and so high unemployment.

A sizable number of Limbu youths are enlisted in the British and Indian Gurkha regiments, providing their families with a steady stream of income. In the present days Limbu youths are attracted in foreign employment and they trend to go for foreign employment in countries like Saudi Arabia, UAE, Qatar, Malaysia etc.

The impact of remittance in national level has positive impact to improve living standard of people and it helps to reduce poverty.

Remittance income is the major source of income of many households of Limbu community. But what is the main impact of remittance in the Limbu community is the main concern of this study. Similarly, does remittance increasing employment opportunity and improving living standard of Limbus or not is the subject matter of the study. This study conducts an impact evaluation by surveying both remittance-recipient households and non-recipient households of Limbu community in DharanSub-MetropolitanCity of SunsariDistrict.

The study focuses to answer the following questions:

- What is the trend of foreign employment and remittance income?
- What is the expenditure pattern of the RRHHs and RNRHHs of Limbu community?
- What is the impact of remittance on Limbu Community?

1.3 Objectives of the Study

The general objective of the research is to study the impact of remittance on Limbu Community with reference to Dharan Sub – Metropolitan City of Sunsari District. The specific objectives of this study are as follows:

1. To highlight the trend of foreign employment and remittance income,
2. To analyze out the expenditure pattern of migrants and non-migrants households of Limbu Community,
3. To examine the impact of remittance on Limbu Community.

1.4 Significance of the Study

Remittance has significant importance in Nepalese economy in very aspects. Remittance helps in reduction of poverty, unemployment and it helps to increase in income and living standard of people in Nepal. It helps to increase in foreign exchange reserve and hence surplus in Balance of Payment (BoP). The inflow of remittance is increasing continuously year by year.

This study is focused on the impact of remittance on Limbu community. Limbu community is one of the marginalized Community in Nepal. There is no any systematic study under taken on the impact of remittance on this community. So, finding of this study is useful for Limbu community, policy maker, migrants and their family as well as those who are interested in economic development and it's one of the determinants remittances in Nepal. This study will also useful for those organizations that are working in the field of economic development and foreign employment, poverty alleviation etc.

1.5 Limitations of the Study

The main limitations of the study are as follows:

- This study covers only Dharan Sub-Metropolitan City of Sunsari district. So, the results may or may not applicable to whole country.
- This study focuses on the Limbu community only,
- Most of the analysis has been based on primary data, so any distortion of the reality from this study may be due to the biasness of the respondents.
- This study concern only overseas foreign employment but excludes India.

CHAPTER II

LITERATURE REVIEW

2.1 Theoretical Review

Todaro (1976) stated that migration is stimulated primarily by rational economic consideration of relative benefit which are mostly financial. Decision of migrate is influence by the difference between expected income between two places, the odds, probability of getting job in new area is inversely related to unemployment rate in the new area.

Chaudhary (1993) defined the factors that affects the labour migration propensity to remit of all migrants and proportion of remittance is equals and depends on the types of work received abroad, level of education of migrants, marital status, origin of migrant rural or urban, proportion of income remitted is more or less same of all types of migrants, but the amount of remittance certainly is not equal. The author concluded that first, initial consumption pattern largely affect the use of it. If the recipient is below the poverty line his/her elasticity of demand on necessary things is high i.e. it encourages local consumption expenditure. If he/she is above the poverty line, it makes him/her rise in income status or consumption pattern shifts together for facility and luxury. Secondly, expenditure of remittance in receiving household depends upon availability of desired commodities or services too. If they are not available, they lead to establish wholesale are retail unit. Thirdly, the use of it depends on propensity to save and it is affected by level of income and ceremonial duties like marriage. If they are high one's, propensity to invest reduce. The fourth element proposed by author that affects the use it value system and attitude towards different types of occupation.

Cox and Stark (1994) argued about the self interest factors that determined the migration and remittance. In contrast to altruism, self-interest is also a motivation to remit. In this case a migrant sends remittances with the aspiration to inherit, to demonstrate laudable behaviour as an investment for the future or with the intent to return home. If a migrant wants to invest at home, the household can be a trustworthy and well-informed agent. If a migrant intends to return home, he may already invest in housing, livestock etc. and will ask the family to be the agent. The migrant may also send remittances to invest in his reputation at home. Inheritance may be used as a blackmailing device by the household head to receive remittances. According to this

theory, remittances increase with the households' assets and income, the probability of inheriting (dependent on the age of parents, number of siblings, etc.), the migrants' wealth and income, and decreases with risk aversion. Only in the case of the aspiration to inherit, can self-interest be distinguished from altruism in the migrants' behaviour and a larger income and or wealth of the household should lead to more remittances. Finally, in a three generation setting, remittances may be sent to parents to ensure that the remitters' own children also take care of him in old age, known as the demonstration effect. Care and transfers have to be visible to the grandchildren generation for maximum effect.

Funkhouser (1995) assumed that remittances are sent to the family left behind due to altruistic feelings of the migrant. This can be modelled in a Becker type setting where the migrant derives positive utility from the consumption of the family. The migrant thus cares about poverty, shocks, etc. of the family and consequently sends remittances. In this case, there is a positive relationship between adverse conditions of the receiving household and remittances sent, see Table 2.1. Remittances should increase with migrant income (the migrant has more to share) and altruism and decrease with recipient income. However, income does not necessarily have a linear effect. Income may have a different effect at different points of the income distribution.

Englama (2009) discussed about the Optimistic and Pessimistic view about remittance. According to the optimistic view of remittance, remittance is positive to the receiving households/countries, it could alleviate poverty and promote economic development and ease pressure on governments faced with large external deficits to engage in difficult structural reforms. According to the pessimistic view of remittance, remittances should not be encouraged that remittances should not be encouraged. It is detrimental to the growth and it is detrimental to the growth and development of the recipients/receiving countries. It is responsible for "excessive" consumption, import dependency or "unproductive" investment in housing and land. It exacerbates the dependency of receiving communities.

Both views served as the backbone for the development of theories on remittances. The economic impact of remittance is likely to depend on the propensity of the recipient household to consume or invest. Where remittances is invested it would contribute to the wealth generation of the family and increase their income.

The author also discussed about the macro-economic impact of remittance on (1) Infrastructural Development – Remittances serves as additional investments for physical and human capital developments where existing financial system and institutions allow remittances to be well intermediated and freely utilized. (2) Boost development of the Financial Sector in recipient countries. – This is done through well-developed financial products and institutions. Such as the Diaspora bonds, Mortgage, e.g., to attract funds from the Diaspora. (3) Poverty Alleviation and Reduction in Income Gap. – Several household studies have concluded that a country at the initial stage of receiving remittances has a high at income gap. But subsequently the increase in income attributed to remittances over time reduces the income gap and poverty level. And, finally, the negative impact (4) Dutch Disease – Remittances has a potential negative impact where there recipients/country switch from expending the inflow from tradable to non-tradable. There would be an increase in importation of goods and eventually to Dutch diseases.

Orozco (2013) stated that the international migration, particularly foreign labor mobility, is a two-pronged dynamic. It responds to specific determinants of international migration patterns (push-pull dynamics, industry demands for foreign labor, underdevelopment, and opportunity costs), as well as to migrants' personal obligations to their families. International labor mobility continues to increase in scope and intensity. It is a part of a transnational revaluation that is reshaping societies and politics around the world.

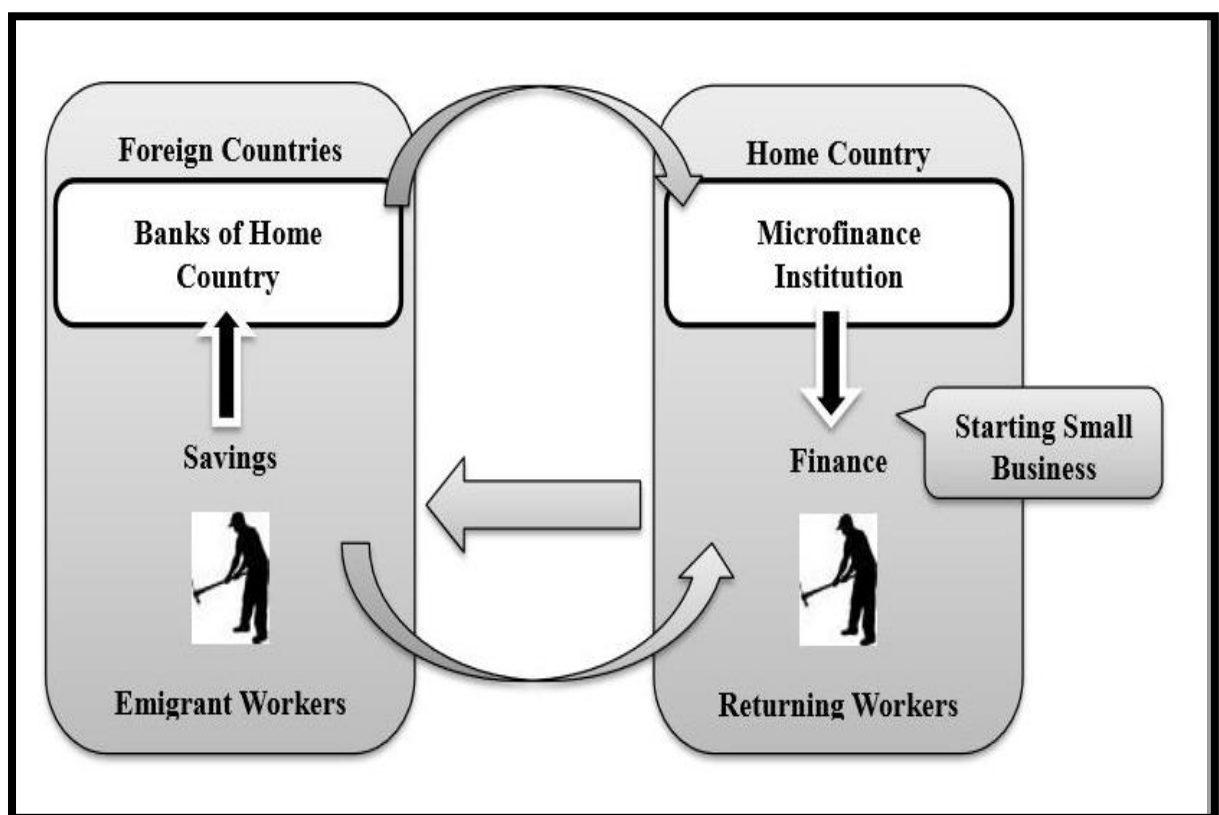
With the growing integration of foreign labor into global markets, migrants have become substantively and more directly involved in economic and social activities in their countries of origin. One reason is the dynamics of globalization and the new opportunities that appear as the political and economic environment open up in their home societies. Such involvement can be viewed as it relates to at least four spending or investment practices of migrants: various forms of capital transfers (such as remittances); demand for services such as telecommunication, consumer goods, or travel; capital investment; and charitable donations to philanthropic organizations raising funds for the migrant's home community.

Taguchi and Lar (2017) examined the sectorial and intertemporal impacts of international emigrant remittances by using a vector auto-regression (VAR) estimation focusing on the Cambodia, Lao PDR, Myanmar and Vietnam (CLMV)

economies. The reason for targeting the CLMV countries is that they have still depended largely on remittance-earnings from their emigrant workers in their economies, and that the macroeconomic impacts of received remittances would be critical for their sustainable growth. The empirical study identified the decline in manufacturing-service ratio (the Dutch Disease effect) as a sectoral effect of remittances, and also the decline in investment-consumption ratio (the deteriorated capital accumulation effect) as their intertemporal effect, judging from the causalities and dynamic responses from remittances to both ratio in the VAR estimation outcomes. The strategic implication is that the CLMV countries should establish a framework to mobilize their remittance-earnings for more productive use. The bridging scheme between savings from remittance revenues and private investment such as remittance linked micro-financing services should be highly recommended in the CLMV economies.

Figure: 2.1

Remittance- Linked Microfinancing Services



2.2 Empirical Review

The empirical review provides the data make the study more relevant. Under this topic, national and international empirical literatures are studied.

2.2.1 International Review

Glytsos (1993) examined the direct and indirect effects of international remittances on production, imports and employment on the Greek economy in 1971. The author finds that remittances generate a multiplier effect of 1.7 on total gross output, with the highest multiplier effects being in the apparel, machinery and construction industries. In other words, a remittance of \$1 million dollars would increase Greece's gross output by \$1.7 million dollars. Remittances also lead to a rise in imported goods, but these imports represent only 5 percent of total Greek imports. On this basis, Glytsos (1993) emphasizes that remittances leakages to imports do not have a major impact on the trade deficit.

Taylor, Scott and Alan (2003) examined the impact of internal migration and remittances on crop and household income. The authors find that migration and remittances have multiple and contradictory effects on rural household income. On the one hand, when a migrant leaves a household, crop yields fall and crop income declines by about 33 percent. However, the remittances sent home by the migrant have a positive, countervailing effect on household income. For example, with the receipt of remittances, rural households tend to purchase more inputs and to substitute capital for labor. Taking into account all of these various effects, the authors find that participating in migration increases per capita household income in rural China, for those left behind, by between 16 and 43 percent.

Adams and Page (2005) stated that the current transfer is believed to ease the life supplementing the consumption need and contribute to reduce poverty. The remittances are believed to reduce poverty. It is reported that a 10 percent increase in the share of remittances in a country's GDP can lead to a 1.2 percent decline in poverty (Adams & Page 2005).

IFAD (2007) explained that in developing countries, agriculture provides employment and livelihood for the majority of the population, providing work to more than 75 percent of the labour force. However, employment in the agricultural sector is decreasing. Many rural areas are undergoing a process of 'de-agrarianization', with

younger workers seeking to move out of agriculture. In the late 1990s, rural non-farm activities accounted for 42 per cent of rural household income in Africa, 40 per cent in Latin America and 32 per cent in Asia.

Ratha (2013) described that as per the World Bank estimate migrants remittance was estimated US \$ 401 billion in 2012, and projected that by 2015, this figure could grow by another \$114 billion and are growing fast-represent a major vehicle for reducing the scale and severity of poverty in the developing world. To put the known volume of remittance flows into perspective, in 2011 migrants sent approximately three times more to developing countries than these countries received in official development assistance; and they sent an amount equal to about half of foreign direct investment (FDI) in these countries. Besides pure monetary gains remittances are associated with greater human development outcomes across a number of areas such as health, education, and gender equality. This money acts as a lifeline for the poor increasing income for individuals and families. In some countries, remittances represent more than 20 percent of the gross domestic product (GDP). The remittances as percent of GDP of Tajikistan is 47 percent, Liberia 31 percent, Kyrgyz Republic 29 percent, Lesotho 27 percent, Moldova 13 percent, Nepal 22 percent, Samoa 21 percent, Haiti 21 percent, Lebanon 18 percent and Kosovo 18 percent in 2011. The top remittance recipient countries of the world in 2018 are (remittance received in billion of US \$) India 70, China 66, Philippines 24, Mexico 24, Nigeria 21, Egypt 18, Vietnam 9 and Lebanon 7.

The author further stated that while migrant can have both positive and negative economic, social and cultural implications for countries of origin, remittances are the most tangible and least controversial link between migration and development. Policymakers can do much more to maximize the positive impact of remittances by making them less costly and more productive for both the individual and the county of origin. Migrants pay transaction costs, on average of 9 percent of the amount they remit. While increased competition among institutions that provide money transfer services has produced substantial progress in reducing these costs in high-volume remittance corridors, prices remain high in low-volume corridors, such as between Japan and Peru. Beyond reducing costs, which puts more money directly into the hands of migrants who send and / or families who receive remittances, measures to ensure that the recipients of these funds have access to other financial services, such

as micro insurance (especially health) or education financing would go a long way to boosting development outcomes. The technology for linking remittances directly to such programs exists, but practice has fallen behind because of public policy barriers. While governments cannot tell migrants and their families how to spend their own money, policymakers can put in place sufficient incentives and mechanisms for migrants and their families to invest remittance in capital-accumulation projects (involving both human and physical capital) that are beneficial to the whole economy.

Alam, Rahim and Asraful (2013) explained that Bangladesh has been continuously received robust remittance because migrant workers are working hard and earning huge money in abroad. With these remittances the government has been compensating trade deficit. The determinants of remittance in Bangladesh include employment in abroad, GDP growth, exchange rate and oil price these determinants are strongly influencing on the level of remittance inflow of Bangladesh. Researcher cited Hussain and Naeem (2009) and point out that a) Each additional migrant worker brings in \$ 816 in remittances annually, b) Every dollar increases in oil price increases annual remittance by nearly \$15 million, c) Depreciation on exchange rate by one take increases annual remittance by \$ 18 million and d) Remittance are higher during periods of low economic growth.

The World Bank (2015) in its study has claimed that the growth rate of remittances to developing countries is projected to fall from 3.3 percent in 2014 to 2.0 percent in 2015. The impact of slow growth on remittance outflows measured in dollars is compounded by the valuation effects of the U.S. dollar appreciation against the currencies of remittance-source countries, especially the ruble. Remittances to developing countries are expected to rise by about 4 percent in 2016 and 2017, buoyed by the continuing recovery in the United States and a modest acceleration of economic activity in Europe. However, the potential for further dollar appreciation against the currencies of remittance-sending countries and the possibility of reduced remittance flows from oil-exporting countries should oil prices remain low are important downside risks to this forecast.

RemitSCOPE, (2017) stated that one out of every 10 people (senders and receivers) in Asia and the Pacific is directly affected by remittances. These private financial flows contribute to the region more than 10 times net Official Development Assistance (ODA) from all sources combined.

Worldwide, an estimated 40 percent of the total value of remittances goes to rural areas. Remittances to Asia and the Pacific, however, go disproportionately to countries with a majority rural population such as Sri Lanka (82 %), Nepal (81 %), India (67 %), Viet Nam (66 %), Bangladesh (65 %), Pakistan (61 %) and the Philippines (56 %). Thailand (48 %), Indonesia (46 %) and China (43 %) also have significant rural populations (MoF, 2018).

The potential for partnership and synergy in connecting the scale of remittances to help reach the SDGs is manifest. Around US\$6 trillion in remittances are projected to be sent to developing countries by 2030; over half of that money will arrive in the Asia and the Pacific region, very often in small towns and villages. Remittances to the Asia and the Pacific region remain the highest in the world, at US\$256 billion for 2017 (53 % of worldwide flows amounting to US\$481 billion). This represents a growth rate of 4.87 percent since 2008, although growth rates have flattened in recent years (MoF, 2017).

Haller, Butnaru, and Butnaru, (2018) found that GDP growth rate (economic growth) had linear correlation with the inflation rate and with the unemployment rate and so forth. In addition, there is a direct (negative) relationship between the remittances received/capita and price inflation rate in Romania, though not also in Bulgaria, with average and similar intensity in both cases. In Romania and Bulgaria there is a direct relationship with similar intensity between the remittances received/capita and the unemployment rate (negative relation, average intensity but higher in the case of Bulgaria), the household final consumption and finally with the income inequality (positive with high intensity and very similar for both countries). The analysis of the relationship between remittances and economic growth and between remittances and inflation, unemployment and income inequality indicates some of the factors determining Romanians' and Bulgarians' migration. The non-manifestation of a direct relationship between remittances and economic growth highlights that in Romania and Bulgaria migration is not necessarily a factor of economic stimulation but rather a consequence of the deficiencies manifested in economy like inflation, unemployment and income inequality.

2.2.2 National Review

NRB (2007) pointed out an article of NRB that the remittance has a direct impact on poverty reduction. Since they tend to flow directly to poor households they are used

primarily for basic needs such as food, shelters, education and health care. Although remittance are often not used for production and investment, the poor house hold rationally gives priority to basic needs, which represents an investment in basic needs and also it has a multiple effects in the community.

NPC (2011) stated that common Nepalese' access to basic facilities has improved in the years. Despite political upheavals and unrest, average household income of Nepalese has increased by more than four-fold to NRs. 202,374 over the span of 15 years due to rise in the number of employed population, switch from agricultural to non-agricultural jobs and increased receipt of remittances. Remittance is widely spent on daily consumption, followed by loan repayment and household property instead of capital formation. Some 78.9 percent of the remittance is used on daily consumption, whereas 7.1 per cent of the remittance is used to repay loans followed by 4.5 per cent on household property, 3.5 per cent on education and only a minimal 2.4 per cent is used on capital formation. However, percentage of household receiving remittances has also more than doubled from 23.4 per cent 15 years ago to 55.8 per cent in 2017.

Sherpa (2011) claimed that the use of remittances varied from person to person, and with family size and economic status. There is no real culture of saving and investment and people lacked awareness of the potential benefits. Most people simply spent what they earned and migrated in order to bring back food and money to live on for the next 4 to 6 months. Labor migrants brought new skills like driving, construction, cooking, electrical skills, and house painting when they return to the villages. But opportunities to use these skills, or invest the savings, were very limited. Lack of ideas, of opportunities for entrepreneurship, and of access to markets, all discouraged returned migrants from investing even the small sums that they have.

Bhatta (2015) stated that the productive use of remittance is the linear and positive function of financial literacy. One percent increase in financial literacy leads to increase in productive use by 6.25 percent. The reason behind unproductive use of remittance is the lack of financial literacy and poor financial behaviors like no financial record keeping, no budget making, no financial goal setting, lack of entrepreneurship and business ideas etc. Finally he recommended that government have to provide financial literacy training to the migrants one month before going to foreign employment so that they can share their knowledge to their family and can set financial goal with them.

Pathak (2016) suggested there are monetary and non-monetary cost and benefits of foreign employment. Non-monetary benefit and costs cannot be measured in terms of money. But monetary costs and benefits can be measured in terms of money. Monetary cost includes opportunity cost (OC) and cost paid by migrants for foreign employment (CPMFE). Similarly, monetary benefits include remittance in terms of cash and remittance in terms of kind. Net benefit of remittance is the difference between monetary benefits and monetary costs.

The opportunity cost for foreign employment is about 9,275 per month and 111,300 per year. Similarly, the cost paid by migrant for foreign employment is 51,860 per year. So, the total monetary cost for foreign employment is found about 1 Lakh, 63 thousand, 1 hundred and 60 per year. On the other hand, average remittance sent back in terms of cash is 2 Lakh 97 thousand 5 hundred per year and the average remittance in terms of commodity or kind is about 22 thousand 3 hundred 33 per year. Thus, the total monetary benefit is about 3 Lakh, 98 thousand, 8 hundred thirty-three per year.

She found that the net benefit obtained from foreign employment after deducting the total monetary cost from total monetary gain is 1 Lakh, 56 thousand, 6 hundred seventy-three. Finally, she concluded that foreign employment is relatively beneficial.

Panta and Budha (2016) claimed that the growth of workers seeking employment abroad and, thus, workers' remittance inflows to Nepal have been quite significant in recent years. Domestic economy factors such as unemployment, ongoing demographic transition, lackluster policies formulated by Government of Nepal to promote foreign employment and growth prospects in emerging markets have largely increased the outflow of Nepalese workers. Correspondingly, due to the upsurge in workers' remittance inflows, Nepal has been remaining in the top five positions among the countries in terms of the size of the economy or remittance to GDP ratio for the last few years.

They further stated that an instrumental role of macroeconomic variables in determining the remittance inflows to Nepal. The cyclical component of Nepal's remittance inflows is positively affected by the nominal exchange rate with US Dollar, and economic activity in host countries (India, Gulf countries and advanced economies), indicating the spillovers of business cycles through the remittance channel. In addition, there is an evidence of the cointegration or long-run relationship between the workers' remittance inflows in USD terms and its determinants—nominal

NC-US exchange rate, economic activity in host countries and the workers' outflow. The impact of depreciation of NC vis-à-vis USD on the workers' inflows to Nepal is positive. This supports the hypothesis that both the substitution and wealth effect work in the direction to increase the remittance inflows to Nepal in the episode of depreciation. There is also the tendency of Nepalese migrant workers to take advantage of favorable exchange rate by sending back more remittances at the depreciated nominal exchange rate. Likewise, the growing economic activity in India has positive impact on remittance inflows. Given the high labor mobility and large share of India in Nepal's remittance inflows, this result demonstrates the positive link of Nepalese remittance inflows and the economic cycle of Indian economy. Finally, as expected in theory, the workers' outflow has significant impact on remittance inflows.

2.2.3 Research Gap

Difference researchers and scholars have conducted their researches in the field of labor migration, remittance impacts on economy and specific community. Most of the researchers are focused their research on cause and effect relationship between labor migration and remittances. Considering previous researches, this research will try to analyze the changing livelihood of the foreign migrants in their households specially on Limbu community. This research will also try to analyze the push factors of migrations that leads them to migrate in foreign country.

CHAPTER III

RESEARCH METHODOLOGY

3.1 An Introduction to the Study Area

This study is focused on the remittance and migrant households as well as non-remittance households of Limbu community of the Dharan Sub-Metropolitan City of Sunsari district.

3.2 Research Design

This study is a case study on remittance and its impact on Limbu community of Dharan Sub-Metropolitan City of Sunsari district. So, it is a micro level study. This is analytical as well as descriptive type of research design. The main objective of this study is to investigate the various facts related remittance. On this basic of the nature of the study, both descriptive as well as analytical research design has been used in order to analyze and interpret the date.

3.3 Population and Sample

The universe of the study is the Limbu community of Dharan Sub-Metropolitan City of Sunsari District. Out of total Wards, Ward No. 11, 13,15, 16 and 19 of Dharan Sub-Metropolitan City has been selected through lottery method of simple random sampling. Total households were 2000. Among them 200 households were selected in sampling (10%). Out of total sample 100 households were selected from migrant households and 100 were selected from non-migrants households.

3.4 Nature and Sources of Data

The nature of this study is descriptive as well as analytical. This study is based on both primary and secondary data and information. Primary data has collected through the questionnaire, interview, key informant interview, focused group discussion and observation. The secondary data has collected through various published and unpublished materials from related organizations.

3.4.1 Secondary Data Collection

Besides primary data, some required data related to the study had been collected from secondary sources available from official and unofficial sources. The relevant data are compiled from publications of the Central Bureau of Statistics, Economic Surveys,

Annual Publications of Nepal Rastra Bank, different records of Department of Labor, GoN and other periodicals, journals, books, reports, magazines, seminar papers, reports of research centers, data and information from international organizations like The World Bank, ADB, IMF, IDA, UNDP,.

3.4.2 Primary Data Collection

All the selected 200 households from Limbu community are interviewed and relevant information is collected through the medium of open and close ended questionnaire. The researcher took personal interviews and the questionnaires were filled. Cross checks, editing and indirect questions were also put sometimes when the answer were thought to be unrealistic and irrelevant.

3.5 Tools and Techniques of Primary Data Collection

Various tools and techniques for data collection were employed to obtain different type of data and information. According to the nature of study, the primary data were obtained by using interview, questionnaire, observation and Focus Group Discussions.

a. Interview

Interview method is one of the highly usable methods of obtaining information from the respondents. For the collection of data through the interview, structured questionnaires were prepared. More information concerning in remittances and use of remittance and skill, and impact of remittance etc. were collected.

b. Observation

This method is one of the basic techniques of data collection to collect information that are not possible from interview. Observations of physical and cultural environment especially details of the respondents house structure, furnishing clothes were observed and details recorded in the interview. Answer of respondents from questionnaires were collected and compared with information obtained from observation.

c. Focused Group Discussions

To acquire detail information, focus group discussion was made unifying various classes of people. In the discussion, the major subjects were impression of labor migration, the source of livelihood, the impression of labor migration over family members etc. were discussed in various groups.

d. Key Informant Interview

Key informant interview had been conducted during the fieldwork in order to comprehend the interest and initiatives of the local inhabitants in proper development of the area, their perception on the remittance, returnee migrants and other households.

3.6 Methods of Analysis of Data

The data collected from the field through questionnaire and interviews were sorted out and tabulated in required form and under several columns and rows. The appropriate computer software was used for the purpose of the presenting and analyzing the primary data. The systematic analysis was made using quantitative techniques. To analyze the quantitative data fundamental operations along with simple statistical tools such as percentage, ratio, mean, mean deviation, etc. were used. Besides these tables, charts, diagrams, etc. were also used for the presentation of the findings.

CHAPTER IV

PRESENTATION AND ANALYSIS OF DATA

4.1 Foreign Employment and Remittance Pattern in Nepal

The current scenario of migration is the outcome of globalization. In present days all countries are very closely in touch with each other in one way or another way. One country cannot survive without maintaining the relation with rest of the world. A single country cannot produce all the goods and services as it required. The law of economics states that a country with surplus commodity, export to the rest of the world and also import the commodity that the country unable to produce. Likewise, the surplus labour also migrated to the country where the shortage of labour occur and in return they remit money to the home country. This process makes mutual benefit to both countries.

Migration occurs when one country is developed, industrial and labor scarce i.e. a lot of opportunities in comparison to another one agro-based, underdeveloped and labor surplus i.e. lackof opportunities. Individual wants to move to the developed area from underdeveloped one. This process of movement on the one hand provided the better employment opportunity and better money income and on the other it also provides the new skill and knowledge it is very helpful for the personal development of migrant as well as for the overall development of a country.

Asian region is the labour surplus region. Each year millions of Asian move across borders in search of work. Inside of Asian region migrants from lower income countries regularly move to high income countries in South East Asia. South Asia is one of the labor surplus regions in Asia which sends a lot of international workers to other nations within and outside Asia.

Nepal is an underdeveloped, agro-based and labour surplus country. Her economy is heavily dependent on agriculture with engaging around 66 percent of total population of country (MoF, 2018). Traditional and subsistence agriculture system is the main characteristics of the Nepalese economy. The main source of employment and income of most of the household is the agriculture. But, in agriculture discusses unemployment and seasonal unemployment occurs. The scenario of agriculture system shows that all the family members involves in agriculture not matter how few is the size of land. Average household size is very high and so most of the farmers are not covering for 12 month food for their family.

So, to provide basic needs to family member minimum one family member of most of the households goes to foreign employment is the main reason for this. Similarly, massive poverty, unemployment, conflict, demonstration effect etc. are also the major cause behind foreign employment.

Nepal is one of the labor surplus countries. In Nepal, nearly 20 percent of population is migrating abroad in search of employment opportunities. Migration is an increasing phenomenon in Nepal (MoF, 2018). Particularly among youth men 55 out of 100 Nepali adult's are in foreign employment.

In increasing trend of migration foreign employment is making remittance a major source of income for Nepalese households. Nepalese going abroad for employment has increased by 17.9 percent in FY 2012/13 from 384,865 of FY 2011/12. This dramatic increase in migrants over year leads to rise in remittance from 111 million in 2000 to \$ 1.6 billion in 2007. NLSS, FY 2010/11 estimates that the total amount of remittance in country at NRs. 259 billion in Nominal terms. Approximately 56 percent of Nepalese households receiving remittance and share of remittance in total household income is about 31 percent (MoF, 2018).

4.1.1 Country- wise Foreign Employment Situation

The major destination of foreign employment of Nepalese migrant is the Gulf countries like Qatar, Malaysia, Saudi Arab, UAE, Kuwait, Bahrain, Oman, etc. because of easy visa process, low cost of foreign employment, less problem of language and non-requirement of technical skill.

A total number of 4,003,474 individuals have gone for foreign employment until F/Y 2016/17 and of this 3,828,172 were male and 175,302 were female. Likewise, the total numbers of migrant gone abroad in FY 2016/17 stood 383,493. Out of this 363,304 were male and only 20,189 were female (Field Report, 2017).

By the end of first eight month of FY 2017/18, the total number of migrant gone to abroad were 243,343. Out of this 228,350 were male and 14,993 were female. The country-wise situation of foreign employment in first eight month of FY 2017/18 is shown in the following table:

Table 4.1**Country- wise Foreign Employment Situation**

S.N.	Country	Total	Male	Female
1	Qatar	69,096	66,462	2,634
2	Malaysia	77,498	75,325	2,173
3	Saudi Arab	29,367	28,697	670
4	UAE	39,399	35,025	4,374
5	Kuwait	10,024	9,100	924
6	Bahrain	3,403	3,195	208
7	Oman	1,768	1,569	199
8	Lebanon	13	10	3
9	Israel	83	25	58
10	Afghanistan	1,019	1,018	1
11	Japan	518	493	25
13	Others	11,155	7,431	3,724
14	Total	243,343	228,350	14,993

Source: Economic Survey, 2017/18, MoF, GoN, 2018.

Table 4.1 shows the country- wise foreign employment situation in FY 2017/18. The data shows that most of the Nepalese workers in F.Y. 2017/18 are working in Gulf Countries like Malaysia(69,096), Qatar (77,498), UAE (39,399), Saudi Arab (29,367) and so on. The Gulf countries, major destination of Nepalese worker is due to the easy process made by the labor agreement between the Government of Nepal and Government of Gulf Countries, the cheap destination for Nepalese migrants and most Nepalese have access to go and work there.

Accordingly, in comparison to Gulf Countries like European Countries these numbers are less because of the difficult process, government policies and costly destination. Similarly, the ratio of women to men in foreign employment is vast difference due to the safety of women, family support, etc.

4.1.2 Number of Nepalese Migrating Abroad

Due to the various reasons mentioned above, the number of Nepalese migrants are increasing day by day. Nepal have opened 110 countries for the foreign employment. The destination for foreign employment beside the India and British are opened only after the reestablishment of democracy. So, this international labour migration is not

very old phenomenon for Nepalese worker. But, the trend for foreign employment is increasing day by day.

Mostly youth Nepalese people are leaving Country and they inspired other people also. In comparison to other Countries Nepal is becoming the Country having a greater number of peoples working in Foreign Countries this numbers can be increased if the numbers of workers in India is also added. But due to the open border between Nepal and India there is a free flow of labor and there is no official and reliable data of the Nepalese migrant in India.

In FY 1997/98, the numbers of workers going abroad as job seekers was just 7,745 and it increased to 104,739 in FY 2001/02. The number of migrant workers had reached up to 204,533 in FY 2006/07. According to the Ministry of Finance, number of persons issued permits for foreign employment up to FY 2016/17 had reached 186,166. Total number of workers migrating abroad per year is shown in the following table:

Table 4.2

Total Number of Migrants per Year

Fiscal Year	Total Number of Migrants
2002/03	105,055
2003/04	121,769
2004/05	139,696
2005/06	182,043
2006/07	214,094
2007/08	215,268
2008/09	219,965
2009/10	173,239
2010/11	210,663
2011/12	250,172
2012/13	276,787
2013/14	291,449
2014/15	364,740
2015/16	418,713
2016/17	383,493
2017/18	243,343

Note: An asterisk denotes first eight month

Source: Economic Survey from 1997/98 to 2016/17, Various Issues, MoF, GoN.

Table 4.2 shows that the total number of migrating workers has been increasing continuously and the trend of Nepalese workers going to abroad and the increment has been seen higher after FY 2002/03. In FY 2002/03 the annual migration of Nepalese youth for foreign employment was 105,055 this trend number become very large till FY 2016/17. The number of migrated labor in FY 2016/17 reached 383,493 which is 243,343 in the first eight month of FY 2017/18.

There are two responsible factors for such a growing trend of Nepalese workers going abroad for employment are push factors and pull factors. High demand of labor in industrialized and developed nation like East Asian Countries, Middle East Nations and Gulf countries are pull factors and lack of employment opportunity in the nation, distorted peace and security, low wage level, lack of agricultural development in rural areas, scarcity of basis services needed for survival, liberal policies of government and demonstration effect are main push factors. Both pull and push factors are equally responsible for the international labor migration.

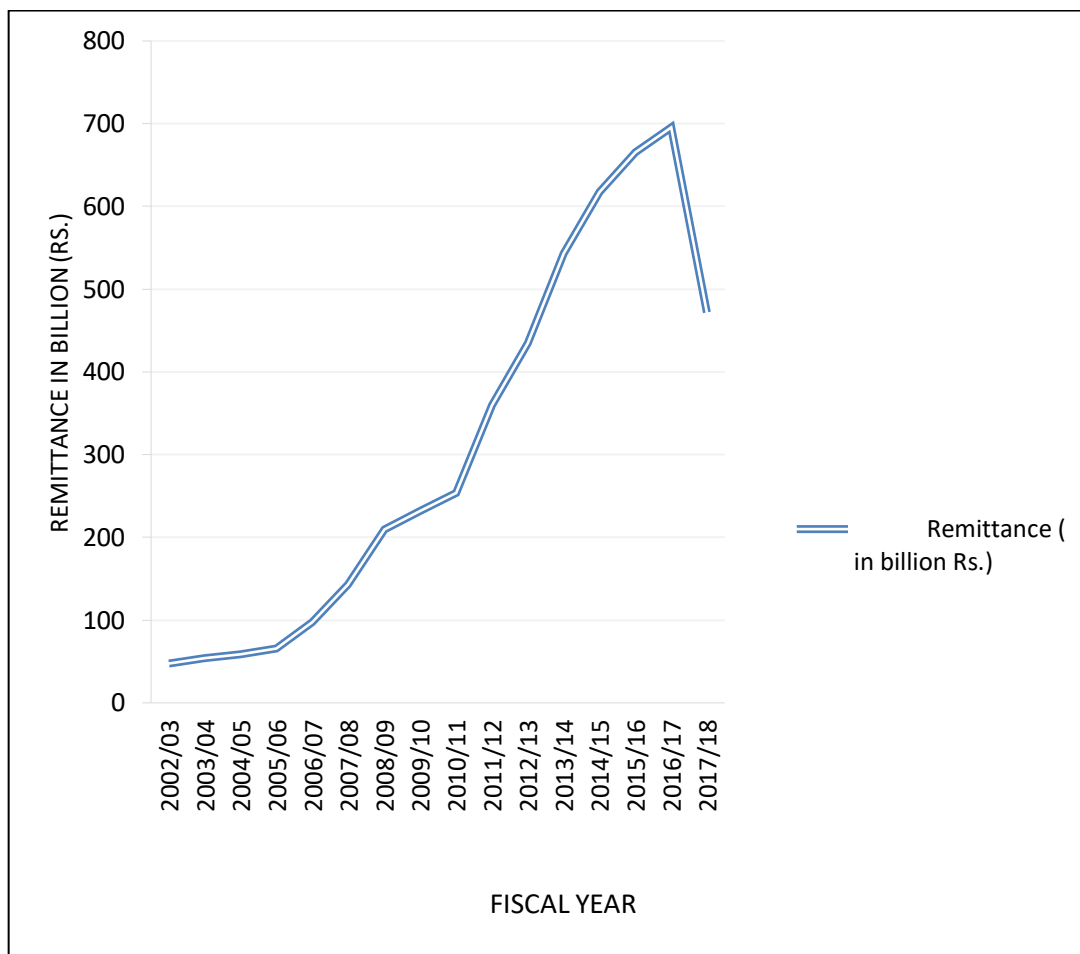
4.1.3 Remittance and its Growth in Nepal

The study of trend of remittance is very important for various reason. Remittance is an important source of foreign exchange for most of the developing and under developed countries. The major source of foreign currency of Nepal is the remittance. It plays the vital role for the overall development of the nation.

Migrants send back remittance by formal as well as informal channel. Remittance send back by informal source is no comes under the record. Remittance send back through formal channel is only under the record of government of Nepal. So, it is the obligations of researcher to accept official data of remittance and the remittance entered through informal channel only can be guessed. Nepalese official's records have shown that the total amount of remittance entered in the Nation was NRs.47.54 billion in FY 2002/03. The figure has highly risen particularly after FY 2007/08 and has been reached to NRs.142.68 billion. In the first eight months of FY 2016/17 remittance earned and sent by migrant workers has been recorded to NRs.450 billion. The trend of remittance and its growth in Nepal can be shown in the following figure:

Figure: 4.1

Remittance and its Growth in Nepal



Source: Economic Survey from 2002/03 to 2016/17, Various Issues, MoF, GoN.

Figure 4.1 shows that total number of remittance inflow has been increasing year by year. The remittance inflow was 47.54 billion NRs. in FY 2002/03, which has been continuously increased and reached NRs. 695.5 billion in FY 2016/17. Remittance inflow in first eight month of the current FY 2017/18 is NRs. 471.9 billion. The figure show the increasing trend of remittance year by year. Because of high increase in labor migration from nation, growth of remittance inflow is also in increasing trend.

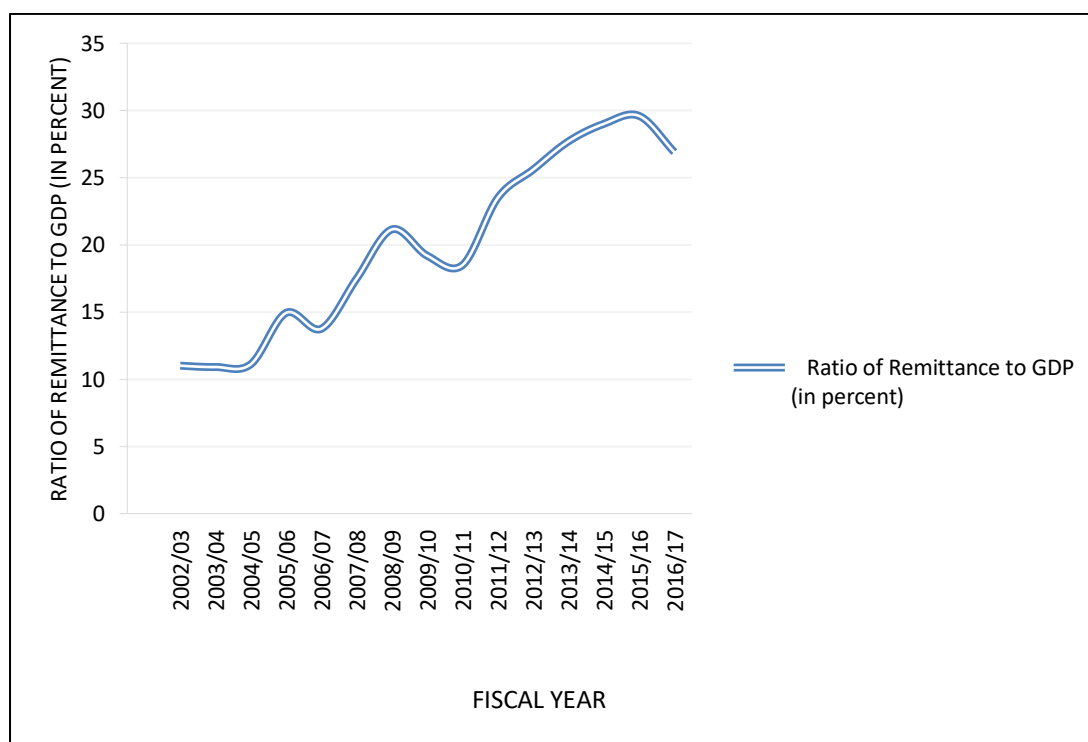
This trend line shown in figure 4.1 indicate the heavily dependency of Nepalese economy on remittance. In short run, remittance is playing positive role in our economy by reducing poverty, unemployment and increasing foreign currency reserve, development fund and so on. But, if we unable to utilize this remittance in proper efficient way, it may have adverse effect on the economy in long run.

4.1.4 Ratio of Remittance to GDP in Nepal

The responsible factors that enhance GDP and its growth in the Nation are various elements like domestic consumption, domestic investment, saving, Government expenditure, net exports etc. Now a day's share of remittance to GDP is increasing per year. Since income earned through remittance are spent by recipients in the form of consumption purpose or investment purpose. Investment is not only included on physical capital but also on human capital like education, health, skill development, etc. Ratio of remittance to GDP was just 10.69 percent in FY 2002/02 and is in increasing trend. The ratio of remittance to GDP become 29.4 percent in FY 2015/16, which become 26.9 percent in first eight months of FY 2016/17. Figure 4.2 shows that the ratio of GDP in Nepal.

Figure: 4.2

Ratio of Remittance to GDP



Source: MoF, Economic Survey from 2000/01 to 2016/17, Various Issues, MoF, GoN.

Figure 4.2 shows that not only volume of the remittance has increased but also its ratio to GDP has increased. In FY 2005/06 the ratio of remittance to GDP has increased up to 14.94 percent from 10.69 percent in FY 2000/01 but in comparison of

2005/06, in FY 2006/07. Similarly, in comparison of FY 2008/09 in FY 2009/10 and in comparison of FY 2009/10 in FY 2010/11 the ratio has declined. In the first eight month of FY 2016/17 ratio of remittance to GDP has reached 26.9 percent. The ratio of remittance to GDP has highly increased in the Nation because the increasing rate of remittance inflow is more than the increasing rate of GDP.

4.1.5 Significance of Remittance in Nepal

Remittance has been continuously playing an increasingly large role to the economic growth and the livelihood of people in Nepal. Remittance income is more valuable for any developing country like Nepal. Remittance is the portion of international migrant workers earning sent back from the country of employment to the country of origin play a central role in the economies of many labor sending countries. Remittance is one of the important factor responsible for reducing the overall incidence of poverty in Nepal. There are various points that support the significance of remittance. These are follows:

1. Remittance contributes to our national economy is a large scale by increasing foreign exchange reserve, per capita GDP and employment opportunities.
2. It has been continuously lifting-up the GDP of Nepal. In FY 2015/16, the remittance of Nepal which has sent by migrant workers is the 29.6 percent of the total GDP of Nepal.
3. Remittance has been continuously keeping the contribution to alleviate the poverty of Nepal.
4. The government has been paid various government and non government import bills and installments of different foreign debt and donation from the remittance income.
5. Remittance income helps government of Nepal to reduce dependency on foreign aid.
6. Remittance helps to improve the balance of payment of Nepal.
7. Remittance income is positively related with the socio-economic condition of migrant families.
8. Government of Nepal can build mega project like hydro power project, road and highway, railway, hospital etc. by using remittance.

CHAPTER V

DEMOGRAPHIC FEATURES OF THE RESPONDENTS

In this chapter demographic study, the personal characteristics of the respondent like, age, sex caste, marital status, literacy rate, occupation etc. holds the prime position. These demographic characteristics of the population are considered as the basis of the level of development of the respondent are the society as well as nation. The variation in these characteristics of the people from one area to other influences the overall socio-economic religious and political factors.

5.1 Age-Sex Composition

Age and sex are the most basic characteristics of the respondent. The number and proportion of male and female in each group and this structure can have considerable impact on the population's social and economic status, level of literacy and so on.

Table 5.1

Age and Sex Composition of Sample Respondents

Age Group	No. of Respondents					
	Migrants			Non-Migrants		
	Male	Female	Total	Male	Female	Total
Below 30	9	12	21	14	12	26
30-44	18	10	28	19	8	27
45-59	11	28	39	24	13	37
60 and above	10	2	12	7	3	10
Total	48	52	100	64	36	100

Source: Field Survey, 2018

Table 5.1 shows that 21 percent respondents are of below 30 years in RRHs and 26 percent respondents are in the age group in RNRHs. A 28 percent of respondents are from age group of 30-44 in RRHs and 27 percent respondents in RNRHs. Likewise, 39 percent of respondents in RRHs are from age group of 45-59 where as 37 percent respondents are in this age group in RNRHs. Similarly, 10 percent respondents are in the age above 60 in RRHs and 12 percent respondents are in this age group in RNRHs.

5.2 Marital Status of the Respondents

Marital status of respondents shows the responsiveness of respondents. The marital status of respondents can be shown in the following table.

Table 5.2

Marital Status of Respondents

S.N.	Marital Status	No. of Respondents on RRHHs	No. of Respondents on RNRHHs
1	Married	68	61
2	Unmarried	32	39
Total		100	100

Source: Field Survey, 2018

Table 5.2 shows that about 68 percent respondents from RRHHs were married and whereas only 61 percent respondents from RNRHHs were married. Similarly, about 32 percent respondents from RRHHs were unmarried whereas 39 percent respondents from RNRHHs were unmarried. The data shows that most of the married respondents from RRHHs in comparison to RNRHHs.

5.3 Household Size of the Respondents

The household size of respondent is the main component that determine the extent of expenditure. Higher the size of household higher will be the expenditure and vice versa. The household size of respondents can be shown in the following figure:

Table 5.3

Distribution of Respondents by Household Size

S.N.	Household Size	No. of Respondents on RRHHs	No. of Respondents on RNRHHs
1	3	7	12
2	4	31	27
3	5	24	31
4	6	13	11
5	7	5	6
6	8 and above	10	13
Total		100	100

Source: Field Survey, 2018

Table 5.3 shows that 7 migrants and 12 non-migrants household have family size 3. The household having household size 4 were 31 from migrant and 27 from non-migrant group. This study shows that majority of household in migrant household have household size 4. The majority of household in non-migrant household have household size of 5. 24 migrant and 31 non migrant household have family size of 5. Some household were seen having household size 6, 7 and 8 or more it is because they born more child or live in joint family. Household with four members was found dominant in migrant group and household with 5 members was found dominant in non-migrant group.

5.4 Literacy Status of Respondents

Education is the power of knowledge and key of development. It helps to improve the status of person and it ultimately leads to the develop society.

Table 5.4
Literacy Status of Respondents

Literacy Status	No. of Respondents					
	RRHHs			RNRHHs		
	Male	Female	Total	Male	Female	Total
Illiterate	7	5	12	8	6	14
Literate	41	47	88	56	30	86
Total	48	52	100	64	36	100
Level of Education						
Primary Level	7	8	15	4	3	7
Lower Secondary	13	15	28	12	11	23
Secondary	14	17	31	17	9	26
Higher Secondary	5	7	12	13	5	18
Bachelor and Above	2	0	2	10	2	12

Source: Field Survey, 2018

Table 5.4 shows that in the study area 12 percent respondents from RRHHs are illiterate out of them 7 percent male and 5 percent female are illiterate. Similarly, 14 percent respondents from RNRHHs are illiterate out of them 8 percent male and 6 percent female are illiterate. 88 percent respondents from RRHHs are seems to literate and 86 percent respondents from RNRHHs respondents are seems literate in the study area.

The state of educational attainment seems in the category of RRHs as 15 percent respondents has passed only primary level, 28 percent has passed lower secondary level, 31 percent has passed secondary level, 12 percent has passed higher secondary level and only 2 percent has passed above higher secondary level.

Similarly, in the category of RNRHs 7 percent respondents has passed only primary level, 23 percent has passed only lower secondary level, 26 percent respondent has passed only secondary level, 18 percent has passed higher secondary level and 12 percent of respondents has passed above secondary level. The statistics shows that the new generation is benefited from the remittance in comparison to the old generations.

5.5 Distribution of Respondents by Major Occupation

Occupation is the back ground of the economy and economic indicators of the population. It is one of the most influencing variables that determine the economic condition of the country. The main occupation of individuals from study area is the agriculture and other major occupations are business, service, private job and a small portion of population also seems to involving in small industries, construction, wage earning, study and others.

The occupation of the respondents from migrants' households and non-migrants can be shown in the table below:

Table 5.5

Distribution of Respondents by Major Occupation

Occupation	No. of Respondents					
	RRHs			RNRHs		
	Male	Female	Total (No. &Percent)	Male	Female	Total (No. &Percent)
Agriculture	19	16	35	29	24	53
Business	10	8	18	9	3	12
Industrial Sector (small industries)	5	3	8	1	0	1
Private Job	3	4	7	7	4	11
Study	3	2	5	6	3	9
Construction	6	3	9	5	2	7
Service Sector	6	5	11	2	0	2
Other	2	5	7	3	2	5
Total	48	52	100	62	38	100

Source: Field Survey, 2018

Table 5.5 shows that in the occupation category of RRHHS as well as RNRHHS. This is the major source of income of respondents. However, they might have another source of income as well. Data shows that about 35 percent respondents from RRHHS are involving in agriculture, 18 percent are involving in business, 8 percent are involving in Industries, 7 percent are involving in private service, 9 percent are involving in construction, 11 percent are involving in service or hotel industries, 7 percent are student and only one percent is involving in other occupation.

In the category of RNRHHS, there are 53 percent respondents are involving in agriculture, 12 percent are involving in business, only 1 percent non migrants is involving in Industries, 11 percent non-migrants are involving in private service, 7 percent are involving in construction, 2 percent non migrants are involving in service sector like hotel industries 9 percent are student and remaining 5 percent are involving in other occupation.

The result shows that the major portion of RRHHS as well RNRHHS are involving in agriculture. This data is matched with national data of occupation. The main reason behind adopting the agriculture is, no technical skill is required in agriculture, can easily uses traditional skill, not required large amount of investment, and all respondents have either large or smaller peace of land.

5.6 Distribution of Agriculture Land

In this study area land includes total ownership of land i.e. Kattha, Bigah, Khet, Bhari. Most of the s migrant household has Kattha (Ghaderi) in facilitated area. The distribution of agriculture land in Katthais shown in the following table:

Table 5.6

Distribution of Agriculture Land

S.N.	Land in Kattha	No. (Percent) of Respondents	
		Migrants	Non-Migrants
1	<5	12	14
2	5-10	13	19
3	10-15	35	30
4	15-20	22	27
5	20 & above	18	10
6	Average Land holding	13.55	12.50

Source: Field Survey, 2018

Table 5.6 shows that the average land holding of s migrant household was 13.55 Kattha and that of 12.50 Kattha in non-migrant household. Both migrant and non-migrant households had similar pattern of land distribution.

5.7 Food Sufficiency from Own Land

In this study food sufficiency from own land of migrant and non-migrant households in last year was included. From study it was known that non-migrant households had more food for consumption than migrant households. Food sufficiency from own land of both migrant and non-migrant households during last year was shown in the following table.

Table 5.7

Food Sufficiency's from Own Land

S.N.	Food Sufficiency	No. of Migrant Households	No. of Non-migrant Households
1	Less than 3 month	7	2
2	3-6 month	20	12
3	6-9 month	37	24
4	9-12 month	38	42
5	Left for sale	8	20
Total		100	100

Source: Field Survey, 2018.

Table 5.7 shows that 7 migrant households has food sufficiency from own land was less than 3 month and 2 non-migrant households had food sufficiency from own land was less than 3 month. 20 migrant households had food sufficiency from own land between 3 to 6 month and 12 non-migrant households had food sufficiency from own land was between 3 to 6 month. 37 migrant households had food sufficiency from own land was between 6 to 9 month and 24 non-migrant households had food sufficiency from own land was between 6 to 9 month. 38 migrant households has food sufficiency from own land was between 9 to 12 month and 42 non-migrant households had food sufficiency from own land was between 9 to 12 month. Similarly, 8 migrant households had food sufficiency from own land was left for sale and 20 non-migrant households had food sufficiency from own land was left for sale.

From this study it is seen that migrant households had less numbers of workers to work in the field. Some migrant households had given their land to rent so they only get half of the food production. Some migrant households were able to sell the food because they had more land and they use modern technology, seeds, fertilizers, etc.

CHAPTER VI

SOCIO-ECONOMIC IMPACT OF REMITTANCE

This chapter provides description about the various findings about financial literacy and remittance based on the information collected from the field. Mainly it provides the results about the current status of financial literacy, awareness and access on financial product, budget and financial record keeping and retirement plan of both category i.e. RRHHs and RNRHHs. The use of income and remittance and the cause behind that and various findings derived from the data analysis has been discussed, tested and presented in the form of table and different charts.

6.1 Age Category and Educational Level of Migrants

Migrant's age and educational attainment is most important which determine the wage of worker.

Table 6.1

Age Category and Educational Attainment of Migrants

Age Group	Percent of Migrants
Below 15	0
15-29	68
30-44	27
45-59	5
60 or Above	0
Educational Attainment of Migrants	
Level of Education	Percent of Migrants
Primary	12
Lower Secondary	28
Secondary	41
Higher Secondary	13
Above Higher Secondary	6

Source: Field Survey, 2018

Table 6.1 shows that age group has been formulated as per the method of categorizing the age of migrated persons by NLSS. Below 15 years and above 60 years no one has been gone abroad. Similarly, 68 percent of migrants are from age group of 15-29, 27

percent of migrants are from age group of 30-44 and only 5 percent are from age group 45-59 indicating youths are migrating more to seek better opportunities.

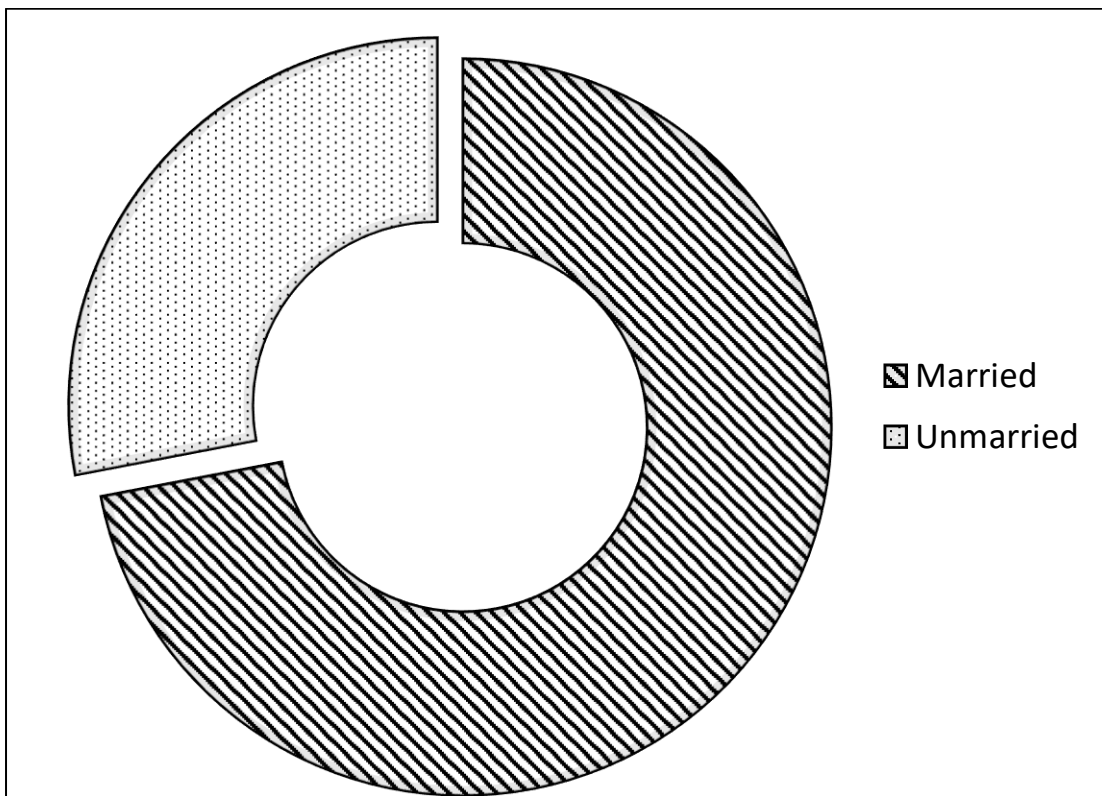
Similarly, there are 12 percent of migrants were passed primary level only, 28 percent migrants passed lower secondary level, 41 percent passed secondary level, 13 percent migrant were passed higher secondary level and only 6 percent were passed above higher secondary level of education.

6.2 Marital Status of Migrants

Marital status determines the responsibility of migrants to their family. So, the study of marital status has also great significance in the study of foreign employment. The marital status of migrants can be shown in the following figure.

Figure: 6.1

Marital Status of Migrants



Source: Field Survey, 2018

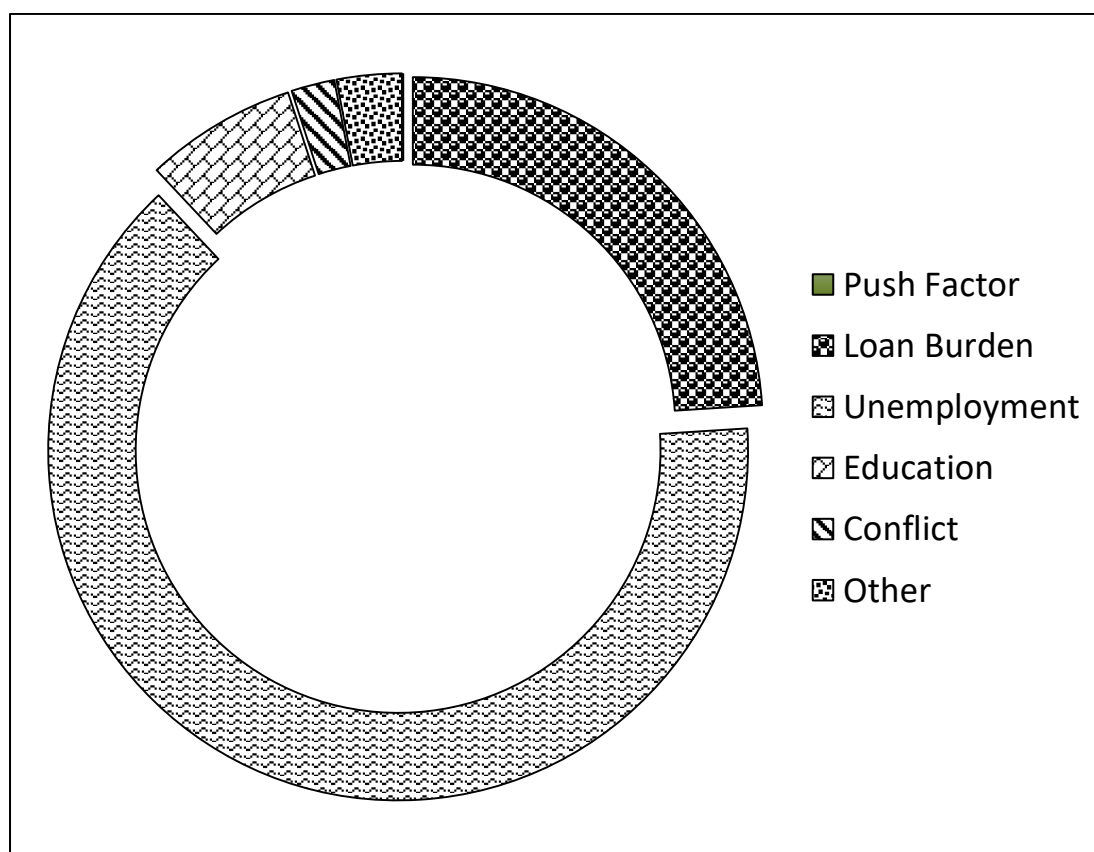
Figure 6.1 shows the marital status of migrant worker. About 28 percent migrants are unmarried and remaining 72 percent migrants are married. This shows that the one the cause of labour migration is the family responsibility and the burden of over expenses.

6.3 Causes of Migration

Many individuals are interested to go for foreign employment is increasing day to day all over the country. In the study area also foreign employment is the subject of attraction for the people. Many Nepalese people mostly youngster are compelled to go for foreign employment due to the lack of employment opportunities, less payment, conflict, political instability, Natural disasters etc. There are so many causes that influence for the foreign employemnt. Basically the causes of foreign employment can be divided broadly into two catogerises: Pull Factors and Push factors. Pull factor influence the migrants by pressing them to go for foreign employemnt and push factors influence the migrants by attracting the migrants for foreign employment. The pull factors and push factors can be shown in the following figure:

Figure: 6.2

Push Factors for Foreign Employment



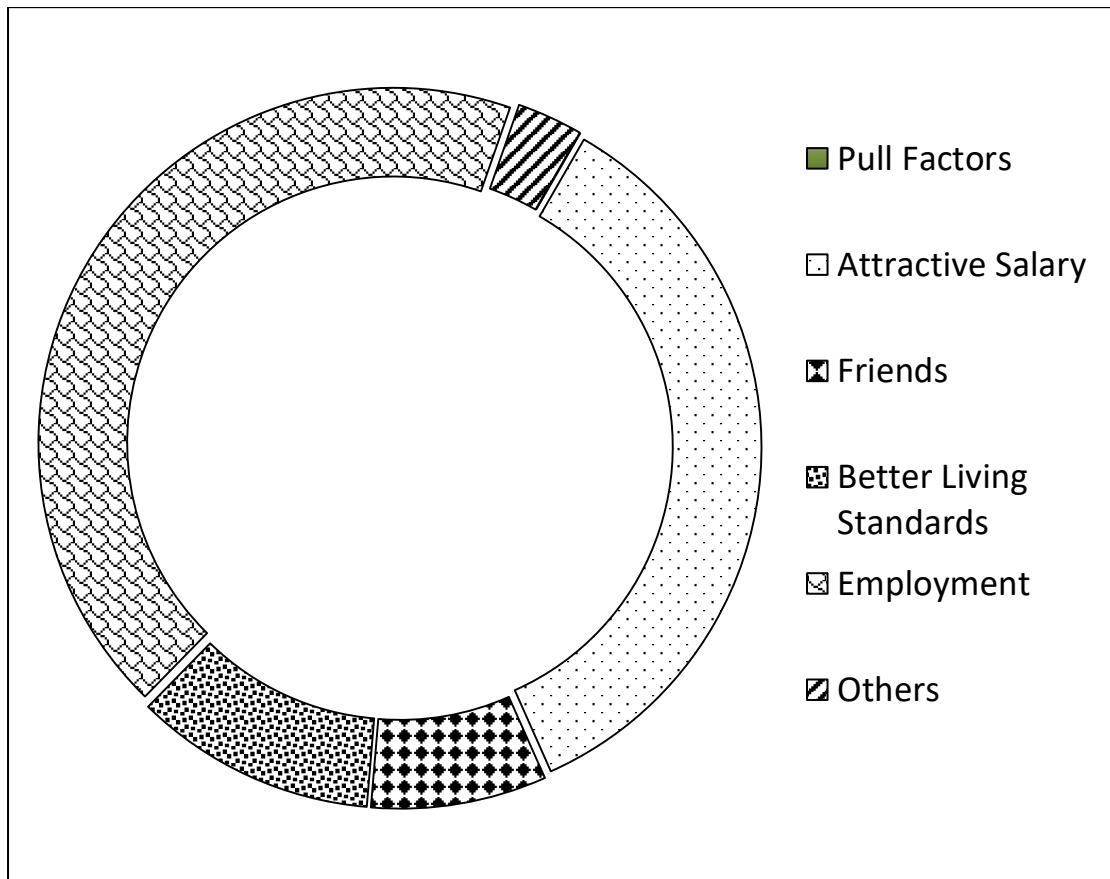
Source: Field Survey, 2018

Figure 6.2 shows that the push factor for 64 percent of migrants is Unemployment, for 24 percent of migrants the push factor for foreign employment is loan barden, for 7

percent migrant went to foreign countries because of better education opportunities. Similarly conflict is responsible for the 2 percent of migrants and for 3 percent migrants the push factors are other like unsatisfaction in domestic resident and so on.

Figure: 6.3

Pull Factors for Foreign Employment



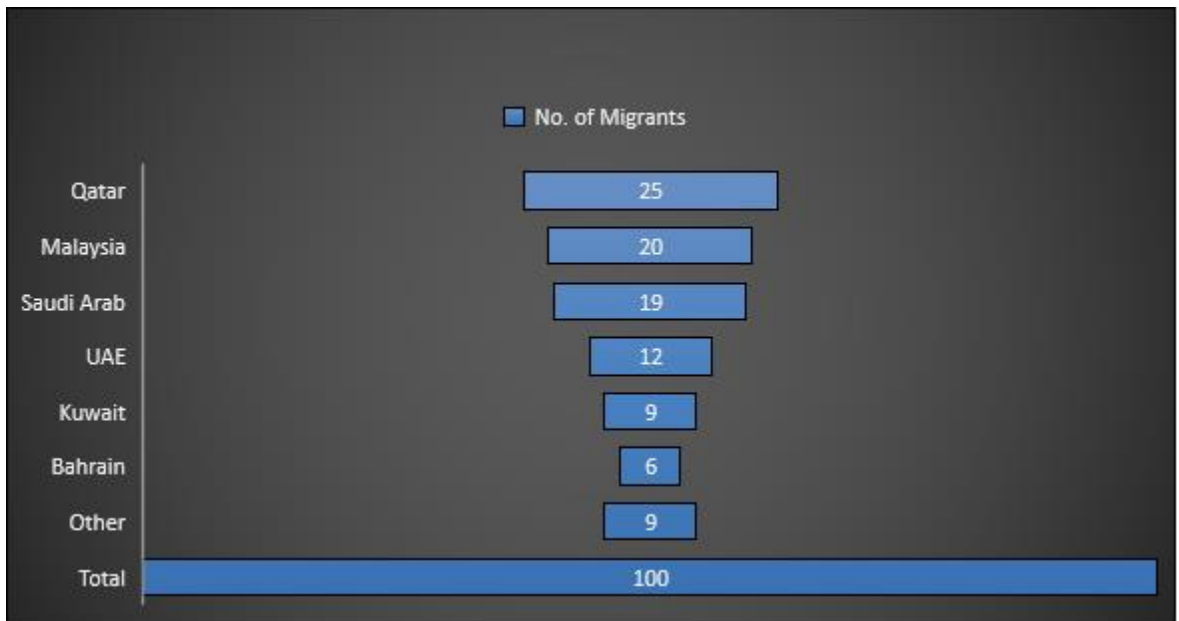
Source: Field Survey, 2018

Figure 6.3 shows that the pull factor for 43 percent of migrants is Employment opportunity created on foreign country, for 35 percent of migrants the push factor for foreign employment is attractive salary, for 11 percent migrant is better living standard. Similarly friends are responsible for the 8 percent of migrants and for 3 percent migrants the pull factors are other like unsatisfaction in domestic resident and so on.

6.4 Migrated Country and Field of Work

Most of the workers from study area seems to go for foreign employment to Gulf countries like Qatar, Malaysia, Saudi Arabia, UAE, Bahrain and Others.

Figure: 6.4
Country of Labor Migration



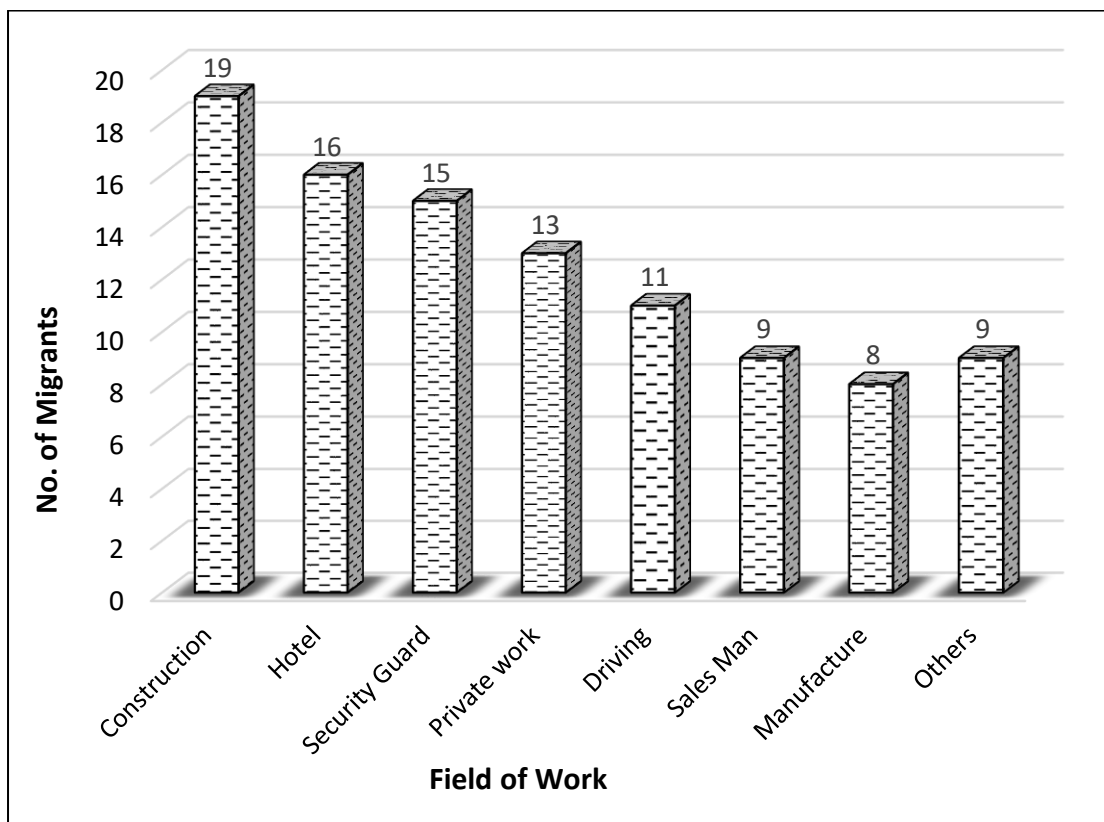
Source: Field Survey, 2018

Figure 6.4 shows that highest portion of migrants goes to Qatar (25%), similarly 20 percent migrants goes to Malaysia, 19 percent to Saudi Arab, 12 percent to UAE, 9 percent to Kuwait, 6 percent to Bahrain and remaining 10 percent to other countries like USA, South Korea, Japan, European countries, etc.

Most of migrants choose Gulf countries because of the easy to visa process and low cost no quota system and no additional course is needed to go such countries and the viability of jobs to unskilled labor is another reason for that.

Figure 6.5

Occupation of Migrants at Destination



Source: Field Survey, 2018

Table 6.5 shows that most of migrants have been working in construction of building and infrastructure as a labor. About 19 percent migrants are working in construction, 16 percent workers are working in hotel, 15 percent are working as security guard, 13 percent are working in indoor job like swiper as a private servant. Specialy, female migrants are working in private job. Similarly, 11 percent working in driving, 9 percent are working as sales man, 8 percent are working in manufacture and remaining 9 percent are working in the other field of work.

Figure 6.5 shows that most of labors are working as unskilled labor. This condition challenges the policy maker to improve the skill of labor by providing trainings.

6.5 Cost of Foreign Employment and Sources of Financing

Migrants have to pay certain amount of money while going to abroad. Manpower Company charges some amount for visa, passport, ticket etc, for which migrants have to bear that amount.

Table 6.2**Monetary Cost of Foreign Employment (in Thousand Rupees)**

Country	Percent of Respondent	Average Cost	Range of Cost	
			Minimum	Maximum
Saudi Arabia	27	85	80	120
Qatar	23	85	65	110
UAE	15	80	70	100
Malaysia	13	95	75	130
Bahrain	12	80	70	120
Other Countries	10	300	120	1200
Total/Average	100	120.83	80	296.67

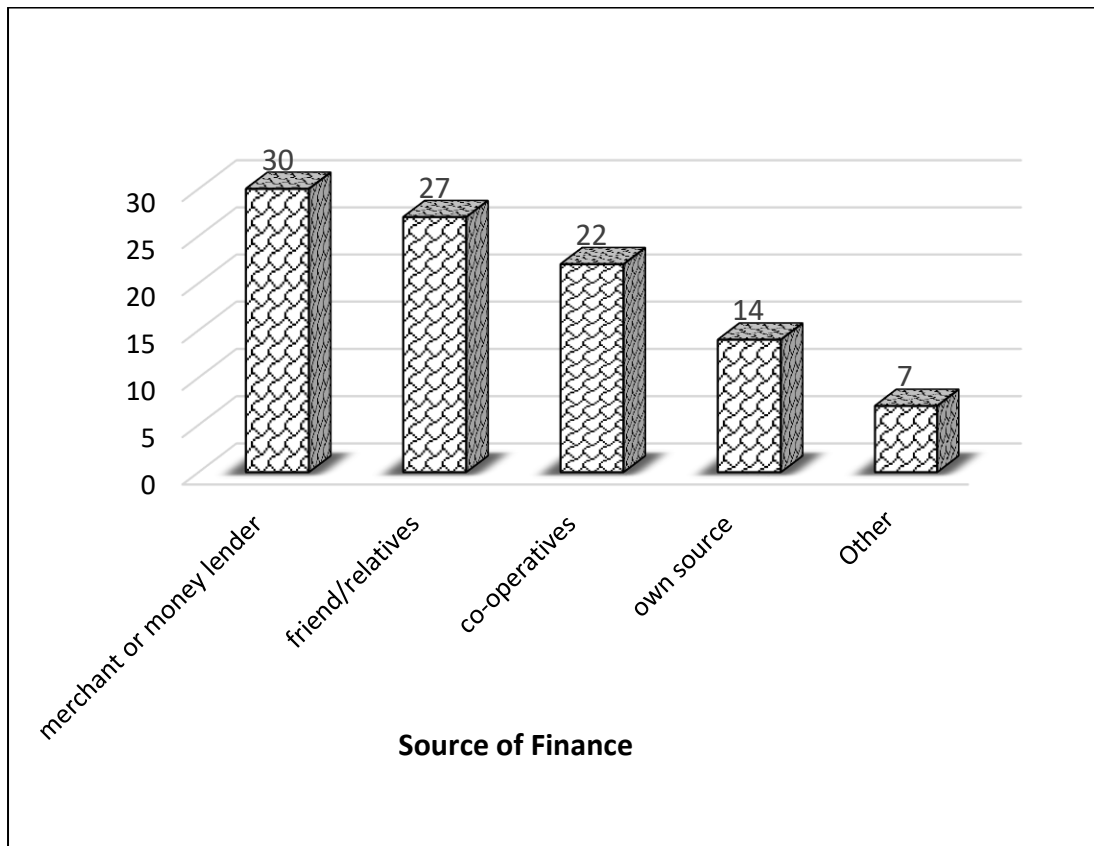
Source: Field Survey, 2018

Table 6.2 shows the range of cost with minimum and maximum cost and average cost for country-wise. The average cost for foreign employment is Rs 120.83 thousand. People who went to go other country (USA, South Korea, Japan etc) they had paid in average 296.67 thousand which is maximum cost. Similarly, the average minimum cost of foreign employment is about Rs 80 thousand.

Most of the people of Nepal who want to go for foreign employment use several sources of financing the cost involved. They are loan; sales of property including land, internal saving as well as funds mobilize through friends and relatives. Similarly, merchant or money lender is another source of financing for them.

Figure: 6.6

Sources of Financing for Foreign Employment



Source: Field Survey, 2018

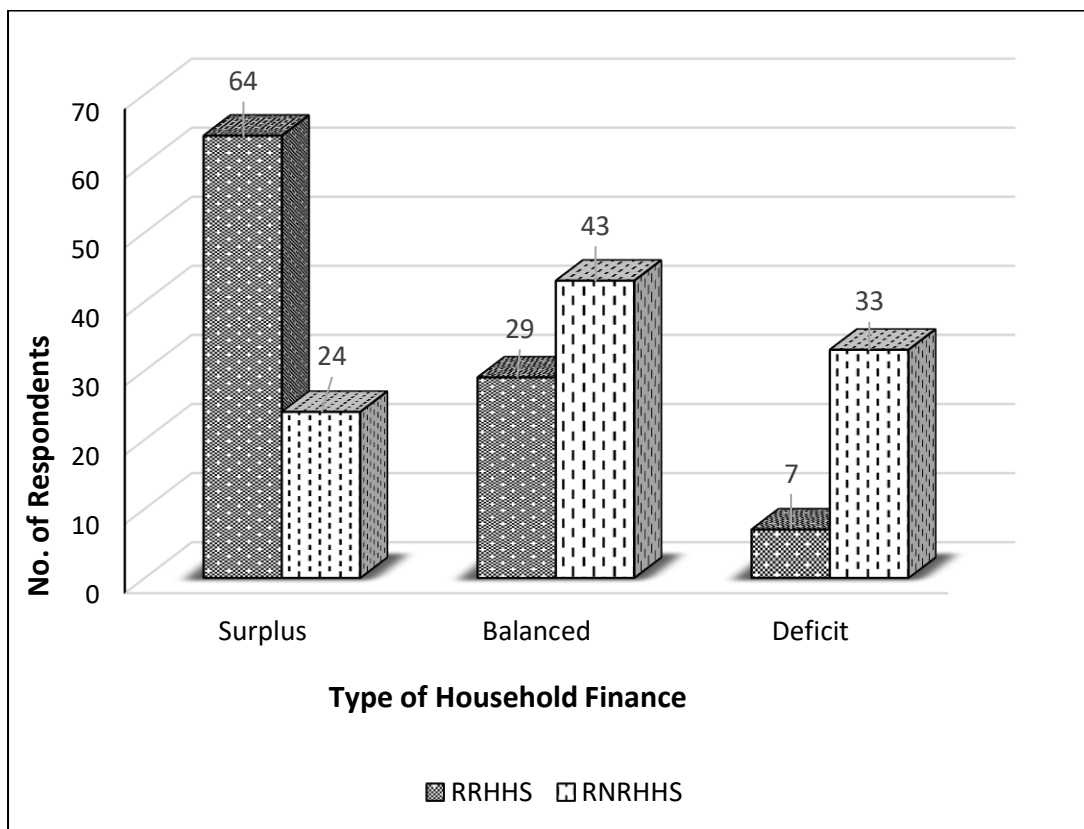
Figure 6.6 shows that majority of migrants' source of finance is the merchant or money lender (30%), similarly, financing from friend/relatives are 27 percent, financing from co-operatives are 22 percent, financing by own source are only 14 percent financing from banks are 7 percent and from other source are 10 percent.

6.6 Household Financing

The study of household financing is mostly important to study the economic behavior of households. Household financing is the status of households either they managed the household expenditure from own source or not. In this topic surplus financing, deficit financing and balanced financing is included. The condition of household financing of respondents is presented in table below:

Figure: 6.7

Household Financing



Source: Field Survey, 2018

Figure 6.7 shows that 64 respondents from RRHHS have surplus finance, 7 percent have deficit finance and 29 percent have balance finance. On the other hand 24 percent respondents from RNRHHS category have surplus finance, 33 have deficit finance and remaining 43 percent have balance finance.

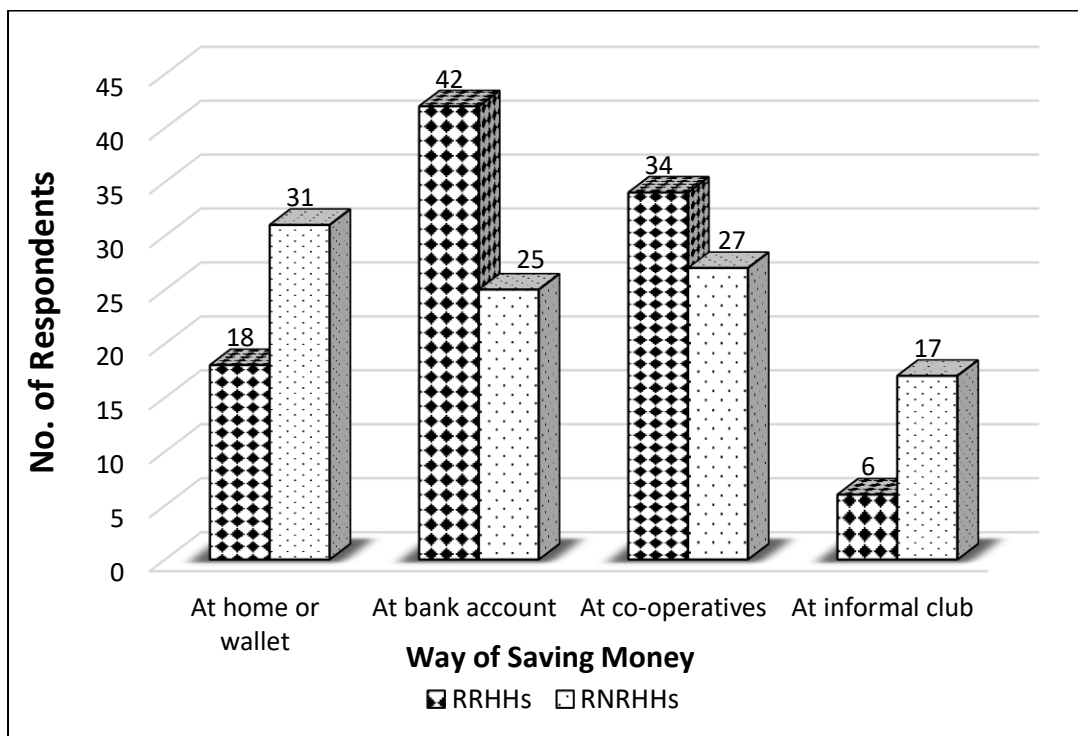
There is vast difference between household finance of two category. Most of respondents from RRHHS have surplus finance where as most of RNRHHS have balance finance and the portion of surplus is very low in comparison to RRHHS. Remittance have shown the positive impact on household finance.

6.7 Ways of Saving Money

In economics, the way of saving have great significant. Saving money in formal way has positive effect and is preferable whereas saving money in informal way is not preferable.

Figure: 6.8

Way of Saving Money



Source: Field Survey, 2018

Figure 6.8 shows that if money is saved after the regular expenditure, 18 percent of RRHHs keeps the money at home or wallet, 42 percent keeps money in their bank account, 34 percent keeps money in co-operatives and remaining 6 percent keeps their money in informal saving club. On the other hand 31 percent RNRHHs keeps their money in home or wallet, 25 percent keeps their money in bank account, 27 keeps their money in co-operatives and remaining 17 percent keeps their money in informal saving club.

RRHHs have better practice on money saving i.e. RRHHs seems to keep money in formal saving system then RNRHHs. The remittance influenced positively the saving behavior.

6.8 Impact of Remittance on Living Standard

To study the impact of remittance on living standard of Limbu community the status of both migrant and non migrant households are studied. For the sake of this purpose condition of house, type of toilet, source of drinking water, access to various accessories like Communication, Transportation etc.

6.8.1 Condition of Houses

In the study area people who lives in urban areas they have house made with RCC in large numbers and in rural areas most people have house made with stone, mud, with roof of tin and slate and some people have made their house by using stone, mud and timber with thatched roof. The condition of houses of migrant and non-migrant household is shown in following table

Table 6.3
Condition of Houses

S.N.	Condition of Houses	No. of Migrant Households	No. of Non-migrant Households
1	Made with RCC	66	35
2	Made with stone, mud with roof of tin and slate	30	55
3	Made with stone, mud and timber with thatched roof	4	10
Total		100	100

Source: Field Survey, 2018

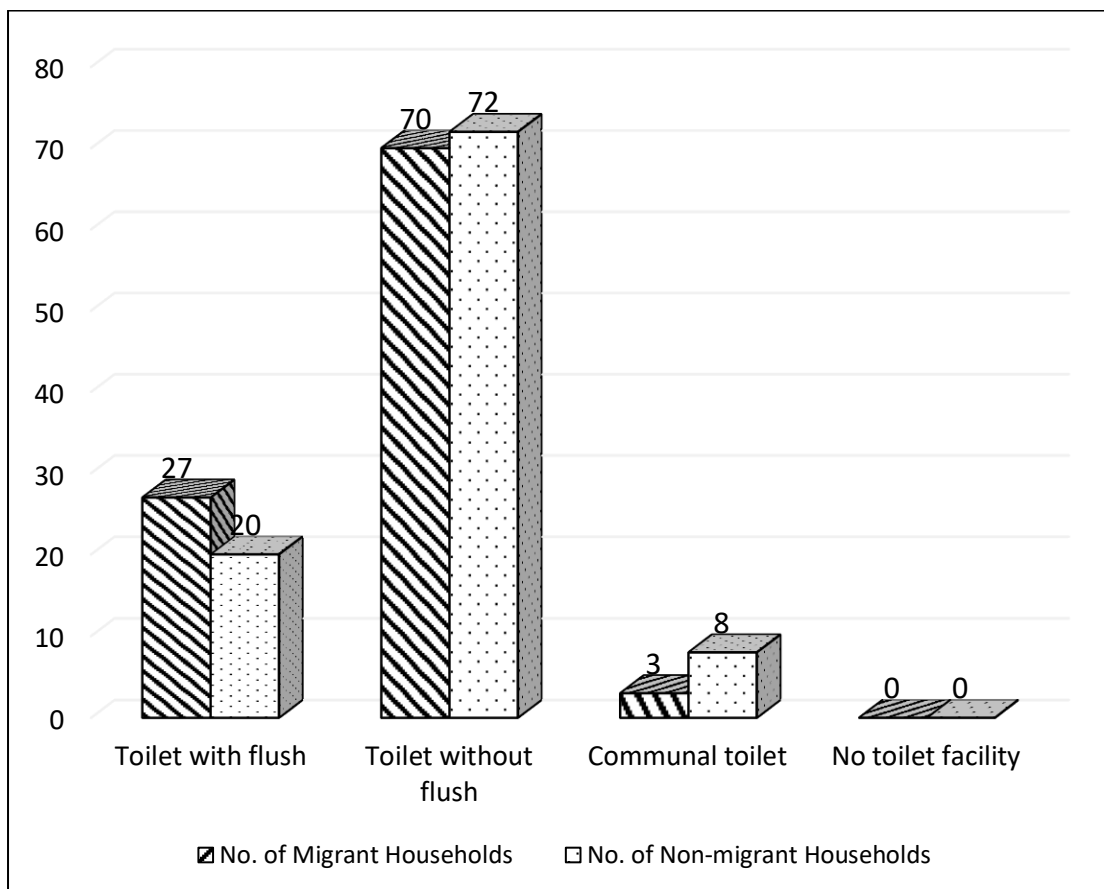
Table 6.3 shows that 66 migrants and 35 non-migrants' household have house made with RCC. 30 migrants and 55 non-migrant household have house made with stone, mud with roof of tin and slate. Similarly, 4 migrant and 10 non-migrant household have made house with stone, mud and timber with thatched roof. This study shows that most of the migrant household is willing to make their house with RCC. Remittance income has created positive effect on RCC house. It can be said that remittance have improved the living standard of migrant households.

6.8.2 Types of Toilet

Another access of housing facility is toilet. In this section types of toilet like toilet with flush, toilet without flush, communal toilet and no toilet facility were included. Types of toilet in the study area are listed in the figure 6.9.

Figure: 6.9

Types of Toilet



Source: Field Survey, 2018

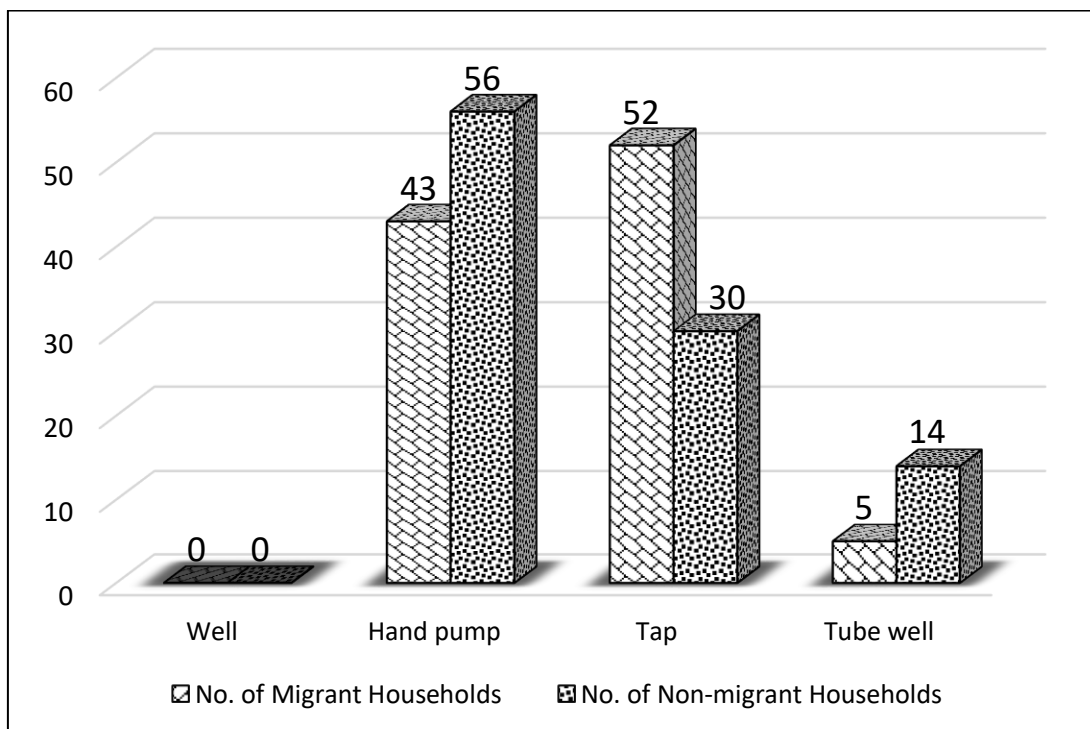
Table 6.9 shows that out of 100 households all households from migrant and non-migrant have access to toilet. 27 migrant households and 20 non-migrants households have toilet with flush. 70 migrant households and 72 non-migrant households have toilet without flush. Similarly, 3 migrant households and 8 non-migrant households uses communal toilet.

6.8.3 Sources of Drinking Water

Another access of housing facility is sources of drinking water. In the study area most number of people is still behind from pure drinking water only few people from urban areas are getting pure drinking water. In the study area sources of drinking water like well, hand pump, tap, and tube well were included. The sources of drinking water of migrant and non-migrant household were listed in the following figure.

Figure: 6.10

Sources of Drinking Water



Source: Field Survey, 2018

Figure 6.10 shows that out of 100 households none of the migrant household as well as non-migrant households use well for drinking water. 43 migrant households used hand pump for drinking water and 56 non-migrant households used hand pump for drinking water. 52 migrant households use tap and 30 non-migrant households used tap for drinking water. Similarly, 5 migrant households used tube well and 14 non-migrant households used tube well for drinking water. In migrant households more number of households lives in urban areas. Similarly, most number of non-migrant household used hand pump for drinking water because more number of non-migrant households lives in rural areas. It can be said that remittance have improved the living standard of migrant households.

6.8.4 Access on Accessories

Accessories are the indicators of better living standard of the family. Higher the access on accessories indicates higher the living standard of the households. The access on various accessories of both migrant and non-migrant households are shown in the following table.

Table 6.4**Access on Accessories**

S.N.	Accessories	No. of Respondents	
		Migrants	Non-migrants
	TV	97	64
	Refrigerator	34	12
	Mobile Phone	100	100
	Motor Bike	19	7
	Cycle	70	65
	Car	1	0
	Modern Furniture	45	18
	Internet/WiFi	26	13
	Air Conditioning	2	0
	Bank Account	100	67
	Laptop/Computer	7	3

Source: Field Survey, 2018

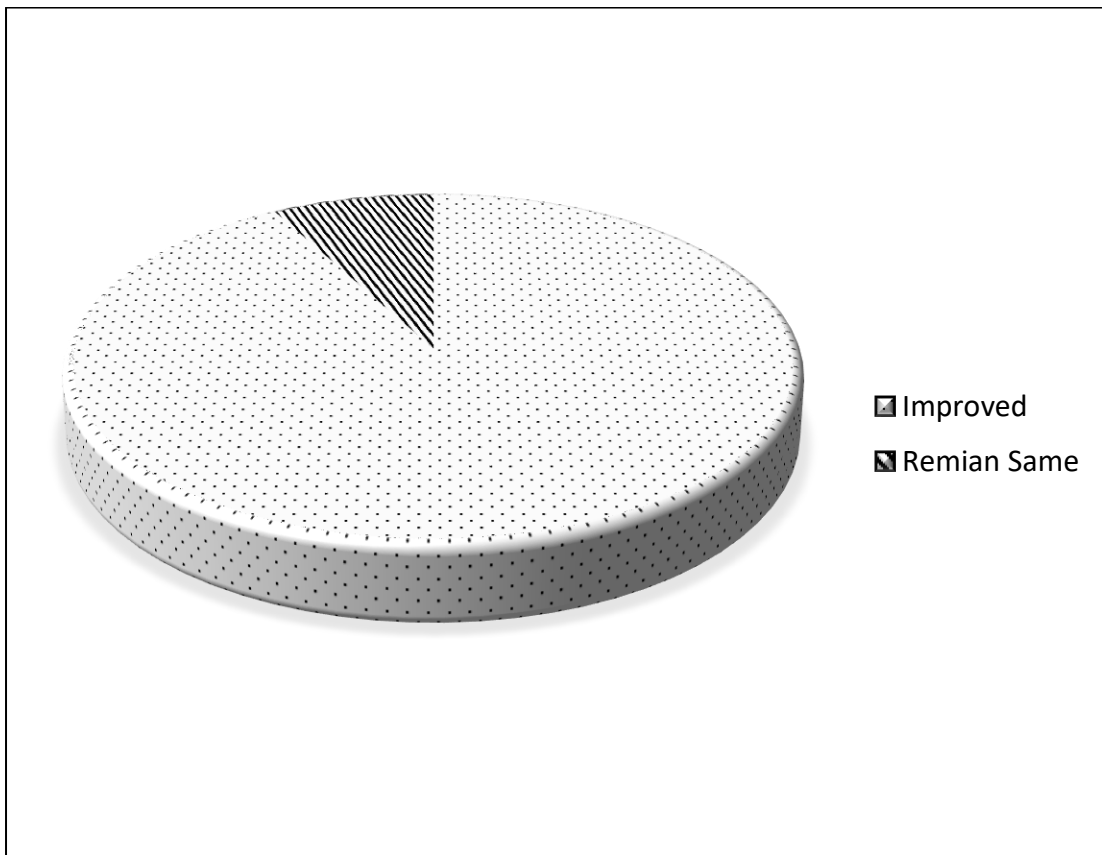
Table 6.4 shows that the migrant households have higher access on the various accessories like TV, Refrigerator, Motor cycle, laptop/computer, internet, etc. non-migrant households have less access on those accessories in comparison to the migrant households. It indicates that the remittance have positive impact on the living standard of migrant households.

6.8.5 Social Impact of Remittance

Finally, to know the view of respondents about the social impact of remittance, the question only asked to returnee's migrants' family about their social status before and after the migration. The response of the migrants' households is given in the following figure:

Figure: 6.11

Social Status of Migrants Households



Source: Field Survey, 2018

Figure 6.11 shows that about 76 percent migrants household said that remittance have improved the social condition of their household. Similarly, 24 percent migrant households said that social status of their family remain same as previous. But, the most of migrant household said that remittance able to improve the social status of their family. So, it can be concluded that remittance have positive impact on the improvement of social status of migrant households.

6.9 Economic Impact of Foreign Employment

Foreign employment is the main source of income of 56 households according to the data (MoF, 2018). Remittance send back by migrants have greater role in the economy of migrant family as well as the economy of your country. The economic impact of remittance means either remittance help to generate extra income in home country or not. The economic impact of remittance can be shown in the following figure.

6.9.1 Income from Agriculture

Nepal is the agricultural country. Most of the households are depend on the agriculture for their reliable source of income. But, most of households are adopting traditional agriculture system. Traditional agriculture gives low return whereas modern agriculture system higher level of return to the farmer.

The main purpose of the study is to identify that either foreign employment have positive or negative impact on income from agriculture. To find out the impact of foreign employment on income from agriculture the income from agriculture of both migrants and non-migrants households of Limbu community are compared. The income from agriculture can be shown in the following table.

Table 6.5

Income from Agriculture

S.N.	Yearly Income (in NRs.)	No. of Respondents	
		Migrants	Non-Migrants
1	No Any Income	20	0
2	Below 40,000	25	7
3	40,000-80,000	21	11
4	80,000-120,000	15	27
5	120,000-160,000	9	30
6	Above 160,000	10	25
	Average Income	NRs. 97,200	NRs. 1,34,000

Source: Field Survey, 2018

Table 6.5 shows that the yearly income of migrants households and Non migrants households from agriculture. The average income from agriculture of migrants' households is NRs. 97,200 and Non migrants households is Rs. 134000. Here, the income form agriculture of migrants' households is less than the income of non-migrants households.

Data presented on the table shows that there is inverse impact of foreign employment on income from agriculture. This may be the lack of labour force of migrants' households on agriculture. The active labour are going abroad and there is the lack of man power to work in the agricultural land. So, the income generated form the production of agriculture is very low in comparison to non-migrant households.

Foreign employment have inverse impact on the income generated from agriculture in home country.

6.9.2 Income from Business

Business is easy way to earn money in the countries like Nepal. Business required less technical skill and so many Nepalese are involving in this occupation. But, best way of doing business can be better and can more profitable. The respondents from both migrants' households as well as non-migrant households are involving in business. The income from business of both migrants' households and non-migrants households can be shown in the following table.

Table 6.6

Income from Business

S.N.	Yearly Income (in NRs.)	No. of Respondents	
		Migrants	Non-Migrants
1	No Any Income	76	71
2	Below 40,000	2	5
3	40,000-80,000	6	9
4	80,000-120,000	9	10
5	Above 120,000	7	5
	Average Income	NRs. 62200	NRs. 76000

Source: Field Survey, 2018

Table 6.6 shows that the yearly income of migrants households and Non migrants households from business. The average income from business of migrant household is Rs 62200 and Non- migrant households is Rs 76000. Here, the income from business of migrant households is smaller than the income of non-migrants households. Based on the finding of this study it can be said that migrants households are still largely depends on the remittance.

6.9.3 Income from Small Industries

Small industries are profitable in the context of Nepal. Many Nepalese are involving in this sector. It gives more returns with less investment. In small industries, respondents from the study area are involving in small and cottage industries like Bakery Industry, Spice Industry, Chowmen Industry, paper industry etc. The income from the small industries can be shown in the following table.

Table 6.7**Income from Small Industries**

S.N.	Yearly Income (inNRs.)	No. of Respondents	
		Migrants	Non-Migrants
1	No Any Income	96	94
2	Below 50,000	0	0
3	50,000-100,000	2	1
4	100,000-150,000	2	2
5	Above 150,000	0	3
	Average Income	NRs. 5,000	NRs. 7,000

Source: Field Survey, 2018

Table 6.7 shows that the yearly income of migrants households and Non migrants households from small industries. The average income of migrant households is NRs. 5000 and Non migrants is NRs. 7000. Here, the income of non-migrants households is greater than the income of migrants household. The reason behind less income of migrants' households may be due to the lack of man power available for working in industry in Nepal.

6.9.4 Income from Service Sector

Service includes hotel industry, travel and tour agency school etc.,. The income of both migrant households and non -migrant households from service sector can be shown in the following table.

Table 6.8**Income from Service Sector**

S.N.	Yearly Income (in NRs.)	No. of Respondents	
		Migrants	Non-Migrants
1	No Any Income	91	86
2	Below 50,000	0	0
3	50,000-100,000	3	2
4	100,000-150,000	6	5
5	Above 150,000	0	7
	Average Income	NRs. 8,400	NRs. 15,300

Source: Field Survey, 2018

Table 6.8 shows that the yearly income of migrant households and Non-migrants' households income from service sector. The average income of migrants from service sector is NRs. 8400 and Non migrants is NRs. 15300. Here also the income of non-migrants from service sector is greater than the income of migrant households.

6.9.5 Income from Private Jobs

Many have not their own reliable source of income. They find job in different companies or any other private sectors. They work certain hours for other private sectors and get paid for that and they able to meet their expenditure. The income from private job is shown in the following table:

Table 6.9

Income from Private Jobs

S.N.	Yearly Income (in NRs.)	Percent of Respondents	
		Migrants	Non-Migrants
1	No Any Income	76	68
2	Below 50,000	6	5
3	50,000-100,000	12	12
4	100,000-150,000	4	9
5	Above 150,000	2	6
	Average Income	NRs. 23,500	NRs. 32,500

Source: Field Survey, 2018

Table 6.9 shows that the yearly income of migrants and Non migrants households from private jobs. The average income of migrants is 23500 and Non migrants is 32500.

The income of migrant households form private job is less than the income of non-migrants' households. The number involvement of migrant in private job is also less than the non-migrant households.

6.9.6 Income from Other Sectors

Some of the respondents from both migrants and non migrant households are also involving in other sectors like, teaching, and providing trainings etc. Similarly, most of the respondents' response that they earn some money partially form other sources like part time income generating activities. The income from this sector can be shown in the following table.

Table 6.10
Income from Other Sectors

S.N.	Yearly Income (in NRs.)	Percent of Respondents	
		Migrants	Non-Migrants
1	No Any Income	24	6
2	Below 50,000	27	29
3	50,000-100,000	22	34
4	100,000-150,000	15	17
5	Above 150,000	12	14
	Average Income	NRs. 62,500	NRs. 109,500

Source: Field Survey, 2018

Table 6.10 shows that the yearly income of migrants and Non-migrants' households from other sectors like, teaching, and providing trainings etc as well as some other additional income generating activities. The average income of migrants' households from other sources is NRs. 62,500 and Non migrant households is NRs. 105,500.

The average yearly income of migrant households from other sector is also less than the income of non-migrant households. This indicates that migrant households are not so serious about earning money in domestic residents. They think that they have remittance as a reliable source of income.

6.9.7 Level of Income of Migrants and Non-Migrants' Households

To analyze the significant effect of remittance on household income mean difference test was applied. The average income from different sources and their difference is presented in following table:

Table 6.11
Income Differences between Categories of Sample Households

S.N.	Sources of Income	Migrant Households		Non-migrant Households		Test Statistics
		n_1	\bar{x}_1	n_2	\bar{x}_2	Mean Difference
1	Agriculture	100	NRs. 97,200	100	NRs. 1,34,000	-36,800
2	Business	100	Rs. 62200	100	Rs. 76000	-13,800
3	Small Industries	100	Rs. 5,000	100	Rs. 7,000	-2,000
4	Service Sector	100	Rs. 8,400	100	Rs. 15,300	-6,900
5	Private Job	100	Rs. 23,500	100	Rs. 32,500	-9,000
6	Others	100	Rs. 62,500	100	Rs. 109,500	-47,000
	Total	100	258,800	100	374300	-115,500

Source: Field Survey, 2018

Table 6.11 shows that n_1 and n_2 Means the number of migrant and non-migrant sample households' \bar{x}_1 , \bar{x}_2 indicates the mean income from various sources of migrant and non-migrant households respectively.

The average income of migrant households from agriculture is NRs. 97,200, business is 62,200, small industries is 5,000, service sector is 8400, private job is 32,500 and other income is 62,500. Similarly the income of non-migrant households from agriculture is 113,400, business is 7,600, small industries is 7,000, service sector is 15,300, private job is 32,500 and other income is 10,900.

The total average annual own source income of migrants' households is 258,800 whereas the annual income of non-migrant households is 374,300. This shows that the annual own source income of migrant households is less than the non-migrant households.

Data shown in the above table shows the negative impact of foreign employment on level of income. It indicates that the migrant households are largely depends on remittance. They realize the remittance as a reliable source of income. Similarly, the main cause of this negative impact of foreign employment on income generation from various sources is the lack of man power in the house of migrant households.

From the above analysis of data it can be concluded that remittance is not used in productive sector. The remittance have adverse effect on income generation in domestic resident. Further the utilization of money will be studies on the next topic.

6.9.8 Comparison of Income of Migrants before and After the Migration

The comparison of income of migrant household before and after the foreign employment make the study more relevant. The comparison of own source income of migrant household before and after the migration can be shown in the following table.

Table 6.12

Own Source Income of Migrants Before and After the Migrants

S.N.	Sources of Income	Migrant Households		Non-migrant Households		Test Statistics
		n_1	\bar{x}_1	n_2	\bar{x}_2	Mean Difference
1	Agriculture	100	138,000	100	97,200	40,800
2	Business	100	57700	100	62200	-4,500
3	Small Industries	100	2,000	100	5,000	-3,000
4	Service Sector	100	5,600	100	8,400	-2,800
5	Private Job	100	69,500	100	23,500	46,000
6	Others	100	73,800	100	62,500	11,300
	Total	100	346,600	100	258,800	87,800

Source: Field Survey, 2018

Table 6.12 shows the comparative study of own source income of migrant household before and after the foreign employment. The table shows that the own source income of migrant households before the foreign employment is Rs. 346600. Similarly, the own source income of migrant households after the foreign employment is Rs. 258,800. It shows that the own source income of migrant household before migration is greater than the own source income after migration. The mean difference in own source is Rs. 87,800. The reason to decline in own source income after the migration is due to the lack of working member in domestic resident because of migration. It can be said that the migrant member was earning about Rs. 87,800 in home before the migration.

6.10 Remittance Income

Remittance is the major source of livelihood of most of the households of the study area. The amount of remittance send back my migrant is the major part of this study. The socio economic condition of migrant households can be determined by the amount of remittance send by the migrants to their family. The remittance income of migrants' households per year can be shown in the following table.

Table 6.13

No. of Households Receiving Remittance

S.N.	Remittance Income (in NRs.)	No. of Households
1	Below 2 lakh	31
2	2-4 Lakh	46
3	4-6 Lakh	18
4	Above 6 Lakh	5
	Average Remittance Income	340000

Source: Field Survey, 2018

Table 6.13 shows that 31 percent of migrants are sending remittance below NRs. 2 lakh per year. Similarly, 46 percent migrants are sending remittance between NRs. 2-4 Lakh, 18 percent are sending between NRs. 4-6 lakh and only 5 percent migrants are sending remittance above NRs. 6 Lakh.

Most of the migrants are sending remittance between NRs. 2-4 Lakh. The average remittance send by migrants is 340,000 per year. The amount of remittance send by migrants is very small in comparison to the risk and uncertainty faced by the migrants

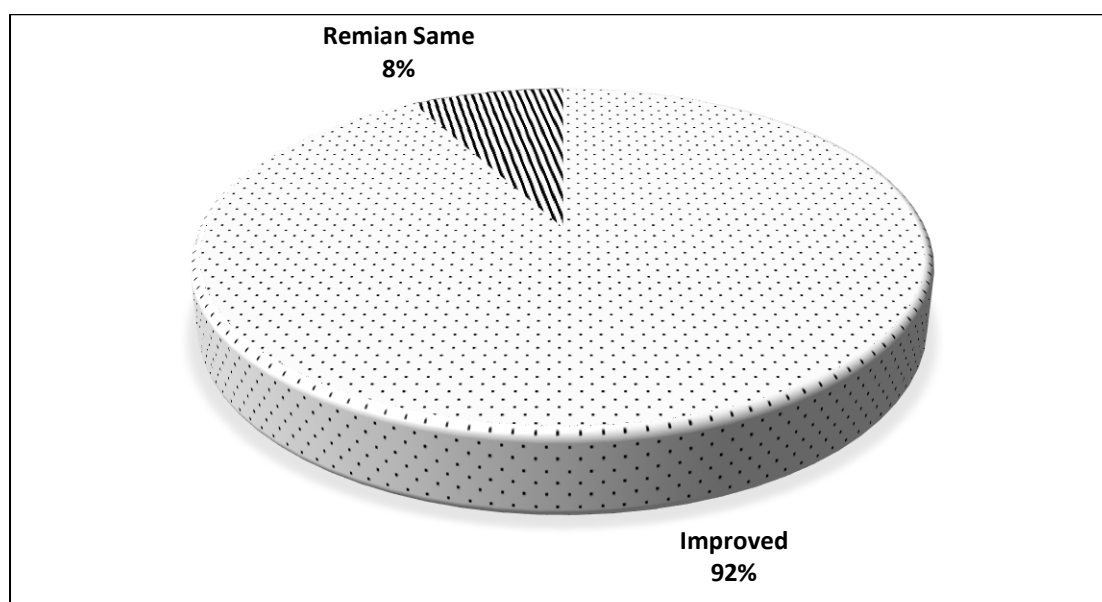
and their family. This very small amount of remittance is the result of unskilled manpower, the major destination is Gulf and fraud or scam done by the manpower company with migrants, etc.

6.11 Impact on Economic Status of Migrants' Households by Remittance

In this study respondents were asked one question that either remittance able to improve the economic status of migrant households or not. The response of respondents about the impact of remittance on economic status is shown in the following figure:

Figure: 6.12

Impact on Economic Status of Migrants Households by Remittance



Source: Field Survey, 2018

Figure 6.12 shows the response of respondents from migrant households about the impact of foreign employment on the economic status of family. Most of the households, i.e. 92 percent said that remittance is able to improve the economic status of the family and rest of 8 percent said that the economic status of the family remain same before and after the foreign employment. In conclusion it can be said that the remittance have positive impact on the economic status of migrant households.

6.12 Use of Income by Migrants and Non-Migrants Households

The household expenditure was determined by their income of household. The migrant household received more income from remittance which effects on

expenditure pattern the comparative study of household expenditure between migrant and non-migrant household of last year on different sectors was presented in this section.

6.12.1 Expenditure on Food Items

The expenditure on food item such as rice, meat, oil, fruits, milk, vegetables, etc. are included in this section. The expenditure on food item is determined by household income. The expenditure of household on food item of both migrant and non-migrant household in last year was presented in following table.

Table 6.14
Expenditure on Food

S.N.	Expenditure on Food	No. of Migrants' Households	No. of Non-migrants' Households
1	<20,000	5	16
2	20,000-39,999	22	49
3	40,000-59,999	57	23
4	60,000 & above	18	12
	Average Expenditure	NRs. 45600	NRs. 36500

Source: Field Survey, 2018

Table 6.14 shows that the average expenditure on food item in previous year was NRs. 44,600 of migrants' households and that of non-migrant household was NRs. 36,500. Average expenditure of migrant household was more than non-migrants' household is because of remittance income. People from migrant households are consuming more amount of healthy food like milk, nuts, fruits, meat, etc. Large portion of remittance is expended on food items.

6.12.2 Expenditure on Non-Food Items

In this study the expenditure on non food items like clothing, travelling, pilgrims, and so on was determined by income, family size, choice, festival, fashion, season etc. The household expenditure on clothing of both migrant and non-migrant household in last year is presented in the following table.

Table 6.15**Expenditure on Non-Food Items**

S.N.	Expenditure (in NRs.)	No. of Migrant Households	Percent of Non-Migrant Households
1	<20,000	2	7
2	20,000-39,999	17	32
3	40,000-59,999	58	42
4	60,000 & above	23	19
5	Average Expenditure	NRs. 66300	NRs. 50200

Source: Field Survey, 2018

Table 6.15 shows that the average expenditure on non-food item of migrant household was NRs. 66,300 and that of non-migrant household was NRs. 505,200 in last year. This study shows that the expenditure on non-food items was more in migrant household. The remittance income increased their purchasing power, so they buy new clothes as their choice, fashion, season, etc. The remittance income has positive impact on expenditure on non-food items.

6.12.3 Expenditure on Culture

In Nepal many festivals are celebrated by people. In the study area also people from different religion, caste celebrate festivals from their own way. Many festivals like dashain, tihar, lhosar, jatra, holi, id, etc. were celebrated in study area. The expenditure on festival in last year of respondent's households was presented in the following table:

Table 6.16**Expenditure on Culture**

S.N.	Expenditure (in NRs.)	No. of Migrants' Households	No. of Non-migrants' Households
1	<10,000	7	19
2	10,000-19,999	35	47
3	20,000-29,999	39	19
4	30,000 & above	19	15
	Average Expenditure	NRs. 34910	NRs. 19600

Source: Field Survey, 2018

Table 6.16 shows that the average expenditure on festival in last year was Rs. 34910 of migrant household and that of non-migrant household was Rs. 19600. The average expenditure on festivals was more in migrant household shows that the remittance income affects the celebration of festivals. In the study area people think expenses more money in festival determined their standard of life. In the study area in the name of festival large amount of remittance was used in unproductive sector.

6.12.4 Expenditure on Durable Goods

Goods such as car, two wheeler, refrigerator, computer, laptop, telephone, solar energy etc. were included in this section. The expenditure on durable goods was determined by income of both migrant and non-migrants' household. The expenditure on durable goods of both migrant and non-migrant household was presented in following table.

Table 6.17

Expenditure on Durable Goods

S.N.	Expenditure (in NRs.)	No. of Migrants' Households	No of Non-migrants' Households
1	No Any Expenditure	19	51
2	<20,000	16	7
3	20,000-39,999	32	11
4	40,000-59,999	19	19
5	60,000 & above	14	12
	Average Expenditure	NRs.41,200	NRs. 27,500

Source: Field Survey, 2018

Table 6.17 shows that the average expenditure on durable goods of migrant household was Rs. 41200 and that of non-migrant household was Rs. 27500 in last year. The average expenditure on durable goods of migrant household is more than that of non-migrant household. Migrants' households consume more durable goods like mobile, laptop, motor bike, etc.

6.12.5 Expenditure on Loan and Interest Payment

Loan is the main source of foreign employment of most of migrant households. Similarly, non migrant households are also taking loan for various purpose. The expenditure on loan and interest payment can be shown in the following table:

Table 6.18

Expenditure on Loan and Interest Payment

S.N.	Expenditure (in NRs.)	No. of Migrants' Households	No of Non-migrants' Households
1	No Any Expenditure	24	34
2	<20,000	7	14
3	20,000-39,999	19	29
4	40,000-59,999	28	14
5	60,000 & above	22	9
	Average Expenditure	NRs. 41200	NRs. 12700

Source: Field Survey, 2018

Table 6.18 shows the average expenditure on loan and interest repayment of migrant is NRs. 41,200 per annum whereas the loan and interest repayment of non-migrant is NRs. 12,700. Here the expenditure on loan and interest repayment of migrant seems greater than the non-migrant households. The reason behind that is the loan taken by migrant households to meet the cost of foreign employment.

6.12.6 Expenditure on Education

Education is the primary and basic needs for all. All respondents have students in their home. They need to make some expenses on education. The expenditure on education of migrant and non-migrant households is shown in following table:

Table 6.19

Expenditure on Education

S.N.	Expenditure (in NRs.)	No. of Migrants' Households	No. of Non-migrants' Households
1	<10,000	9	19
2	10,000-19,999	19	37
3	20,000-29,999	44	28
4	30,000 & above	28	16
	Average Expenditure	NRs. 26410	NRs. 24130

Source: Field Survey, 2018

Table 6.19 shows that the average expenditure on education of migrants' household is NRs. 26410 and that of non-migrant household is NRs. 24130. Migrants' household had more expenditure on education than non-migrant household because through

remittance receiving families can increase income so, naturally they can be able to provide family members with better and sophisticate education which some families cannot afford without remittance and it is well known that socio-economic condition of families is immensely affected by education.

In the study area, the expenditure on education like school fee, dress, book, pen, bag, pen, copy, meal, etc. is more of migrant household. In the study area migrant children are seeking for good and quality education which can secure their better future. People are seeking private school for quality education according to their income level. This shows that the expenditure on schooling of children was affected by remittance income. Remittance income improves the quality of children education.

6.12.7 Expenditure on Health Care

Health care includes regular health check up, hygienic food, treatment, exercise etc. Health is basic need for all. Expenditure on health care of both migrant and non-migrant household is last year was shown in following table.

Table 6.20
Expenditure on Health Care

S.N.	Expenditure (in NRs.)	No. of Migrants' Households	No. of Non-migrants' Households
1	<10,000	11	16
2	10,000-19,999	52	58
3	20,000-29,999	27	15
4	30,000 & above	10	11
	Average Expenditure	NRs. 17000	NRs. 13400

Source: Field Survey, 2018

Table 6.20 shows the average expenditure of migrant household on health care was NRs. 17,000 and that of health care was NRs. 13,400. The average expenditure of health care of migrant household is more than that of non-migrant household. This result shows that migrant households are more conscious on health than the non-migrants households.

6.12.8 Expenditure on Agricultural Investment

Agriculture is the main occupation of most of the Nepalese households. It provides the employment opportunity to many families. Agriculture sector need investment to increase the productivity and hence to earn more income from this sector. The

expenditure on agricultural investment of both migrants' and non-migrants' households can be shown in the following table:

Table 6.21

Expenditure on Agricultural Investment

S.N.	Expenditure (in NRs.)	No. of Migrants' Households	No. of Non-migrants' Households
1	<20,000	47	39
2	20,000-39,999	38	25
3	40,000-59,999	12	19
4	60,000 & above	3	17
	Average Expenditure	Rs. 22400	Rs. 32300

Source: Field Survey, 2018

Table 6.21 shows that average expenditure of migrant household on agricultural investment is NRs. 22400 and the average expenditure of non-migrants' households on agricultural investment is NRs. 32300. The average expenditure of agricultural investment of non-migrant household is more than that of migrant household. This indicate that migrant households are paying less attention on agriculture than non-migrants. It can be concluded that, remittance has negative impact on the investment on agriculture in the study area.

6.12.9 Expenditure on Business Investment

Some portion of respondents of the study area are involving on business. The expenditure made on business can be shown in the following table:

Table 6.22

Expenditure on Business Investment

S.N.	Expenditure (in NRs.)	No. of Migrants' Households	No. of Non-migrants' Households
1	No Any Expenditure	83	81
2	<40,000	7	5
3	40,000-79,999	7	9
4	80,000 & above	3	5
	Average Expenditure	NRs. 7000	NRs. 10900

Source: Field Survey, 2018

Table 6.22 shows that average expenditure of migrant household on business investment is NRs. 7000 and that of non-migrants' households on business investment is NRs. 10900. The average expenditure of business investment of no- migrant

household is more than that of migrant household. The finding of this study shows that remittance is not used in productive sector.

6.12.10 Expenditure on Small Industries

Some portion of respondents from the study area are also involving in small industries. The investment made on the small industries of both migrants and non-migrant households can be shown in the following table:

Table 6.23

Expenditure on Small Industries

S.N.	Expenditure (in NRs.)	No. of Migrants' Households	No. of Non-migrants' Households
1	No Any Expenditure	95	94
2	<50,000	0	1
3	50,000-99,999	2	0
4	1,00,000-1,49,999	2	4
5	1,50,000 & above	1	1
	Average Expenditure	NRs. 3000	NRs. 8000

Source: Field Survey, 2018

Table 6.23 shows that the average expenditure of migrant household on small industry is NRs. 3,000 and that of non-migrants households on small industry investment is NRs. 8,000. The expenditure made on small industries of non-migrants is also higher than the migrant households.

6.12.11 Expenditure on Service Sectors

Service sector includes of hotels, manpower's company, and schools and so on. The expenditure on service sectors made by both migrants and non-migrants can be shown in the following table:

Table 6.24

Expenditure on Service Sectors

S.N.	Expenditure (in NRs.)	No. of Migrants' Households	No. of Non-migrants' Households
1	No Any Expenditure	92	87
2	<50,000	1	2
3	50,000-99,999	3	7
4	1,00,000-1,49,999	4	3
5	1,50,000 & above	0	1
	Average Expenditure	NRs. 10200	NRs. 14000

Source: Field Survey, 2018

Table 6.24 shows that average expenditure of migrant household on service sector is NRs. 10,200 and that of non-migrants' households on agricultural investment is NRs. 14,000. The average expenditure of service sector of non-migrant household is more than that of migrant household.

6.12.12 Expenditure on Other Investment

There are many other sectors from which people can earn money. Those sectors are like broker or intermediaries, real estate, various income generating activities and so on. Similarly, it includes the other regular expenses. The expenditure on other investment of both migrants and non migrants can be shown in the following table.

Table 6.25

Expenditure on Other Investment

S.N.	Expenditure (in NRs.)	No. of Migrants' Households	No. of Non-migrants' Households
1	No Any Expenditure	0	0
2	<50,000	79	78
3	50,000-99,999	18	15
4	1,00,000-1,49,999	2	3
5	1,50,000 & above	1	4
	Average Expenditure	NRs. 35500	NRs. 37200

Source: Field Survey, 2018

Table 6.25 shows that average expenditure of migrant household on other sector is NRs. 35,500 and that of non-migrants households on agricultural investment is NRs. 37,200. The average expenditure on other investment of non-migrant household is more than that of migrant household. Other sector includes of broker or intermediaries, real estate, and so on. Similarly, it includes the other regular expenses which are not included under the above mentioned topics.

6.12.13 Overall Expenditure of Migrants and Non-Migrants Households

The study of overall expenditure of migrant and non migrant households make easy to compare the expenditure of both category. The overall expenditure of migrants and non-migrant households can be shown in the following table.

Table 6.26**Overall Expenditure of Migrants' and Non-Migrants' Households**

S.N.	Headings of Expenditure	Migrants' Households		Non-migrants' Households		Test Statistics
		n1	\bar{x}_1	n2	\bar{x}_2	Mean difference
1	Expenditure on food item	100	45600	100	36500	9,100
2	Expenditure on non-food item	100	66300	100	50200	16,100
3	Expenditure on Culture	100	34910	100	19600	15,310
4	Expenditure on Durable Goods	100	41200	100	27500	13,700
5	Expenditure on Loan and Interest Payment	100	41200	100	12700	28,500
6	Expenditure on Education	100	26410	100	24130	2,280
7	Expenditure on Health Care	100	17000	100	13400	3,600
8	Expenditure on Agricultural Investment	100	22400	100	32300	-9,900
9	Expenditure on Business Investment	100	7000	100	10900	-3,900
10	Expenditure on Small Industries	100	3000	100	8000	-5,000
11	Expenditure on Service Sectors	100	10200	100	14000	-3,800
12	Expenditure on Other Investment	100	35500	100	37200	-1,700
	Total Expenditure	100	350720	100	286430	64290

Source: Field Survey, 2018

Table 6.26 shows that average yearly overall expenditure pattern of migrants' and non-migrants' households are shown. The overall expenditure of migrant households is about NRs. 350,720 whereas the overall expenditure of non-migrants is 286,430. The average yearly expenditure of migrant households is greater than the expenditure of non-migrants households. The mean difference of the average overall yearly expenditure of migrants and non-migrants' households is NRs. 64,290 thousand.

6.13 Expenditure Pattern of Migrants and Non-Migrants' Households

The comparative study of expenditure pattern on different category between migrant household and non-migrant household is included in this section. In the study area the average expenditure between migrant and non-migrant household is found different. The following table shows that there is considerable difference in mean expenditure between those two groups of sample household in different expenditure items. The difference of average expenditure is shown in following table:

Table 6.27

Expenditure Pattern of Migrants and Non-Migrants' Households

Sector	Before		After	
	Average Expenditure (inNRs.)	Percent of Income	Average Expenditure (inNRs.)	Percent of Income
Regular HH expenditure	188,010.00	31.40	133,800.00	35.75
Expenditure on food item	45,600	7.62	36,500	9.75
Expenditure on non-food item	66,300	11.07	50,200	13.41
Cultural expenses	34,910	5.83	19,600	5.24
Durables	41,200	6.88	27,500	7.35
Other expenses	26,410	4.41	12,700	3.39
Loan & Interest payment	26,410	4.41	12,700	3.39
Real estate	0	0.00	0	0.00
Expenditure on human capital	43,410.00	7.25	37,530.00	10.03
Education	26,410	4.41	24,130	6.45
Health	17,000	2.84	13,400	3.58
Expenditure on non-human capital	78,100	13.04	102,400	27.36
Agricultural Investment	22,400	3.74	32,300	8.63
Business Investment	7,000	1.17	10,900	2.91
Invest on Small Industries	3,000	0.50	8,000	2.14
Investment on Service Sector	10,200	1.70	14,000	3.74
Investment on other	35,500	5.93	37,200	9.94
Total Expenditure	335,930	56.10	286,430	76.52
Own source Income	258,800	43.22	374,300	100.00
Remittance Income	340,000	56.78	0	0.00
Total Income	598,800	100.00	374,300	100.00
Saving	262,870	43.90	87,870	23.48

Source: Field Survey, 2018

Table 6.27 shows the larger portion of money is used in regular expenditure like food item, non-food item, durables and cultural expenses. The expenditure on regular household expenditure by migrants is about 31.40 percent whereas of non-migrants is about 35.75 percent.

Similarly, the expenditure on loan and interest payment by migrants is about 4.41 percent whereas of non-migrants is about 3.39 percent. This shows that migrants' households are still paying loan borrowed for foreign employment.

The investment on non-human capital like agriculture, business, micro industries, service sectors and other sectors of migrants' households is NRs. 78,100 (13.04%) whereas the investment on non-human capital of non-migrant households is NRs.

102,400 (27.36%). The investment expenditure of migrants on agriculture is NRs. 22,400 (3.74%), business is NRs. 7,000 (1.17%), small industries is NRs. 3,000 (0.50%), service sector is NRs. 10,200 (1.70%) and other investment is NRs. 5,933 (8.12%). Similarly, the investment expenditure of non-migrants on agriculture is NRs. 32,300 (8.63%), business is NRs. 10,900 (2.90%), small industries is NRs. 8,000 (2.14%), service sector is NRs. 14,000 (3.74%) and other investment is NRs. 37,200 (9.94%).

The investment on human capital like education and health by migrants is NRs. 43,410 (7.25%) and by non-migrants is NRs. 37,530 (10.03%). Here, the amount of investment of migrant household is greater than the amount of non-migrant but the percentage is higher of non-migrant. This portion of both household is seen nearly equal in portion.

The own source average yearly income of migrants' household is only 258,800 which is only 43.22 percent of total income (income including remittance) whereas the own source income of non-migrant household is 374,300.

The remittance income of migrant household per year is 340,000. The total income of migrant household including own source income and remittance is 598,800. Here, the migrant households are unable to meet the annual expenditure from own source revenue. They are largely dependent on the remittance.

The annual saving of migrants households from the income including remittance is NRs. 262,870 which is 43.90 percent of total income. Similarly, the annual average saving of non-migrant households is NRs. 87,870 which is 23.48 percent.

The study of this research shows that the income level of Limbu community increases with remittance income. The living standard as well as the social condition of Limbu community increases after the foreign employment. So, there is a direct or positive relationship between remittance and living standard as well as the social condition of Limbu community. Remittance helps to improve the social condition of Limbu community and so, it plays a vital role.

Similarly, the expenditure pattern of Limbu community increases after the foreign employment because of remittance income. It can be concluded that the expenditure pattern of Limbu community changes positively. There is a direct

relationship between remittance and expenditure. As remittance income increases the expenditure pattern also increases and vice-versa.

From this brief study it can be concluded that remittance is the main source of expenditure of migrant household. Similarly, it is found that migrant households are able to save the large amount of money in comparison to non-migrant households. This data is no similar to the national data.

6.14 Expenditure Pattern of Migrants before and After the Migration

The comparative study of expenditure pattern of migrant household before and after the foreign employment make easy to conclude the result. The comparative study of expenditure pattern of migrant household before and after the migration can be shown in the following table:

Table 6.28

Expenditure Pattern of Migrants before and After the Migration

Sector	After		Before		Test Statistics
	Average Expenditure (inNRs.)	Percent of Income	Average Expenditure (inNRs.)	Percent of Income	Mean Difference
Regular HH expenditure	188,010.00	31.4	130,700.00	37.71	57,310.00
Expenditure on food item	45,600	7.62	38,500	11.11	7,100.00
Expenditure on non-food item	66,300	11.07	48,200	13.91	18,100.00
Cultural expenses	34,910	5.83	19,600	5.65	15,310.00
Durables	41,200	6.88	24,400	7.04	16,800.00
Other expenses	26,410	4.41	12,500	3.61	13,910.00
Loan & Interest payment	26,410	4.41	12,500	3.61	13,910.00
Real estate	0	0	0	0.00	0.00
Expenditure on human capital	43,410.00	7.25	29,900.00	8.63	13,510.00
Education	26,410	4.41	16,500	4.76	9,910.00
Health	17,000	2.84	13,400	3.87	3,600.00
Expenditure on non-human capital	78,100	13.04	79,200	22.85	-1,100.00
Agricultural Investment	22,400	3.74	39,500	11.40	-17,100.00
Business Investment	7,000	1.17	12,000	3.46	-5,000.00
Invest on Small Industries	3,000	0.5	5,000	1.44	-2,000.00
Investment on Service Sector	10,200	1.7	7,500	2.16	2,700.00
Investment on other	35,500	5.93	15,200	4.39	20,300.00
Total Expenditure	335,930	56.1	252,300	72.79	83,630.00
Own source Income	258,800	43.22	346,600	100.00	-87,800.00
Remittance Income	340,000	56.78	0	0.00	340,000.00
Total Income	598,800	100	346,600	100.00	252,200.00
Saving	262,870	43.9	94,300	27.21	168,570.00

Source: Field Survey, 2018

Table 6.28 shows the comparison of expenditure of migrant household before and after the foreign employment. The data on the above table shows that the expenditure pattern of migrant household after the migration is greater than before migration. The expenditure on regular household expenditure before migration is NRs. 130700 where as NRs. 188,010 is before migration the mean difference is NRs. 57,310.

Similarly, the expenditure on other expenses before migration is NRs. 12,500 where as it is NRs. 26,410 after migration. The mean difference on other expenses is NRs. 13,910 The expenditure on other expenses of migrant household after migration is greater that the before. The reason behind that is the increase in the expenditure on loan and interest payment after the migration,

The expenditure on expenditure on human capital before migration is NRs. 29,900 whereas it is NRs. 43,410 after migration and the mean difference is NRs. 13,510. The expenditure on human capital like health and education increases after the foreign employment due to the remittance income. Remittance income have positive impact on the human capital like health and education.

The expenditure on non-human capital like agricultural investment, business investment, investment on small industries, services sector and other investment before migration is NRs. 79,200 where as it is NRs. 78,100 after migration. The mean difference is NRs. (-1,100). The data shows that the investment on non-human capital decline after the migration. The reason behind that is the investment expenditure decline on agriculture after the migration.

The total expenditure of migrant household before foreign employment is NRs. 252,300 whereas it NRs. 335,930 after foreign employment. The mean difference on total expenditure of migrant household is NRs. 83,630. It shows that the expenditure of migrant household after foreign employment is increases by NRs. 87,630. It can be said that there is positive relationship between expenditure pattern and remittance income.

CHAPTER VII

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

7.1 Summary of the Findings

The present study mainly focused on various facts related to remittance on the one of the marginalized community of Nepal i.e. Limbu community of the Dharan Sub-Metropolitan City of Sunsari district. The main objectives of the study is to find out the trend of foreign employment and remittance income. Similarly, to find out the expenditure pattern of migrants and non-migrants households of Limbu Community. Furthermore, the focus of this study is to find out either remittance help to improve the living standard of Limbu Community.

This is a descriptive and analytical study, so random sampling and purposive sampling technique was used in this study. The present study is based on a structured questionnaire used in the survey. Both primary and secondary data have been used and various research techniques like interview and observation were applied to collect the required data for the study in field survey. The data and information are presented in simple percentage basis. Table, charts, graphs are used to analyze and interpreted the data.

The summary of the finding of the study is that there is the increasing trend of foreign employment and remittance over year. Similarly the remittance is mainly expenses on regular household consumption and remittance has no role on the income and employment generation. Even remittance have adverse effect on the income generation in domestic resident. Finally the major outcome of this study is that the remittance have positive impact on the improvement of the living standard of Limbu community of the Dharan Sub-Metropolitan City of Sunsari district.

Major Findings of the Study

The major findings of this study are as follows:

- The study shows that most of the Nepalese workers are working in Gulf Countries like Malaysia (69,096), Qatar (77,498), UAE (39,399), Saudi Arab (29,367) and so on due to the easy VISA process, the cheap destination for Nepalese migrants, etc.

- According to the Ministry of Finance, number of persons issued permits for foreign employment up to 2016/17 had reached 1,86,166.
- The remittance inflow was 47.54 billion in FY 2002/03, which has been continuously increased and reached Rs 695.5 billion in FY 2016/17. Remittance inflow in first eight month of the current FY 2017/18 is 471.9 billion.
- Ratio of remittance to GDP was just 10.69 percent in FY 2001/02 and is in increasing trend. The ratio of remittance to GDP become 29.4 percent in FY 2015/16, which become 26.9 percent in first eight months of FY 2016/17.
- There are so many causes that influence for the foreign employemnt. Pull factor influence the migrants by pressing them to go for foreign employemnt. Those factors are unemployment, loan burden, education, conflict and others. And, the push factor of foreign employment are employment, attractive salary, better living standard, friends and others.
- Most of the workers from study area seems to go for foreign employment to Gulf countries like Qatar, Malaysia, Saudi Arabia, UAE, Bahrain and Others.
- The study found that most of migrants have been working in construction of building and infrastructure as a labor. About 19 percent migrants are working in construction, 16 percent workers are working in hotel, 15 percent are working as security guard, and 13 percent are working in indoor job like swiper as a private servant. Similarly, 11 percent are working in driving, 9 percent are working as sales man, 8 percent are working in manufacture and remaining 9 percent are working in the other field of work.
- It is found that the average cost for foreign employment is NRs 120.83 thousand. The maximum average cost is NRs. 296.67 thousand. And the average minimum cost of foreign employment is NRs 80 thousand.
- The finding of the study shows that 64 respondents from RRHHs have surplus finance, 7 percent have deficit finance and 29 percent have balance finance. On the other hand 24 percent respondents from RNRHHs category have surplus finance, 33 have deficit finance and remaining 43 percent have balance finance.

- RRHHs have better practice on money saving i.e. RRHHs seems to keep money in formal saving system then RNRHHs. The data shows that 18 percent of RRHHs keeps the money at home or wallet, 42 percent keeps money in their bank account, 34 percent keeps money in co-operatives and remaining 6 percent keeps their money in informal saving club. On the other hand 31 percent RNRHHs keeps their money in home or wallet, 25 percent keeps their money in bank account, 27 keeps their money in co-operatives and remaining 17 percent keeps their money in informal saving club.
- To study the impact of remittance on living standard of Limbu community the status of both migrant and non-migrant households are studied. For the sake of this purpose condition of house, type of toilet, source of drinking water, access to various accessories like Communication, Transportation etc. The study shows that there is positive association between remittance income and living standard of Limbu community i.e. the living standard of RRHHs is better than the RNRHHs.
- The findings of the study show that the social status of RRHHs is also improved after the foreign employment.
- The average income of migrants' households from agriculture is NRs. 97,200, business is NRs. 62,200, small industries is NRs. 5,000, service sector is NRs. 8,400, private job is NRs. 32,500 and other income is NRs. 62,500. Similarly the income of non-migrant households from agriculture is 113,400, business is NRs. 7,600, small industries is NRs. 7,000, service sector is NRs. 15,300, private job is NRs. 32,500 and other income is NRs. 10,900.
- The total average annual own source income of migrants' households is NRs. 258,800 whereas the annual income of non-migrant households is NRs. 374,300. This shows that the annual own source income of migrant households is less than the non-migrant households.
- Most of the migrants are sending remittance between NRs. 2-4 Lakh. The average remittance sent by migrants' is NRs. 340,000 per year.
- Most of the respondents of the study area (i.e. 92%) said that the remittance is able to improve the economic status of the family and rest of 8 percent said

that the economic status of the family remains same before and after the foreign employment.

- The overall expenditure of migrants' households is about NRs. 350,720 whereas the overall expenditure of non-migrants is NRs. 286,430.
- The mean difference of the average overall yearly expenditure of migrants and non-migrant households is NRs. 64,290 thousand.
- The data on the expenditure pattern shows that the larger portion of money is used in regular expenditure like food item, non-food item, durables and cultural expenses. The expenditure on regular household expenditure by migrants is about 31.40 percent whereas of non-migrants is about 35.75 percent.
- The expenditure on loan and interest payment by migrants is about 4.41 percent whereas of non-migrants is about 3.39 percent. This shows that migrants' households are still paying loan borrowed for foreign employment.
- The investment on non-human capital like agriculture, business, micro industries, service sectors and other sectors of migrant households is NRs. 78,100 (13.04%) Whereas the investment on non-human capital of non-migrant households is NRs. 102,400 (27.36%).
- The investment expenditure of migrants on agriculture is 22,400 (3.74%), business is NRs. 7000 (1.17%), small industries is NRs. 3,000 (0.50%), service sector is NRs. 10,200 (1.70%) and other investment is NRs. 5.93 (8.12%).
- Similarly, the investment expenditure of non-migrants on agriculture is NRs, 32,300 (8.63%), business is NRs. 10,900 (2.90%), small industries is NRs. 8,000 (2.14%), service sector is NRs. 14,000 (3.74%) and other investment is NRs. 37,200 (9.94%).
- The investment on human capital like education and health by migrants is NRs. 43,410 (7.25%) and by non-migrants is NRs. 37,530 (10.03%).
- The own source average yearly income of migrant household is only NRs. 258,800 which is only 43.22 percent of total income (income including

remittance) whereas the own source income of non-migrant household is NRs. 374,300.

- The remittance income of migrant household per year is NRs. 340,000. The total income of migrant household including own source income and remittance is NRs. 598,800. Here, the migrant households are unable to meet the annual expenditure from own source revenue. They are largely depending on the remittance.

7.2 Conclusions

Remittance income is emerging as one of the most significant and reliable source of external finance for many developing countries like Nepal. Remittance has been identified as one of the most important factor that has been responsible for reducing the overall indicators of poverty and improving the living standard of the migrant households.

In this study it is found that the remittance have positive impact on the improvement of living standard of Limbu community but the adverse impact on the income and employment generation in domestic resident, specially in Limbu community.

Foreign employment have both positive and negative impact. The current source of unemployment and income and the access to various accessories and the improvement of living standard and reduction of poverty are the positive impact of the foreign employment. However, the increasing trend of foreign employment and remittance is making dependent on the foreign country for employment and income. Youth are leaving the country and so the shortage of labour force occurs in the country. This shortage of labour force affect adversely the production and income generation in Nepal. In the long run this may arises the serious problems in Nepal.

7.3 Recommendations

After the brief describe and analysis in this study there are some recommendation for the policy maker and others who are interested in remittance. The main recommendations are given below:

- i. Most of Nepalese migrants are working in Gulf countries with low wage but the cost for going is high. So, they can't save more money. So, government should regulate the man power agencies and reduce the cost. Similarly,

government should make new policies to identify new potential destination and create opportunities to go these destinations where the workers can earn more money.

- ii. Most of migrants go to foreign employment and labor hard to earn money but their spending of income is in unproductive sector which leads to remigration. There is the need of enactment of policies which may divert the unproductive use of remittance into productive sector.
- iii. Limbu community is marginalized community, where there is the lack of business idea to use the remittance in proper way. So, government can provide the entrepreneurial training, creating environment opportunities to their family member.

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APPENDIX-I

QUESTIONNAIRE FOR HOUSEHOLD SURVEY

1. Background questions		
Address: - Sub-Metropolitan	Ward No.	Tole
Name of Respondent	Age	Gender
Caste/Ethnic	Education	Marital Status
Household Size	Occupation	
2. General Information about Migrants (Migrants households only)		
Name of Migrants	Age	Gender
Education	Marital Status	
3. Distribution of Agriculture Land (in Kattha)		
<ul style="list-style-type: none"> • <5 • 5-10 • 10-15 • 15-20 • 20 & above 		
4. Food Sufficiency from Own Land		
<ul style="list-style-type: none"> • Less than 3 month • 3-6 month • 6-9 month • 9-12 month • Left for sale 		
5. Causes of Migration (migrants households only)		
Push Factors	Pull Factors	
<ul style="list-style-type: none"> • Loan Burden • Unemployment • Education • Conflict • Other 	<ul style="list-style-type: none"> • Attractive Salary • Friends • Better Living Standards • Employment • Others 	

6. Migrated Country (migrants households only)
<ul style="list-style-type: none"> • Saudi Arabia • Qatar • UAE • Malaysia • Dubai • Other Countries
7. Occupation of Migrants at Destination
<ul style="list-style-type: none"> • Construction • Hotel • Security guard • Private work • Driving • Sales man • Manufacture • Other
8. Cost of Foreign Employment (migrants households only)
Record Value Rs.
9. Source of Financing (migrants households only)
<ul style="list-style-type: none"> • Own Source • Banks • Cooperatives • Friends and relatives • Merchants or Money lenders • Others
10. Household Financing
<ul style="list-style-type: none"> • Surplus finance • Balance finance • Deficit finance
11. Way of Saving Money
<ul style="list-style-type: none"> • At home or wallet • At bank account

<ul style="list-style-type: none"> • At co-operatives • At informal club
<p>12. Condition of Houses</p> <ul style="list-style-type: none"> • Made with RCC • Made with stone, mud with roof of tin and slate • Made with stone, mud and timber with thatched roof
<p>13. Types of Toilet</p> <ul style="list-style-type: none"> • Toilet with flush • Toilet without flush • Communal toilet • No toilet facility
<p>14. Sources of Drinking Water</p> <ul style="list-style-type: none"> • well • Hand Pump • Tap • Tube Well
<p>15. Access on Accessories</p> <ul style="list-style-type: none"> • TV • Refrigerator • Mobile Phone • Motor Bike • Cycle • Car • Modern Furniture • Internet/WiFi • Air Conditioning • Bank Account • Laptop/Computer
<p>16. Social Impact of Remittance</p> <ul style="list-style-type: none"> • Improved • Not Improved

17. Economic Impact of Remittance		
Source of Income	Before	After
• Income from Agriculture		
• Income from Business		
• Income from Small Industries		
• Income from Service Sector		
• Income from Private Job		
• Income from Others		
• Remittance Income (Only for Migrants)		
18. Impact on Economic Status		
<ul style="list-style-type: none"> • Improved • Remained same 		
19. Expenditure Pattern		
Topic of Expenditure	Before	After
a. Expenditure on food item		
b. Expenditure on non-food item		
c. Expenditure on Culture		
d. Expenditure on Durable Goods		
e. Expenditure on Loan and Interest Payment		
f. Expenditure on Education		
g. Expenditure on Health Care		
h. Expenditure on Agricultural Investment		
i. Expenditure on Business Investment		
j. Expenditure on Small Industries		
k. Expenditure on Service Sectors		
l. Expenditure on Other Investment		