

**A STUDY ON FOREIGN EMPLOYMENT AND WORKER'S
REMITTANCES IN NEPAL
(A Case Study of Gorkha Municipality)**

A Thesis

Submitted to the

Central Department of Economics

Tribhuvan University, Kirtipur, Kathmandu, Nepal

in Partial Fulfillment of the Requirements

for the Degree of

MASTERS OF ARTS

in

ECONOMICS

BY

URMILA GHIMIRE

Roll No.: 39/2067

TU Regd. No.: 6-1-285-33-2004

Central Department of Economics

Tribhuvan University, Kirtipur

Kathmandu, Nepal

September 2016

LETTER OF RECOMMENDATION

This thesis entitled **A STUDY ON FOREIGN EMPLOYMENT AND WORKERS' REMITTANCES IN NEPAL (A Case Study of Gorkha Municipality)** has been prepared by **Urmila Ghimire** under my supervision and guidance. I hereby recommend this thesis for examination to the Thesis Committee as a partial fulfillment of the requirements for the degree of MASTER OF ARTS in Economics.

Prof. Dr. Sohan Kumar Karna
(Thesis Supervisors)

Date: 2073/06/05 B.S.

APPROVAL LETTER

This thesis entitled **A STUDY ON FOREIGN EMPLOYMENT AND WORKERS' REMITTANCES IN NEPAL (A Case Study of Gorkha Municipality)** submitted by **Urmila Ghimire** has been evaluated and accepted as partial fulfillment of the requirement for the Master Degree of Arts in Economics by evaluation committee comprised of:

Thesis Committee:

Prof. Dr. Ram Prasad Gyanwaly
(Head of the Department)

Prof. Dr. R.K. Shah
(External Examiner)

Prof. Dr. Sohan Kumar Karna
(Thesis Supervisor)

Date: 2073/06/11 B.S.
27/09/2016 A.D.

ACKNOWLEDGEMENTS

I am pleased to take this opportunity to express my heartfelt gratitude to my thesis supervisor Prof. Dr. Sohan Kumar Karna the Central Department of Economics, University Campus, Kirtipur, Tribhuvan University for his valuable guidance, encouragement and suggestions throughout my work. Similarly, I am grateful to Prof. Dr. Ram Prasad Gyanwaly, the Head of the Central Department of Economics for his suggestions and guidance. I also feel privileged to express my gratitude to all the teachers of Central Department of Economics for their gracious response to my queries.

I would like to thank all the non-teaching members of Central Department of Economics and all the staff members of Central library, T.U. Kirtipur, for the help they extended to me during this study in very many ways.

I am heartily indebted to my best friend Jamuna Dhital who encouraged me all the moment to complete this work in time.

I bear sole responsibility for any errors and discrepancies that might have occurred in this research report.

Urmila Ghimire

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ACRONYMS

BOP	-	Balance of Payment
EPS	-	Employment Permission Commission
FGD	-	Focus Group Discussion
FY	-	Fiscal year
GDP	-	Gross Domestic Product
GNP	–	Gross National Product
GoN	–	Government of Nepal
ILO	–	International Labour of Organization
MoF	–	Ministry of Finance
MPA	–	Man Power Agency
NIDS	–	National Institute for Development Studies
NLP	–	National Labour Policy
NPS	–	National Planning Commission
NRB	–	Nepal Rastra Bank
UN	–	United Nations
WB	–	World Bank

CHAPTER - I

INTRODUCTION

1.1 Background of the Study

The history of migration is as much the history of human civilization. Humans have moved into new areas in search of food and shelter since their emergence as a species. Ever since the Stone Age, migration has led to the transmission of physical characteristics and diffusion of cultural makeup including tools, habits, skills, customs, forms of social organizations and furthermore, the unfolding of newer ideas and the spread of knowledge. The most important migratory movements in history were the Gothic forays through the 3rd to the 6th century, the Arab invasions in the 7th and 8th centuries, and the invasions of the Ottoman Turks in the 14th to the 16th centuries (Pandey, 2005). But from 17th century onwards, migration became a matter of individuals and families rather than nations or mass groups. The basic motive for venturing into distant lands now became the quest for better economic opportunities and improved living standards rather than just food and shelter. The Industrial revolution gave rise to an important trend of international migration that of the great movement of people from rural to urban centers in virtually every country and the travel from low-levels of social depravity to higher levels of economic prospects.

Movement of people to other countries in search of employment is by no means a new phenomenon because labour mobility has been an important and essential feature of the economic and social development of societies throughout human history. Labour migration for overseas employment has become a topic of popular attention of various labour surplus countries in recent years especially after the speedy globalization. Migration is a relatively permanent moving away of collectivity, called migrants from one geographical location to another, preceded by decision making on the part of migrants on the basis of hierarchically ordered set of values or valued ends and resulting in changes in the international system of migrants. It is a physical transition of individual or from one society to another. This transition usually involves abandoning one social setting and entering another and different one. The mode of changing of place of domicile may be permanently or when temporarily for appreciable duration. It is used symbolically in the transition from one surrounding to another in the course of achieving better human life.

The movement of population has been essential component of economic development, social change and population dynamics. The recent trends in Asian Labour migration are characterized by changing destinations from Middle East to fast growing economies in Asia and Pacific region (Pathak, 2005). There is a trend of temporary migration of labour from underdeveloped to developing and developed countries with a clear domination by outflows of semi-skilled and unskilled workers. The trend also encompasses explosive growth in irregular migration and commercialization of the recruitment businesses. The recent movement of labour from underdeveloped countries on temporary basis, first o the Middle East and later within Asia has certain distinctive features (Pathak, 2005). There is worldwide phenomenon in which millions of people move out from their normal place of residence to alien lands in search of better future, fortune, comprises different patterns depending on the socio-economic factors relevant to the period and places of origin. At present, virtually all developed nations and the rising nations receive immigrants from variety of less developed countries and immigration rapidly transforming the social and economic composition of sending and receiving societies alike.

Safe and systematic labour migration is a process as well as outcome of cross-border recruitment and placement, willingly based on informed choice with promised terms and conditions of employment. It is determined by various factors including migration, cooperation among the source and destination countries on matters of protection of migrant legal, authorized, documented and regular migration. Regularity and safety at source, transit and destination; compliance to national and international standards by both the source and destination countries; knowledge-based, skill-based and information-based migration, cooperation among the source and destination countries on matters of protection of migrant workers (including undocumented workers); access to labour markets and prevention of illegal migration. Basic indicators of safe migration include pre-departure capacity development through proper orientation on dynamics of migration; effective service delivery for migration for facilitated departure and transfers till job placement; decent employment conditions; proper documentation and information; bilateral labour agreements between the sending and receiving states; worker-friendly policy and law; on-employment monitoring and supervision; grievance handling mechanism and counseling services; safe and reliable remittance services; safe return and

reintegration of migrant labour. Safe migration is determined by voluntary, willful and informed movement of people abroad for employment, study, family reunification, business or personal factors whereas the unsafe migration is caused due to forced migration which includes people leaving their countries to escape persecution, conflict, repression, natural and human-made disasters, ecological degradation, or other situations that endanger their lives, freedom or livelihood. Forced and unsafe migration leads to human trafficking and smuggling for 3-D work: dirty, dangerous and difficult (Pathak,2005).

The history of Nepalese working abroad started from the recruitment of Gorkha soldiers since April 24th 1815. On the conclusion of the Anglo-Nepali War (1812 – 1815), the British East India Company, impressed by the extraordinary bravery and fighting qualities of the Nepalese, raised the first Gorkha regiments. After the independence of India in 1947, six Gorkha regiments were allocated to the Indian Army while the remaining four to the British Army. With the Hong Kong handover to China and the overall reduction in the strength of British armed forces, the number of British Gorkhas was gradually reduced from 8,000 in 1997 to approximately 3,500 (Pathak, 2005). There are additionally 60 thousand Nepalese currently serving in the Indian Army and other government services of India in various capacities.

An approximately one lakh fifteen thousand ex-servicemen and other Indian Government pensioners reside in Nepal. Their total annual pension is more than Rs.800 crores (Pathak, 2005). The Gorkha soldiers have always played an important role in the country's economy. The cash flow derived from annual pensions, remittances to families, or monies taken home in a lump sum by discharged veterans or by service personnel on leave have represented a major source of the country's foreign exchange.

Realizing the imperatives of the foreign employment in the economic growth of the country His Majesty's Government of Nepal introduced Foreign Employment Act in 2042 B.S. and joined the employment market by sending its surplus manpower abroad for the employment. But in reality the outflow of the Nepalese workers from the country in considerable number started after 1990. The pace of the foreign employment increased dramatically after 1996 and the consequent shrinking of

economic opportunities back home compelled Nepalese youth to look for alternatives elsewhere.

Although officially, Nepal has opened 108 countries for Nepalese workers, there is an estimated half a million to 700,000 mostly unskilled and semi-skilled Nepalese labourers working in the Arabian Gulf. Although, they have now started going in large numbers to other regions as well, the Gulf region has more Nepalese workers than anywhere else in the world. Despite this link, Nepal's relations with Gulf countries have been an oft-neglected aspect of Nepal's international relations exercise (Pandey, 2005).

The wave of globalization and liberalization has induced the Nepali youths for better living standard, which is the important pull factor for international migration. Beyond this, high population growth, unemployment, food scarcity, political instability are also the strong pull factors (Singh,2006).Currently due to widespread conflict in the country many workers view foreign employment as their only viable option .After the origin of Maoist insurgency it has not only broken the employment opportunities but also has distorted peace and social order. In such miserable situation, remittance has become the only source to sustain the economy of Nepal. According to the Macro Economic Indicators of Nepal, statistics of the country's central bank, reveal that the Nepali economy earned Rs.97536.2 million in 2005/06 (NRB,2006). Various causes influence the migration of an individual .It has positive as well as negative impact on both origin and destination of a migrant. The current major issue and the impact of migration is remittance. The remittance has done well in these days to a recipient country in the process of economic prosperity.

For developing country like Nepal remittance has become a major form of transfer of resources from industrialized countries (NRB, 2006). Currently due to widespread conflict and huge unemployment situation in the country many workers view foreign employment as their only viable option. Remittance have helped to boost individual household consumption, reduce poverty and provide temporary financial relief at household and community level (Pant, 2006). The number of Nepali households receiving remittances has increased from 23 to 53 percent between 1995 and 2004 (Singh, 2006). In Nepal's case, the impact of remittances on poverty has been positive as revealed by the Nepal Living Standards Survey(2003-2004) which showed

that the poverty level, defined in terms of absolute head counts, had declined from 41 percent in 1995/96 to 31 percent in 2003/04 .Besides remittance, the other factors responsible for the decline in poverty are; rise in agriculture wages, rise in non-agriculture wages and income, rise in urbanization and a drop in dependency ratio owing to decline in fertility. The growing remittance has led to a surplus in the current account, thereby strengthening the overall balance of payments position.

Till recently, the flows of remittance from the formal channel were very less as compared to informal channel. Person seeking to remit funds can use variety of means like the transfer facilities of banks, services of dedicated money-transfer operators like Western Union or Money gram, or non-bank financial institutions like credit union, micro-finance institutions and exchange offices. The other unconventional means of remittance are individual business people, traders, ethnic stores, travel agencies, gas stations and courier and bus business. Normally, remittance service provider functioning without regulation or oversight of the financial supervisions for its remittance services is considered as informal systems and others regulated and overseen by competent government agencies for its remittance services is called as formal remittance system.

In Nepal, much of early migrations were the result of push factors like exploitative agrarian relations, lack of employment opportunities, high population growth rate and political instability (NRB, 2004). As the number of workers going abroad for employment continues to rise, the corresponding growth of remittances has become a critical flow of foreign currency in Nepal.

With the ebb and flow of time and the innovations in easy air travel, communications and improved productivity; migration was not necessarily a ‘permanent relocation’. By working in a factory thousands of miles away, now a “migrant worker” can send money back to his family in the remote hills of his country and also return for a reunion during holidays. Foreign employment became a major source of national income for many developing countries (Pandey, 2005).

1.2 Statement of the Problem

Immigration of Nepalese people for recruitment in the foreign armed force has been first ever recorded immigration of Nepalese population. Growing population has

increased labour force and lack of employment opportunities within a country have been the reason behind the recruitment to the foreign migration. In the recent years the war of globalization has induced the nepali youth for better living standers which is important pull factor immigration. But unemployment and poverty are the strong push factors similarly uncertainty of the feature due to the political instability is also being the cause of it. Nepal being one of the developing countries in the world having high population growth rate, above three lakhs more labour entering in the labour market yearly which also supports overseas employment. Because of the high rate of unemployment Nepalese people are interested to go outsidess of the country for seeking job either being student or as a labour. Unemployment is one of the most challenging problems of our country. This study tries to show the important of remittance in Nepalese economy. Some economist say that Nepalese economy is based on the remittance business. It is the second source after the agriculture which play vital role in GDP remittance can contribute for the economic development it is mobilized in productive field. The major portion of the remittance is used for meeting household consumption and paying off loans borrowed to go abroad. Only very few migrants use remittance in direct productive sectors like agriculture and manufacturing. Major investment is on education of the children, re involvement of the remittance for the migration and for landing money. Very small investment is directed for small business and trade on this ground, this study is design to address the following research question related to overseas employment and remittance.

- What is the trend of overseas employment and remittance?
- What are the impact of remittance on household economy?
- What are the policies and programs of the government for enhancing foreign employment ?

1.3 Objective of the Study

The general objective of this study is to analyze the impact of foreign employment and remittance on Gorkha municipality of Gorkha district. The specific object are:

- a. To study the trend of overseas employment and remittance of Nepal.

- b. To examine the use of remittance in Gorkha municipality and its impact on household economy.
- c. To review governments act and policies about the foreign employment and remittance.

1.4 Significance of the Study

Overseas employment has reduced the share of poverty and unemployment to a certain extent. The life style of the household who succeeded in going for overseas employment has changed. But they have not been able to utilize and invest the whole remittance in the productive sector. Therefore investment and utilization of the remittance has emerged as a major problem in the field of overseas employment. And the government has also encouraged the private institute to run skill development program to address increased demand of Nepalese worker in overseas countries as well as to make them capable to increased their salary and wages.

This study sketches the outline of the condition of foreign employment in Gorkha municipality. so it is not only useful to those who want to know about the condition of foreign employment in Gorkha municipality but also to those who are keep interested to know about the situation of foreign employment of our country as a whole. This study will provide a signification insight to the different agencies of the society which plays key role for the development of the society. Similarly it clearly state the economic status of the people of the society before and after the flow remittance.

Considering the huge Rs 371million (NRB,2015) amount of remittance coming in to Nepal from foreign Labor migration and its important role in the Nepalese economy it is hoped that this study will provide some understanding as to the factors contribution to the prospects, potentialities and promises from the foreign labour migration and the problems and issues constraining the effective management and monitoring of the labor migration for the benefit to the migrant and their household as well as the nation. Therefore, it is expected that this study will assist in formulating appropriate policies rules and regulations to make foreign labor migration as an important economic policy and planning for development of these areas.

This study differs from the previous study because it inclusively studies the situation of foreign employment of different ethnic group, culture, creed and religion. It reflects the situation of foreign employment in Gorkha municipality in relation to economic condition, flow of remittance, utilization of the remittance, human development condition and the condition of economic activities as a whole.

1.5 Limitations of the Study

The limitation of the study are as follows:-

- a. The Study area covers only Gorkha municipality of Gorkha district .
- b. Emigration for permanent settlement has not been the subject of the investigation in this study.
- c. Most of the analysis is based on primary data. so, any distortion of the reality from this study may be due to the biasness of the respondent .
- d. This study only concerns in overseas for foreign employment but not concern with India and China.

1.6 Organization of Study

This study has been organization in the following chapters to make it more meaningful and systematic.

CHAPTER I

It is an introduction chapter. It consist of background of the study, statement of the problem, objective of the study, significance of the study. Limitation of the study and organization of the study.

CHAPTER II

It is another chapter just after the ‘introduction’ chapter. It deals with the review of the relevant literature relating to this study which helps to make this study more meaningful.

CHAPTER III

This is a next chapter of the study. It deals with the 'research methodology' in this chapter, different statistical and financial tools, which are used to tabulate and analyze the data available from the primary and secondary source are discussed.

CHAPTER IV

This is a chapter where secondary data received from various sources are analyzed. In this chapter, presentation and analysis of the required data to indicate the overseas employment and remittance behavior will be done.

CHAPTER V

This is a chapter where primary data received from field survey of the municipality are analyzed. In this chapter, presentation and analysis of the required data to indicate the overseas employment and remittance behavior will be done.

CHAPTER VI

This is a chapter related to the act policy and provision related to the foreign employment. In this is chapter effectiveness of existing acts and policies and shortcoming are analyzed.

CHAPTER VII

This is a last chapter which includes the summary, conclusion and recommendation of the study, this chapter presents the major finding, recommendation and suggestion to inform the awareness of the general public as discovered from the research study. The appendices and bibliography will also be incorporated at the last section of the study.

CHAPTER - II

REVIEW OF LITERATURE

2.1 Conceptual Framework

In recent years a number of studies have been studied by various individuals and organizations on the topic of “remittance” with regard to foreign employment and remittance economy of Nepal. However, few of these researches have been devoted to practical realities and are mostly based on micro-level studies.

International labour migration is one of the salient features of the globalize world, emanating from a combination of push and pull factors, including poverty, unemployment, demand of the labour market, political conflicts, improved communications and transport, among others (Shrestha, 2006) .It has been one of the most dynamic phenomena of the last four decades and will be an ever-challenging issue in this era of globalization. It will only become more important as a subject as it has an impact on the socio-economic conditions of both labour-origin and labor destination countries (The World Bank, 2006). There exists virtually no country that does not contribute to international labor migration either as a receiving country or country of transit. Considering the recent scenario this study is conducted to dig out the ground realities on Nepalese remittance and its direct impact in economic growth and poverty alleviation .

2.2 An Overview of Labour Migration

Over the past three decades, policies in the area of labour migration have developed along four major paths: growing restrictiveness and selectiveness in the admission of labour migrants in developed countries; a significant increase in the number of countries, particularly developing countries that have become host to foreign workers the rising recognition that the rights of migrant workers and their families need to be protected and the adoption of regional agreements on the free movement of persons (UN, 2002).

Despite major barriers to migration, irregular migration has grown in recent years in Asia due to, among others, restrictive labour migration policies which are not in line

with labour market needs. There is consensus that irregular migration is undesirable and must be minimized particularly as it often results in putting workers in a position of vulnerability to violation of their basic human rights (The World Bank, 2006). Until the first war, international migration played a key role in the integration of economies on both sides of the Atlantic. After the Second World War, migration of workers contributed to economic and social integration between countries in South and North. During both these periods, labour went hand in hand with capital mobility, and migration was key factor in the globalization of economies. International migration now seems to be excluded from the new process of globalization (Barham and Boucher, 1998).

At the beginning of the twenty-first century, the total number of persons living outside their countries of origin worldwide was 175 million including 120 million migrant workers and their families according to the ILO estimates. It is estimated that 20 million African men and women are migrant workers and that by 2015 one in ten Africans will live and work outside their countries of origin. While migration is bound to grow and offers development opportunities for both countries of origin and destination as well as for individual migrant workers, ill-conceived or inadequate policies have led to a series of problems that are of direct concern to the International Labour Organization and its constituents (UN, 2002).

Many developing country governments encourage international labour migration, more often implicitly than explicitly. By providing employment for both unskilled and skilled workers, emigration offers an outlet for domestic frustrations that might otherwise present serious political problems, and can produce large inflows of valuable hard currency remittances. The consequences of international migration for development in countries of origin and destination remain hotly debated (The World Bank, 2006).

2.3 Causes and Consequences of International Labour Migration

The causes of international migration are multiple and, for any given country, change over time. Understanding those causes, identifying what – if any – issues they raise for migrants and their countries of origin and destination, and determining appropriate and effective policy options for addressing such issues needs to be done on a country-

by-country basis (Bhattarai , October, 2005). A review of existing Government Policies and Programmes supported by Youth Action Nepal.

2.3.1 Consequences in Countries of Origin

Many developing country governments have encouraged international labour migration, more often implicitly than explicitly. Such countries include Turkey, the Philippines, South Korea, India, Pakistan, Bangladesh, Sri Lanka, Jamaica, Cuba, Barbados, Mexico, El Salvador, and Nicaragua. Their reasons are multiple. Emigration can provide relatively well-paid employment, especially attractive for governments struggling to keep pace with rapid labour force increases. In some countries (Egypt, Sri Lanka and India are prominent examples), educational systems are producing numbers of highly-educated graduates far in excess of domestic demand for such persons. By providing employment for both unskilled and skilled workers, emigration offers an outlet for domestic frustration that might otherwise present serious political problems, and can produce large inflows of valuable hard currency remittances. Moreover, some governments have welcomed, if not encouraged, the emigration of selected ethnic groups and political dissidents. At the same time, sending country governments express concern that emigration deprives these nations of their best human resources, represents a transfer of educational investment from poor to rich countries and leads to abuses or exploitation of their workers. Out-migration can also pose the risk of rather serious and sometimes dramatic economic problems and the need to make sudden adaptations when migrants return unexpectedly and in large numbers, as occurred in the aftermath of Iraq's incursion into Kuwait in 1990.

The consequences of international migration for development (and the effects of development on migration) in countries of origin remain hotly debated – and poorly understood. The positive links are most clear over the long term, as illustrated historically by countries such as Sweden, Germany, and Britain, and more recently by “transition cases” such as Italy, Greece, South Korea, and Taiwan, all of which went from being countries of emigration to countries of immigration. Over the short term (10 to 20 years), it has proven difficult to demonstrate empirically any “automatic mechanism” by which international migration results in development. At the same

time, there is evidence that rapid and successful development may increase emigration in the short term.

Although the poorest seldom have the means to migrate, remittances have been shown to play an important role in poverty alleviation for migrant households and in sub-national areas of out migration. The consequences of remittances for income inequality depend greatly on the income composition of a given migrant stream. Inequality may increase if migrants are concentrated in upper-income households, but may have neutral effect where migrants are fairly evenly distributed across income levels.

The consequences of migration for labour markets and human capital in countries of origin are multiple and most often context-specific. It has been difficult to demonstrate absolute reductions in unemployment as a result of international migration, but emigration does appear to play an important role in absorbing labour force growth. Whether or not emigration constitutes a “drain” of workers at any skill level sufficient to hinder the development process depends upon the availability of human and other resources to fill the gap. Similarly, migration may or may not contribute to the acquisition of skills abroad. It is more clearly evident, however, that migration and remittances improve the ability of migrant families to educate and provide health care for their children.

2.3.2 Consequences in Countries of Destination

Migrant-receiving countries are a heterogeneous lot, and generalizations about the consequences of international migration for them as a whole are difficult to make, especially given that migration patterns and to them change over time and with changing circumstances. Arguably the most universal consequence is that international population movements-however small can alter the ethnic, racial, cultural, and sometimes the political composition of receiving societies. While these diverse populations are often successfully integrated, they may also contribute to social conflict and, in extreme cases, violence against migrant groups.

2.4 Historical Perspective of Foreign Employment in Nepal

Kanskar (1982) in his research, "Migration, Remittance and Rural Development", reviewed preceding of migration with reference to remittance. He found the origin of

Nepalese emigration to be after the Anglo Nepali War in 1814 and was totally for recruitment in the army. The Indian Army was not only open to Nepalese soldiers for recruitment but also managed for their permanent settlement. Government had no official policies to encourage it. The Prime Minister, Bir Samser JBR, encouraged the people to join the British recruitment. About 200,000 Nepalese males joined the British regiment even during the first world war. The Anglo-Nepal convention held on 15th May 1815, created alternative labor market to the Nepalese in India. The emigration to India accelerated because of disequilibria in labor growth and employment opportunity growth and miserable day to day life of Nepalese hill area.

Seddon (2000), author shows the history of labor migration from Nepal. Data backs at least to the beginning of the early 19th century and closely linked to British imperial politics. Recruitment of so called "Gurkha" soldiers into the (British) India army was institutionalized in 1816 after Nepal had lost the war with the British East India Company. Prior to that some Nepalese had sought employment in the army of the Sikh ruler Ranjit Singh in Lahore and other joined them after the defeat of the Nepalese army by the British. This tradition, until today is reflected in the name "Lahure" for soldiers. But today it is regulated by the "Foreign Employment Act". With the enactment of foreign employment act, Nepalese started to migrate beyond India particularly to the Gulf, where oil boom had created massive demand for foreign labor. There was significant growth of Nepalese migrants in East Asia, South East Asia and the Gulf.

2.5 Migration of Nepalese Women for work: Gender Issues

The opening of opportunities for Nepalese women in the global labour market has transformed the image of women “from dependents to economic actors”. The emerging trend shows that the rate of increase in the demand for Nepalese female labour is more than the demand for Nepalese male labour in the global market (MoLTM/UNIFEM/SAMANATA, 2003). A strong advocacy for women’s international labour rights in Nepal, especially after the early 2000s, has resulted in the new Labour Bill emphasizes “gender equality” in foreign employment. Nevertheless, discrimination against women in relation to foreign labour migration still prevails. Although the Minister of Finance, in his budget speech for 2006/07, announced the Government’s policy was to lift the ban on women migrating to work

in the Gulf countries in the informal sector, Nepalese women are continuing to migrate through the illegal channels.

The agents/institutions involved in discrimination against women migrant workers are varied. The discrimination starts right at the familial level and spreads out up to State level. Women are dissuaded against migration from within the family. They are not considered breadwinners and they do not have freedom of choice of profession. Society does not have faith in women's professional ability (Gurung, 2007) . The State has banned females from migrating to the Gulf for domestic work since 1998; however, it is in this area that the majority Nepalese women have employment opportunities . Hence, they migrate through illegal routes, placing them in both physical and legal jeopardy (Gurung, 2007) . It is the protectionist and patronizing attitude of the State that is refusing to allow women to make their own decisions and act as independent agents (Adhikari, Bhadra, Guring, Niraula & Sedden, 2006) . This prompted Pourakhi (Women Migrant Workers' Organization) to file a gender discrimination case against the Government on 13 May 2007 for not lifting the ban. The Supreme Court directed a "show cause order" to the Government on 16 May 2007. More than half of women migrant workers seek assistance from recruiting agents, but discriminatory behaviour against women is also experienced from such agents. During recruitment, women face unnecessary questioning by recruiting agents about what matters that are private, personal and unrelated to labour or employment (Adhikri, Bhadra, Guring, Niraula, & Sedden, 2006).

As stated above the majority of Nepali women migrants work as domestic help and many of them have been exposed to different forms of labour rights violations (Adhikari Bhadra, Guring, Niraula &, Sedden 2006) because domestic work is often effectively outside the labour law. Nevertheless, returnee women migrant workers report that there is a misconception that only those women who are in domestic work are exploited. They report that labour exploitation, physical abuse as well as mental and physical torture occur even in the organized/formal sector. The only difference in the organized sector is that women do not have to share the same roof with the abusing master/mistress, unlike in the domestic employment context (Focus Group Discussion held during the Mapping Study of UNIFEM/NIDS in 2003).

Nepalese women are exploited in terms of their labour rights, especially due to the lack of State protection and promotion of women migrant workers' rights to employment and the choice of profession. State agencies such as embassy and consulates do not recognize them as Nepalese citizens when women migrate for work through informal routes in defiance of the ban. Women migrant workers have reported that in the destination countries even Nepalese men try to take sexual advantage of them through various means (testimony by MWWs during "16 Days of Activism against Violence against Women" organized by Pourakhi in Kathmandu on 6 December 2006).

Returnees face discrimination right at the "entrance gate" of the country, i.e., at the airport. Staff at the airport create unnecessary hassle, treat women migrant workers rudely and roughly, ask for bribes and take away goods brought from foreign countries. Many people, including their own relatives, try to steal the money they have brought back through various means.

Negative publicity in the media has resulted in negative treatment of women migrant workers within their own households, the community and at the State level. If the media were to concentrate on the thousands of success stories then the economic contribution of women migrant workers would be highlighted and more women could opt for foreign employment, thus contributing towards national development (MoLTM/UNIFEM/SAMANATA, 2003).

The migration of women as workers has also created many social problems; in particular, the desertion of women, violence against women and the emergence of marital stress has been reported. These negative phenomena need to be managed through the efforts of civil society, and require special attention by society and the State (SAARC, 2006) . While reporting problems faced by women migrant workers in Nepal immediately after returning to their families, 14 per cent reported finding their husbands living with other women and 6 per cent reported mental tension in the family (Adhikari, Bhadra, Gurung, Niroula 2006). Returnees also expressed their unhappiness over the way that their husbands had spent their remittance (Adhikari , Bhadra, Gurung, Niroula 2006). A study conducted by the Economics Journalists Association in 2005 indicated that "husbands at home appeared to be having a good

time with the remittances sent by their wives” (Society of Economics Journalists of Nepal, 2006)

2.6 National Empirical Study

Nepal is receiving billions of rupees sent by Nepalese workers from different parts of the world. It could be many times higher even with the existing number of Nepalese workers abroad if Nepal can strategically and systematically manage the foreign employment process and remittance transfer. The Nepalese migrant workers face a host of hurdles at the home country and their destinations (NRB, 2001, 2007, Bhattarai, 2005, MoLT/UNIFEM, 2003, Ghimire, 1996, Gurung, 2002 and Pant, 2006). The major problems are poor working conditions, lower wage level and rising cost of living in the destination countries, fraud recruitment and lack of social protection. Another principal challenge is migrating through illegal channels, thereby losing the legal status in the labor importing countries. The international provisions are there to protect the right of the migrant workers. But both the government and receiving countries do not seem to be sincere to the implementation of the spirit of international provisions. Ratification of UN convention by Nepal will create moral pressure on the labor receiving countries. Bilateral agreement has not taken place even with some major labor importing countries pertaining to the safety and welfare of the migrant workers. Another problem is lack of working mechanism to address the issues related to international migration like demand verification. Provision of labor attaché in the potential labor receiving countries is still lacking (Shrestha, Bijya 2008)

Remittance can generate a positive effect on the economy through various channels such as savings, investment, growth, consumption, and poverty and income distribution. Workers’ remittances flow in as a component of foreign savings and as such complements national savings by increasing the total pool of resources available for investment. Remittances constitute an integral part of household livelihood strategies. They make a direct contribution to raising household income, while broadening the opportunities to increase income. They also permit households to increase their consumption of local goods and services. At the community level, remittances create multiplier effects in the domestic economy, producing employment opportunities and spurring new economic and social infrastructure and services, especially where effective structures and institutions have been set up to pool and

direct remittances. Where these have been set up and encouraged, and where the state is cooperative, remittances can bring about a change, especially in remote rural areas where state resources have not been effective. The poverty reducing and income distribution effect of remittances is also significant. This case is based on the fact that the recipients of remittances are often low-income families whose offspring left the country to work abroad. In this situation, migration is taken as a response to escape poverty at home and improve the income-earning capacity of the migrant by attempting to enter foreign labor markets in richer countries. Again, remittances assist in alleviating poverty of the family of migrants in the home country by supporting their income through transfers. Remittances assist in augmenting national income by providing foreign exchange and raising national savings and investment as well as by providing hard currency to finance essential imports hence curtailing any BOP crisis. Since they bear no interest, do not have to be repaid, and their utilization is not tied to specific investment projects with high import content, they have a more positive effect on BOP than other monetary flows such as direct investments or loans (Panta, 2006)

There are a number of missed opportunities, unrealized benefits and unmanaged effects of remittances and migration. Given the importance of migration and remittances relative to Nepal's population and economy, it is crucial to manage and marshal the flows for the good of the country. The dynamics of remittance flows to South Asia are complex and fragile (Seddon, 2004).

Migrants' skill development is not capitalised on. A migrant's skill level has a strong influence on their earning potential (World Bank, 2011a), but the evidence shows that government efforts to increase earnings potential by improving migrants' skills may backfire: competition among sending countries keeps wages down for successful jobseekers, who lose out to lower-wage sending countries. There are, however, some indications that labour migration creates incentives for investments in certain vocational skills (those that are likely to facilitate work-related out-migration, for e.g. nursing, construction and hospitality), which can in turn benefit the domestic economy. There is also insufficient attention paid to making the most of returning migrants and non-resident Nepalis, who could be an important developmental resource. Workers often return with qualitatively increased levels of skills. Very little attention has been paid to the skills and experiences returning migrants bring home,

and their potential to stimulate local economies through their knowledge and ideas and/or investment.

There are some seemingly unnecessary transaction costs in sending money to Nepal. The cost of sending remittances to Nepal is not a big problem on the whole, and healthy competition in the remittance transaction market has meant that the costs of transaction are similar to regional averages (ILO, 2008). There are, however, concerns about the exchange rate spreads, which act as costs on remittance transactions. Since Nepal has a pegged exchange rate and restricted currency, remittances in different currencies must first be converted to US dollars and then again to Nepali rupees. Converting twice increases the cost of remitting . While precise calculations are not possible, a very rough estimate suggests that around \$70 million per year is lost to households. Because there has not been sufficient research on this issue it is not clear why cross rates have not been used or exactly where these additional funds are accrued (Harry & Yurendra,2013).

In Nepal, remittances have emerged as one of the premier sources of foreign exchange, and in recent years they have been an important avenue of support for family members remaining at home. It has been already demonstrated that remittances sent by the migrant workers is an effective tool for poverty reduction. Though foreign employment is boon to the economy, the facilities are inadequate to back up the increasing trend of migration. Inadequate information on jobs abroad, lack of skill training, pre-departure preparation, lack of assurance of safe working environment and right of the migrant workers are the other constraints for boosting foreign employment and remittances (Shrestha,2004) . Foreign employment is a means to generate remittance the degree to which families in Nepal can benefit from remittance depends on the socioeconomic background preparatio, and efforts of the families themselves as well as of their migrant members. For families without foreign employment, the process of securing it is quite challenging, necessitating enormous information, preparation, and investment (Bhattarai 2005, NIDS, 2007, 2008; Yamakana (2003).Once families are capable of securing foreign employment, moreover, the country or region of employment as well as the industry and quality of jobs become crucial with the final outcome on the value of money remitted depending on the level of information, access to social networks,and financial investment (Bohra & Massey 2009; Thieme & Wyss 2005; Yamakana 2003).

Remittance contributes to macroeconomic stability by helping sustain foreign reserves. The large remittance sent from India by Nepali migrants, for instance, has helped underpin the exchange rate peg with the Indian rupee. The financial sector could also expand with the increased sector assets through remittance. Remittance may enable a population to enjoy higher welfare through higher consumption. But higher consumption fueled by high rate of remittance could lead to strong import demand and a widening of the trade deficit that could offset the benefits of remittance inflow. In Nepal, shares of GDP of both exports and the manufacturing sector have persistently declined. while the poor business environment and deterioration of public security also contributed to the stagnation of manufacturing after 2001(World Bank Group).

In many countries, a large portion of remittances are invested in real estate, demonstrating both a desire of migrants to provide housing to families left behind and a paucity of other investment instruments in the recipient. Whether remittances are utilized for consumption or purchasing houses, or other investments, they produce positive impact on the economy by stimulating demand for other goods and services. Moreover, the positive macroeconomic or development impact of remittances could become more effective if migrants form associations and their commitment to their home country becomes ‘institutionalized (Panta, 2006).

2.7 International Empirical Study

Remittances may indirectly affect house- hold income through changes to the labor supply of those remaining behind; relaxation of working capital constraints that expand income from entrepreneurial or farming activities; and multiplier effects on household income.

Remittances may tend to reduce the supply of labor provided by remaining household members, who may take a portion of the remittance gain as leisure .This income effects generally not a concern, because it represents part of the welfare gain from remittances. By contrast, remittances may change the return to supplying labor, for example, if the migrant conditions the remittance on low household income. Such a substitution effect will reduce the welfare gain from remittances by distorting household labor decisions. However, it is difficult to separate income and substitution

effects of remittances on the labor supply of those remaining behind. Looking at the overall effect, a rise in remittances reduced labor force participation in Managua, Nicaragua, but increased self-employment (Funkhouser, 1992). Remittances were estimated to reduce the participation rates of remaining household heads in a number of Caribbean countries, although the direction of causality was hard to establish Itzigsohn (1995). Yang (2004) points to more encouraging labor-supply effects than the standard model when he determined that remittances reduce the supply of child labor but increase that of adult labor.

Remittances provide working capital. There is some evidence that remittances provide working capital to households that lack access to credit markets. For example, migration to South Africa's mines initially reduced agricultural production in countries of origin, because labor was removed from the farm (Lucas 1987). However, over time production rose with migration, perhaps due to remittance-funded capital investment and a greater willingness to take risks with agricultural production, owing to the more diversified sources of family income. Remittances had a small negative effect on household income for Mexico in 1982, but a large positive effect for 1988 Taylor (1992). One possible explanation is that over time the development of migrant networks allowed migration from poorer households that are more likely to be credit constrained. The effect of remittances on household income depends on both the liquidity of household assets (which determines their value as collateral) and on the availability of inputs that complement entrepreneurial activity (Taylor and Wyatt 1996). The role of remittances in relaxing household credit constraints in rural cropping income in China dominated the direct loss of productive labor from migration, so that internal migration increased per capita household income (excluding remittances) by 14 to 30 percent (de Brauw, Taylor, and Rozelle 2001). Mishra (2005) found that a 1 percentage point increase in remittance inflows in 13 Caribbean countries increased private investment by 0.6 percentage point (all measured relative to GDP). Remittances may ease credit constraints because a stable stream of remittance income may make households more creditworthy in the eyes of formal sector financial institutions. Remittance receipts that increase when the household receives an adverse shock may be even more important in relaxing credit constraints, since they increase the lender's confidence that they will be repaid even if things turn out badly for the household. This credit-worthiness effect deserves

careful empirical investigation, given the increasing interest in channeling remittances through formal financial channels. Remittances may have multiplier effects. Some studies have found that remittances have a multiplier effect, whereby the increase in domestic income is some multiple of the remittance income. For example, each dollar sent by Mexican migrants to the United States was estimated to boost Mexican GDP by \$2.90 (Adelman & Taylor 1992). Such multipliers will occur if output is constrained by insufficient demand. However, in many developing countries sustained underemployment is likely to have supply-side causes, for example, government policies that increase the cost of hiring and firing workers, so that increased demand will ultimately result in higher inflation rather than increased output (World Bank 2006).

Remittances can lead to investments in education and health. Some of the clearest evidence for remittance-induced investments comes from work on human capital. The dramatic depreciation of the Philippine exchange rate during the Asian financial crisis increased remittances from Filipino migrants (because from the migrants' perspective, exchange-rate depreciation raised the relative price of their own consumption in the destination country compared with consumption by household members back home), leading to greater child schooling, reduced child labor, and increased educational expenditure in origin households (Yang, 2004). Remittances are estimated to reduce the probability of children leaving school by 10 times the effect of other sources of income in urban areas and by 2.6 times in rural areas (Cox Edwards and Ureta 2003). They speculate that remittances have a disproportionate influence on schooling expenditures because the migrant has made it a condition for the financial support. Mexican children in households with migrants completed significantly more schooling, with the largest impact (an additional 0.89 years of schooling) for girls in households where the mother has a low level of education (Hanson and Woodruff 2003). Health status is both an important component of human capital and a central element of well-being in its own right. Unfortunately, the effect of migration on the health of family members remaining behind notably children is poorly understood. Migration from Mexico is associated with lower (by 3 percent) infant mortality and higher birth weights of children left behind (Hildebrandt and McKenzie 2005). The positive health effects come through increased access to health related knowledge as well as through increased household wealth. Notwithstanding these encouraging

outcomes, the authors caution that the impact of migration on child health is quite nuanced, with migration associated with lower measures of preventive health care such as breast-feeding and vaccinations. De and Ratha (2005) find that in Sri Lanka, remittance income has a positive and significant impact on the weight of children under five; this result is especially strong for female-headed households. However, the health impact of absenteeism of one of the parents is negative

Remittances can encourage entrepreneurship There has been a marked shift from the belief that migrants are unlikely to establish new business enterprises in their countries of origin (either upon return or through remittance financing) to the view that migration encourages entrepreneurship. Large receipts of remittances from the United States are associated with a greater likelihood of productive investment in Mexico (Massey & Parrado, 1998).

Survey of 6,000 small firms in 44 urban areas in Mexico shows that remittances are responsible for almost 20 percent of the total capital in urban micro-enterprises (Woodruff & Zenteno, 2001). The share rises to one-third for the 10 states with the highest rates of United States-bound migration. Remittances also appear to ease credit constraints on new business formation in the Philippines (Yang, 2004). The effect of exogenous increases in remittance income on the probability of entering into entrepreneurship is larger for low- to middle-income households, which are the ones most likely to face credit constraints. Policies that facilitate easy exit and reentry for migrants may encourage increased involvement in remittance-funded investments or enterprises.

Remittances are often invested by recipient households Contrary to the conventional wisdom that remittances tend to be “frittered away” by recipient households, recent work has estimated that a large proportion of remittance income is saved. Only 12 percent of net increments to expenditure by rural Egyptian households were allocated to consumption, with large propensities to invest in the construction and repair of houses, and in agricultural or building land (Adams 1991). This relatively high propensity to invest is assumed to result from households treating remittance receipts as temporary income flows, which forward- looking households save (and invest) rather than consume. These findings are largely confirmed in a later study of Pakistani households (Adams,1998). In Guatemala, remittance- receiving households

are found to have lower marginal propensities to consume and a higher propensity to invest in education, health, and housing than other households (Adams, 2005c). It should be noted that some survey results for a number of Latin American countries point to much higher propensities to consume remittance income,(IADB- MIF 2004). The percentages of remittances spent on household expenditures are 78 percent in Mexico, 77 percent in Central America, and 61 percent in Ecuador, while spending on real estate and education is low. However, surveys of how income from a particular source is spent tend to be unreliable, because monies from different sources are considered perfect substitutes by the household. In contrast, studies such as (Yang, 2004) econometrically estimate expenditure propensities given exogenous changes in remittance income, so that the estimates should be less susceptible to the fungibility problem. A second explanation for the different results is that the econometric studies measure marginal propensities, whereas the direct surveys measure average propensities. It is the marginal propensity that is of interest when we consider the expenditure effects of policies that increase remittance flows. The role of remittances in funding investment has recently been questioned in a macro- economic paper by (Chami, Fullenkamp, & Jahjah 2005), who find that remittances tend to be negatively associated with economic growth. This countercyclical behavior of remittances is consistent with the evidence discussed above that remittances respond to adverse household shocks. But the observation that remittances tend to move counter cyclically does not necessarily obviate their role in funding investment. The micro studies we reviewed point to remittances as both smoothing consumption and providing funds for investment. Moreover, the increased flow of remittances in the face of adverse shocks may allow households to sustain funding for key investments in areas such as business working capital, education, and health care (World Bank 2006).

Migration and remittances are included as development goals in the outcome document of the Addis Ababa Action Agenda of the Third International Conference on Financing for Development⁴ and in the outcome document “Transforming our world: the 2030 Agenda for Sustainable Development.”

The Addis Ababa Action Agenda (4A) expresses a commitment to cooperate internationally to ensure safe, orderly and regular migration with full respect for human rights; to end human trafficking; to increase the number of scholarships

available to students in developing countries and ensure that migrant and refugee children are reached by quality education; to increase the portability of earned benefits and the recognition of qualifications and skills; to lower the costs of recruitment; to protect the human rights and fundamental freedoms of all migrants, regardless of status; and to implement social communication strategies to combat xenophobia, facilitate social integration and protect human rights (World bank, 2015).

Remittances contribute to increases in the rate of growth of developing nations. The first mechanism which might explain this causal link is the Keynesian notion that increases in aggregate demand is bound to produce increases in output. With more money to spend on goods and services, citizens receiving remittances not only benefit themselves, but also incentivize suppliers to increase production. This increased production is also likely to be associated with increases in employment levels. Thus, the engine of economic growth is jump-started as the now-employed individuals will have even more income to spend in the economy, further boosting aggregate demand, production, and employment levels.

A second mechanism which explains this causal link is the relief that remittances may grant to government discretionary budgets. If citizens find that they can satisfy a portion of their consumption needs from remittances, the necessity for government transfers will be reduced. Wise governments in the developing world could theoretically use this relief to devote a greater share of their revenues toward enhancing their productive structures and moving toward industrialization. As Developmentalist economists such as Paul Rosenstein-Rodan & Ragnar Nurkse argued in the 1940s and 1950s, it is only through a radical transformation toward a manufacturing based economy that a nation can develop (Cypher, 2009). Which key economic agent can (and should) start this transformation? The Developmentalists argued that only the government is large and powerful enough to find and coordinate the “big push” necessary to jump start industrialization (Cypher, 2009).

Very rare research are found on the thesis of Nepalese international labour migration even though the limited literatures and specification studies on this issue made a difficult task to perform .Despite of those lacking ,this study tries to identify the feathers, characteristics, levels and trend of the Nepalese international labour migration on the one hand and the prevailing national and international policies

existing on behalf of the rights of labour migrants abroad on the other. Based on the various theories, laws, and the social structure of the Nepalese society, the concept of this research work can be summarized in the following way.

- It is also observed the labour policies in different labour sending and receiving countries which can guide to evaluate the existing Nepalese policies on the issue of labour migration. The causes and consequences of international labour migration in different labour sending and receiving countries will also guide to contextualize this research in the Nepalese context.
- The history of labour migration in the context of Nepal is found to be an old phenomenon but the concentration of labour migrants has changed after the restoration of democracy in 1990. No proper policies were needed in the past but these days the voice for protecting the rights of the migrant worker from the national and international community has increased significantly. So this research work is intended to respect the international provisions on the issue of migrant workers from the national and international provisions on the issue of migrant workers and formulate better labour migration policies and programmes in the Nepalese context.
- The main concern of this thesis is to reflect the reality of Nepalese international labour migration scenario and alter Nepalese government and concerned authorities to be more focused on the management of labour migration.

From the view of above stated literatures, it is concluded that foreign employment and remittance are important components of national economy. The status of Nepalese economy reveals that state being unsuccessful to foster development, in such miserable situations also remittance have been playing a pivotal role in the countries economic development by relaxing the foreign exchange constraints. Foreign employment helps to divert large amount remittance into national economy.

CHAPTER - III

RESEARCH METHODOLOGY

3.1 Rational of the Selection of the Study Area

This study on foreign employment and remittance has been conducted in Gorkha municipality of Gorkha district. The organize data of migrant workers are not available but it is said that major population leaving for overseas employment are from this municipality, other rational for the study area selected are as follows.

- It is represents the hilly region of Nepal.
- It is home district of the researchers so, she better knows about socio-cultural, economic and political situation of the district.
- Due to excessive participation of the people in overseas employment.

3.2 Research Design

This study is a case study of Gorkha municipality .It is a micro level study. This is analytical as descriptive type of research design. The unit of information is household sector and type of data collection for the study area cross -sectional. They descriptive type of research design is used to make the analyzed facts more meaningful and useful for the propose.

3.3 Universe and Sampling

The total number of household of Gorkha municipality is 4713. The sample of all 11 wards of the municipality are consider as clusters and the desire sample are taken randomly from each ward which is 86 household .The representation of sample from each ward is as follows:-

Table 3.1
Sample Section Procedure

Ward no.	1	2	3	4	5	6	7	8	9	10	11	total
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No.of household	425	311	308	482	338	394	379	641	481	512	442	4713
Sample household	9	7	6	8	5	7	6	12	7	10	9	86

Source: Field survey, 2016

3.4 Nature and Sources of the Data

The collected and used data and information are both qualitative and quantitative in nature and have been collective from both primary and secondary sources. During the study, the quantitative data obtained from HHS survey where as the qualitative data through the FGD, field observation and key information. The primary source is the field survey. Which has been conducted by the researcher in order to generate and obtain the primary data whereas many published and unpublished materials provided are the sources of secondary data.

3.5 Primary Data Collection

The required data and information from the primary sources were collected with the following techniques.

- **Schedule Questionnaire for Personal Interview /Household survey:** a set of questionnaire are used for personally interviewing the randomly selected respondents who were gone for overseas employment. The questionnaire included both open and close ended 41 questions. The entire questionnaires are field up by the researcher.
- **Informational Discussion:** informal discussion with key informants social workers, school's teacher, elderly senior persons of the village and staffs of the municipality offices are held during the survey.
- **Focus Group Discussion:** FGD are organized to get the views and opinion on the overseas employment and uses of remittance.
- **Field Survey:** field observation is also the key factor of the survey which has been accomplished similarly during the field study.

3.6 Secondary Data Collection

- Reports and publications of the ministry of finance.
- Reports and publication of the central Bureau of statistic.

- Reports and publication of the ministry of labour and transport management.
- Reports and publications of the Nepal Rastra Bank .
- Reports and publications of the Department of Foreign Employment and it's EPS Korea section.
- Text and reference book related to foreign employment and remittance.
- District profile of Gorkha, Nepal.
- Other published and unpublished sources.
- Online sources.

3.7 Data Processing and Analysis

A huge mass of data have been generated during the study period. To handle it conveniently the collected raw data are processed in a computer in the beginning by means of sorting, grouping, frequency distribution and tabulation presented in the forms of table, pie-chart and bar-diagrams etc. Both qualitative and quantitative data have been analyzed with appropriate statistical tools accordingly. In the case of quantitative data, average and percentage has been used. On the other hand, descriptive method of analysis has been applied for quantitative data.

3.8 Definition of Term Used

Foreign Employment: The form of the dependent relationship of and employ on an employer outside the territory of the country where the employ pursues activity according to employer's Instructions at the time and in the place determined for that purpose by the employer for the remuneration agreed upon in advance.

Overseas Employment: The form of the dependent relationship of an employ on an employer outside the sea territory of the country, where the employ pursues activity according to employer's instruction at the time and in the place determined for that purpose by the employer for the remuneration agreed upon in advance.

Remittance: The process of sending money, cheques etc to a recipient at a distance or money or it's equivalent sent from one place to another.

Migrant's: A travelling worker who travels from one area to another in search of work.

Inflow: A flow of moment of something into a place, organization etc or the act or process of flowing in or into.

Sampling: A process used in statistical analysis in which a predetermined number of observations will be taken from a large population. The methodology used to sample from a larger populations will depend on the type of analysis being performed.

Respondents: The person who participate in research involving questionnaires or a person who answers a request for information.

Household: A domestic unit consisting of the members of a family who lived together or individuals who comprise a family unit.

CHAPTER - IV

FOREIGN EMPLOYMENT AND REMITTANCE IN NEPAL

4.1 Introduction

Nepal is overwhelming a rural and agrarian economy. Nearly 83 percent of it's people live in rural areas and 60% of them earn their livelihood primarily from agriculture and related activities. The share of agriculture in the GDP has fallen significantly from 72% in 1975 to 37.43% (MOF,2011/)because of the small size of the holding, rare application of modern technology, lack of knowledge about the modern crops and traditions market followed by transportation problems, production and productivity from the farmland is extremely low in most of the rural areas.

The number of job aspirants in foreign land increased dramatically, especially after the restoration of democracy. With the enactment of foreign employment act 1985 and arrangement of distribution passport to the potential migrant workers by the district development office, accompanied by higher demand for labor created by the oil boom in gulf, the Nepalese started to migrate beyond India, particularly to the gulf. Oil boom in gulf countries have created massive demand for foreign labor. The period between 1997 and 2003 could be considered the boom period for labor migration from Nepal to outside world. The most favored destination for Nepalese labor migrants are the gulf , middle east, Malaysia, Korea, Japan and others .The important of labor migration was given little attention in Nepal until recently. It was only after the 1990 that policy makers and academicians began to fully recognize the importance of paid employment within and outside the country. For the first time data regarding migration were recorded in the population census of 2001.

4.2 Situations of Nepalese Migrant workers in Different Countries

The number of Nepalese going for foreign employment is increasing year by year. The decade long internal conflict in the country created negative effects to the industries especially among other sectors of the economy. Due to which, some industries were completely closed down, some were partially closed down, and those which were in operation also called not operate in the full swing. As a result, many of the labors working in those industries were forced to be deprived of being employed. On the other hand, because of government's effort for making small and smooth government, new employment opportunities could be opened and hence number of people for foreign employment increased further.

As per the information made available by foreign employment department a total number of 329070 foreign employers have gone abroad through licensed companies by the end of first eight month of current fiscal year 2014/15 likewise 364,740 foreign job aspirants have gone abroad for foreign employment with labor permit, the first eight months of current year of this 6,378 received permit on their own while 29,292 are among those undocumented returnees who flew back abroad with permits of the outbound foreign employers to major labor destination countries with labor permit 15939 are female while 348,801 are male.

Table: 4.1

Country - wise Foreign Employment Status

S.N	Country	Male	Female	Total
1	Qatar	83,163	1,748	84,911
2	Malaysia	1,48,534	4,330	1,52,864
3	Saudi Arab	67,122	297	67,419
4	UAE	31,682	5,682	37,364
5	Kuwait	5,932	707	6,639
6	Bahrain	2,698	416	3,114
7	Oman	1,166	322	1,488
8	South Korea	2,670	131	2,801
9	Lebanon	116	411	527
10	Israel	88	254	342
11	Afghanistan	966	6	972
12	Japan	1,495	56	1,551
13	Others	3,169	1,579	4,748
	Total	3,48,801	15,939	3,64,740

Source : Department of Foreign Employment, 2014/2015

4.3 Remittance in Nepalese Economy

Remittance brought by British Gorkha soldier and the wages earned in different parts of India by seasonally employed Nepalese labor significant in the Nepalese economy. Since earlier period but no due attention was given to it. There was no accounting of Nepalese employed in India British Gorkha soldier brought remittance in hard foreign currencies. Later on in 1990's when there was massive out flux of Nepalese labor in the gulf countries and Malaysia foreign currency brought by them increase tremendously and foreign employment and remittance brought by them attracted national attention, internal arm conflict started in 1995 had negative impact on several

sectors of the economy such as industry, tourism and even agriculture. The sustainability of Nepalese economy depended mostly in foreign aid and remittance. This now remittance has got prime attention in Nepalese context and several countries were opened for foreign employment. The importance of the remittance of Nepalese economy can be judge by the growth in the number of person leaving the country each year for foreign employment.

4.4 Inflow of Remittance in Nepal

In the early days of Nepalese international relations remittance brought by British Gorkha soldier and the wages earned in different parts of India by seasonally employed Nepalese labor were significant in the Nepalese economy but no due attention was given to it. There is to accounting of Nepalese employed in India British Gorkha soldier brought remittance in currency and foreign employment increased tremendously and the remittance in hard foreign currencies bought them attracted the national attention. Internal arm conflict started in 1995 had negative impact on several sector of the economy such as industry, tourism and even agriculture. The sustainability of Nepalese economy depend mostly in foreign aid and remittance. This is how remittance has got prime attention in Nepalese context and several countries were opened for foreign employment. Nepalese unemployed youth were attracted to foreign employment. The importance of the remittance on Nepalese economy can be judge by the growth the number of person leaving the countries each year for foreign employment. The volume of growth remittance flowing into Nepal from migrant workers abroad is significant and increasing rapidly. The detail record of remittance inflow to Nepal is not available. The volume of remittance income can be shown only the amount entering through the banking system though description of remittance inflow though others various mediums also discussed in brief on the available estimates. So the annual inflow of remittance in Nepal in different fiscal year and it's growth trend is given by the following table:-

Table: 4.2

FY	Remittance amount (in millions)	Growth in Percent
2009/10	231.7	-
2010/11	253.6	9.45

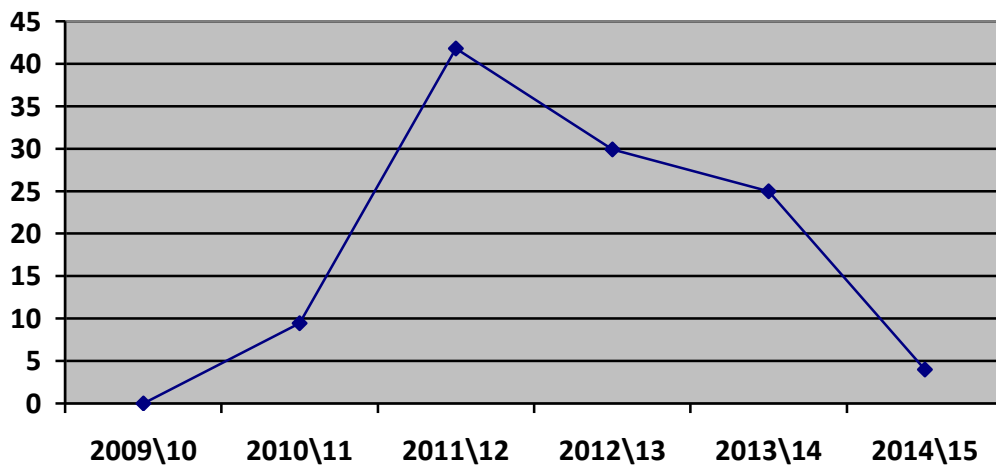
2011/12	359.6	41.8
2012/13	434.6	20.9
2013/14	543.3	25
2014/15	371	4

Annual inflow of Remittance in Nepal

Source: Nepal Rastra Bank: First eight month, 2015

Figure 4.1

Growth rate of Remittance in Nepal



Source: Nepal Rastra Bank: 2015

In this fig. shows that rise of remittance inflow from Rs.231.7 million in 2009/10 to Rs.253.6 million in 2010/11. Due to policy initiatives under taken by the concern authorities enhancing the inflow of remittance through the officials channels has been going up initially the growth rate of the remittance is 9.45 in FY 2010/11. After this the trend of growth rate is fluctuating up to 2014/15.

From the above table it is clear that the inward remittance in Nepalese rising but growth rate is inconsistent and it's decreasing in the current fiscal. This inconsistency growth rate of remittance inflow may have some possible reason. The migrant workers do not send their earning in regular basis and scheduled mode. Another important reason can be the medium of transport of remittance. Some mediums they used are on official and illegal for which there is no record in the banking system. Thus the inflow of remittance increased year by year which become major source of Nepalese economy.

4.6 Utilization of Remittance in Nepal

The total number of remittance received by the household in rural market center, 45% of the amount was found to be used in buying of land and houses. This was followed by repayment of debt, which accounted for 31% of the total amount received. Household used 12% of the received amount in education, health and others. Similarly, 5% amount was found to be kept in bank as saving 4% of the amount was used in social work, 2% of the amount is kept as cash in hand and 1% of the amount is used in investment. The following table and figure has shown this.

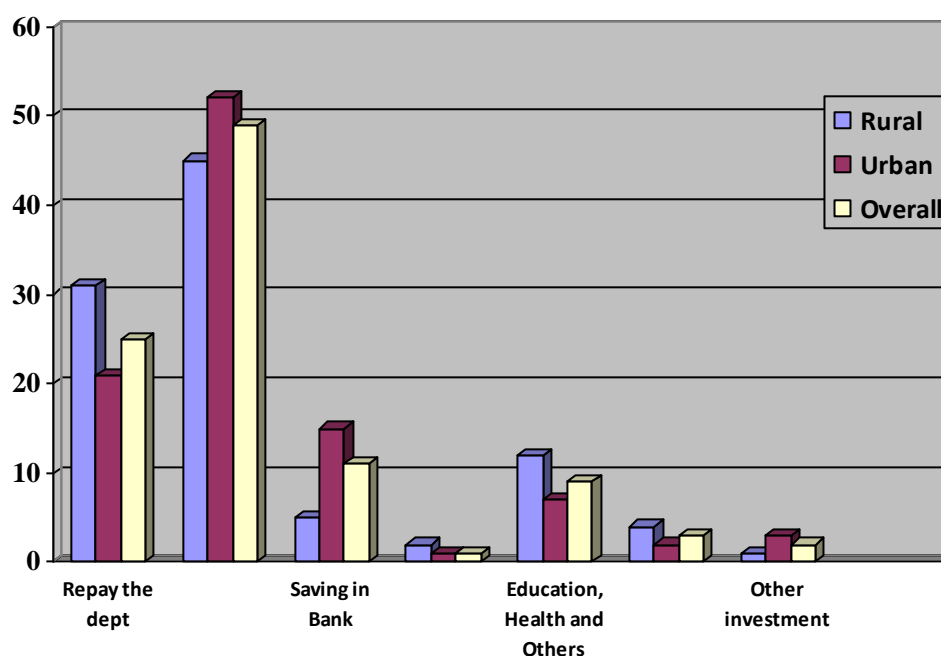
Table 4.3
Remittance and it's utilization

(NRs In million)

Uses of Remittance	Rural		Urban		Overall all Market	
	Amount	Percent	Amount	Percent	Amount	Percent
Repay the debt	19762277	31	18680848	21	38443117	25
Buying the land and houses	28831521	45	46537600	52	75369121	49
Saving in bank	3138900	5	13349059	15	16487950	11
Cash in hand	1372402	2	603500	1	1975902	1
Education, health and others	7372722	12	6457740	7	13830462	9
Social works	2282400	4	1896810	2	4179201	3
Other investment	84800	1	2471000	3	3319000	2
Total	63608222	100	89996540	100	153604762	100

Source: NRB, 4th Household budget survey, 2008

Fig. 4.2
Utilization Pattern of Remittance in Rural, Urban and Overall Area (in percent)



Source: Based on the table 4.6

The use of remittance in urban center market differed slightly compared to that in rural market center. Out of the total amount of remittance received by the household in the urban market center, a little more than half was utilized in buying of land and

houses i.e 52% of the total received amount. This was followed by repayment of debt, which accounted for 21% of the total amount received. Household kept 15% of the received amount in bank as a saving, similarly 7% of the amount was used in education health and others, 3% of the amount was used in investment, 2% of the amount was used in social works and 1% of the amount is kept as in hand.

Considering both rural and urban market center, of the total amount of remittance received by the household, 49% of the amount was found to be used in buying of land and house. This was followed by repayment of debt, which accounted for 25% of the total amount received. Household kept 11% of the received amount in bank as saving. Similarly 9% of the amount was used in education, Health and others, 3% of the amount was used in social works 2% of the amount was used in investment and 1% of the amount was kept as a cash in hand.

4.7 Effect of Remittance in the Economy of Nepal

It's known to all of us that role of remittance to the economic growth of the countries was not discovered in Nepal before 1990's. From the mid-1990s remittance was viewed as the direct role to promote the national economy. The direct effect of the remittance income to the national economy has been increased in CFE, since it also increased domestic saving and investment depends up on the domestic saving and foreign assistance. Since there is increased in domestic saving due to remittance, it was helped in investment and growth of economy. The contribution of remittance to the different sectors of Nepalese economy is shown as follow:-

- **Gross Domestic Product (GDP)**

The Annual remittance contribution to GDP has been increasing since 2011. It represented of 25.7% share in 2012/13 and a 29.1% share during the first eight month of 2013/14. However, remittance disaggregated in terms of migrant works and other inflow of remittance.

- **The Other Side of GDP**

The direct impact of remittance to nation's GDP would be only one side of the whole story, as the other side would clarify how this global phenomenon has indirectly resulted in poverty reduction, employment generation, increasing household income and capital formation in the nation. As Mankiw states in his book that real variable like GDP does not always explain in the economic activities and their consequences

in the real world and hence there is need of attention to other macroeconomic variables like employment and income (Mankiw, 2003,p.107)

1. Revenues for Government and Private Sector

Today, remittance has become an important and source of revenue for government through tax and fees. These fees include paid by manpower companies passport fees, value added tax and other non tax revenues. Similarly, remittance has become an important source of revenue for private sector as well. Various recruitment agencies, agents, medical institutes, orientation institutes, training institutes, advertisement, photograph shop, air ticketing, local transport, hotels, restaurants etc has been collecting significant amount of revenue Rs107 million per day, since the foreign labor migration has become a common phenomenon (KC 2012).

2. Employment Opportunities

Through 26 commercial bank 2 finance companies and 45 money transferring agencies which are endowed with the responsibility of transferring foreign currency in the domestic financial market, vacancies for different senior and junior post are not a new phenomenon in different media.

Expansion of airlines network and training institutes are increasing in proportion with increased labor migration. It is roughly estimated that about 0.34 million jobs are created all over the countries by the phenomenon of labor migration-Foreign employment, remittance and it's contribution to the economy of Nepal. These employment opportunities are to be understood in terms of hotel accommodation, transport, recruitment agencies and money transferred agencies etc.

3. Poverty Reduction

Nepal living standard survey III states that due to remittance and migration driven economy, poverty of Nepal reduce from 42% (1995-96) to 25.16% (2011) a report by doctor Jaganath Adhikari & Dr. Ganesh Gurung states that if there was remittance inflow in the countries then was would not have experienced the reduction of poverty by 10.9% in 2006 instead it will drop by only 4.8% such reduction in poverty has helped in diversification in livelihood, greater ownership and acquirement of assist and capitals, from the macroeconomic point of view, the remittance is the major source of income for the 56%of household in the nations. Household income increased by just 22.4%in 1995-96 while remittance has caused 70%increased during

2008. So, the household incomes contribution in increased financial capital, education of the children, social capital and migration specific knowledge cannot be ignored. The returned migrant were found to have developed values like punctuality, work-ethics, gender sensitivity and productive capability (Pandey and Shrestha 2012) .

CHAPTER -V

DATA ANALYSIS AND INTERPRETATION

5.1 Village Background

5.1.1 Location

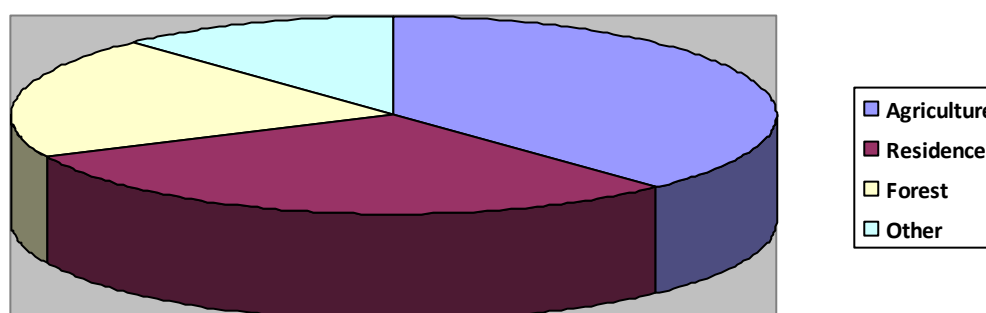
Gorkha municipality is in Western Development Region situated in Gorkha district. Geographically, it's situated between 84° 23'' to 84° 38'' eastern latitude and 27°56'03'' to 28°13'07'' northern longitude. It is 328 to 1522 meter height from sea level. Gorkha municipality administratively divided into 11 wards. It is surrounded by Phinam and Bunkot VDC from east, Mirkot and Khoplang VDC from west, Nareshower and Choprak VDC from north and Bakrang VDC in south. The total area covered by the municipality is 5955 Hectare. The surrounding area is agricultural and the population is made up of many cast, tribal groups, notably Magar, Gurung, Brahmin, Chetri, Newar, Sarki, Kami, Yogi.

5.1.2 Land Used Pattern

Gorkha municipality has been divided into 11 wards it covers 5955 Hectare land area. However, the land use pattern of the Gorkha municipality is given below in figure:-

Fig.5.1

Percentage of Land Used Pattern



Source: village profile, 2016

The figure shows that agriculture covers 2240 (38.6) Hectare of the total area of Gorkha municipality. Forest land is 1191 (20%) Hectare of the total land. The substance agricultural land is the main basis of the economy. The major crops are paddy, maize, melle, wheat, mustard, similarly 1786.5 (30%) land is covered by residence and 714.6 (12%) land is covered by other factor like, sports ground river, road, temple etc.

5.1.3 Economy

The economic condition of a place reflects the living standard of the people who inhabits the particular place. It includes income resources performance of works for livelihood and necessary expenditure as well. People are bounded to involve in at least one occupation to maintain their livelihood. Primarily the main occupation of the study area is agriculture, business, industry, nokari, and daily wages labor and foreign employment, some of the people here are engaged in different governmental services. Similarly some people have carried out business as their source of living. One the other hand, some of the people here grow vegetable such as cauliflower, potato, tomato and fruits, similarly in the study area it's seen that a single man is engaged in different occupations in different time season as a daily wage labor whereas most of the household members have gone for the overseas employment.

5.1.4 Population

The total population of the Gorkha municipality is 25,014 in which 12,511 are female and 12,503 are male. The total household of Gorkha municipality is 4,713. It can be seen that the female population is more than male population. The composition of age and sex of the municipality is shown in the following table.

Ward No	Female Population	Male Population	Total
1	986	1008	1994
2	784	732	1516
3	700	668	1368
4	1534	1570	3104
5	966	952	1918
6	1054	1044	2098
7	1057	1029	2078

8	1607	1593	3200
9	1274	1342	2616
10	1292	1282	2574
11	1257	1291	2548

No.	Cast/Ethic	Percentage
1	Magar	21.1
2	Cheetri	17.75
3	Newar	13.36

Table 5.1
Distribution of Population by Sex

Source: Village Profile, 2016

5.1.5 Ethnic Composition

There are mainly Magar, Cheetri, Newar, Bramians, Sarki, Kaami, yogi, Gurung, Damai, Tamang, Gharti, Kasai, Lama, Darai, Shaha, others.

Table 5.2

4	Brahamin	12.67
5	Sarki	11.34
6	Kumal	8.02
7	Kami	3.2
8	Yogi	2.69
9	Gurung	2.1
10	Damai	2.3
11	Tamang	1.68
12	Other	3.66

Ethnic Composition of Gorkha Municipality

Source: Village Profile, 2016

If we examine the above table the cast composition of the Gorkha Municipality we found that Magar is dominate cast group which covers 21.1% which is followed by the cheetri cast covering 17.35%, Newar.36%, Brahamin12.67%, Sarki 11.34%, Kumal 8.02%, kami 3.2%,Yogi 2.69%, Gurung 2.1%, Damai 2.3%, Tamang 1.68% and others cast are 4.8%

5.2 An Overview on Overseas Migration

Nepal's overseas employment sector which constitute one-fifth of the total gross domestic product is now facing many challenges, in addition to the global economic crisis. With the number of workers leaving abroad increasing each day, thanks to the government's exploration of new destinations, and the mobility offered by globalization. Dealing with the issue pertaining to migrant workers and securing their rights in foreign lands are getting to tougher for the government in this regard condition of overseas employment in the municipality is described separately as follows.

5.2.1 Age Compition of Overseas Migrants

In this section, age description of migrant workers has been analyzed which helps to know many people have been gone to overseas country these age groups.

Table 5.3

Age Composition of Migrants

Age group	No. of respondents	Percent
18-25	27	31.3
25-35	35	40.69

35-40	14	16.27
Above 40	10	11.62

Education Background	No. of Respondents	Percent
Under S.L.C	40	46.51
S.L.C	25	29.06
+2	16	18.60
Bachelor	5	5.81
Total	86	100

Source: Field Survey, 2016

Out of total migrants only 86 households were the sample household, out of 86 migrants workers 31.3% are in the age 18-25 years. Migrants within the age 25-35 years are 40.69%, 35-40 year are 16.27%. Above 40 years migrants have been gone only 11.62%. This trend shows that most of the economically activity people have gone to the foreign country because of the main responsibilities of the family.

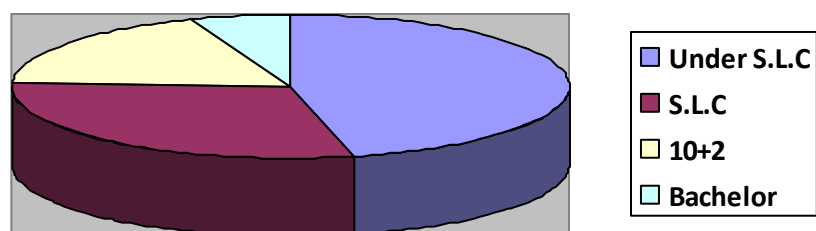
5.2.2 Education Status of the Migrants worker

In the table 5.4 shows that educational status of migrants has been shown which illustrates the educational background of the migrant workers.

Table 5.4
Educational Status of Overseas Migrant Workers

Source: Field survey, 2016

Fig: 5.2
Percentage of Educational Status of Migrant



Source: Field Survey, 2016

The figure 5.2 shows that the educational status of migrants workers 46.51 percent of them under S.L.C passed, 29.06 percent of them have S.L.C passed, 18.6 percent of them have got +2 level. Only 5.81 percent have got bachelor or above level. These data clarifies those than 65 percent migrants workers have below or equal S.L.C level qualification which explain the poor education stander of the migrants.

5.2.3 Gender Description of Overseas Migrant Workers

In this section gender description of migrant worker has been included and the table 5.2.3 help to know how many people are male and female workers.

Table 5.5

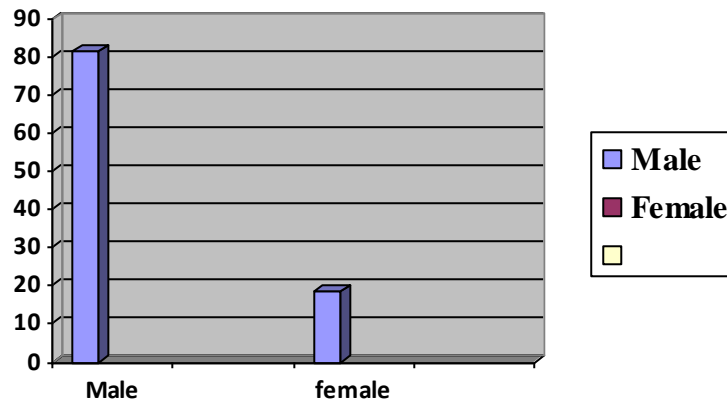
Gender Description of Overseas Migrants

Gender	No. of Respondent	Percent
Male	70	81.39
Female	16	18.6
Total	86	100

Source: Field survey, 2016

Fig 5.3

Percentage of Gender Description of Overseas Migrants



Source:
Field

Survey, 2016

The figure 5.3 shows the gender description of migrant workers out of the total migrant workers 81.39 percent of them are male and 18.6 percent of them are female. This trend shows that most of the migrant workers are male because, main responsibilities of the family are on male and it also shows there is still male dominated society. On the other hand, in some poor family, female have bear main responsibility towards the family and they have also gone for overseas employment. But they are facing their more problems than the male migrants.

5.2.4 Cast/Ethnicity of Overseas Migrant Workers

Cast/ethnicity is also great issue of migration in Nepal. There are many cast/ethnic groups living in Gorkha municipality, some of them were living in poor standards but after the overseas employment they have been manage their life more comfortable. The table 5.2.4 explains the cast/ethnicity composition migrant workers.

Table 5.6

Cast/Ethnicity of Overseas Migrant Workers

Cast/Ethnicity	No. of Respondent	Percentage
Magar	20	23.2
Chhetri	15	17.44
Newar	12	13.95
Brahmian	6	6.97
Sarki	10	11.62
Kumal	5	5.81
Kami	7	8.13

Gurung	3	3.48
Damai	4	4.65
Others	4	4.65
Total	86	100.00

Source: Field Survey, 2016

As per the cast ethnicity, the migrant people of the study are 23.2% Magar, 17.44% chhetri and Newar 13.95%, Brahmains 6.97%, Sarki 11.62%, Kumal 5.81%, Gurung 3.48%, Damai 4.65% and others 4.65%. This shows the Magar, Chhetri and Newar dominance in abroad migration. This may be due to the large portion of Magar, Chhetri and Newar in the study area and they have more information about abroad migration .

5.2.5 Marital Status of Overseas Migrant Workers

Marital status of migrant workers has been included in the table.5.2.5 with the help of this data we know that, how many person are married now and any person are unmarried.

Table.5.7
Marital Status of Overseas Migrant Workers

Status	No. of male	Percentage	No. of female	Total	Percentage
Married	47	67	11	58	68.75
Unmarried	23	32.9	5	28	31.25
Total	70	100	16	86	100

Source: Field Survey, 2016

Most of the foreign migrant workers in the study area that is 68.75% are female married and 31.25% are unmarried female and 67% are male married and 32.9% are unmarried male. This data clearly shows that most of the married person being unemployed is the main causes to go foreign country and the married person have gone for foreign employment because of the family burden.

5.2.6 Annual Income of the Respondents Before Overseas Employment

Overseas migrants used to earn in the home country as well. Some of them were earning in a low range, some of them were earning average and some of them were earning significantly, but still they have gone for overseas employment for better opportunity and better earning. The annual income they used to earn before going to overseas employment is shown in the table below.

Table 5.8
Annual Income before Overseas Employment

Annually income in Rs.	No. of respondents	Percentage
Below-25000	12	13.95
25000-45000	30	34.88
45000-65000	22	25.58
65000-85000	15	17.44
Above 85000	7	8.13
Total	86	100

Source: Field Survey, 2016

From the table 5.8 it is found that a large no. of respondents 34.88% could earn annually 25000-45000 in home country. A few number of respondents 8.13% could earn annually above 85000. So from that figure what we can say is that most of the respondents have to go for oversea employment because of the low income in home country and some respondents who were earning a sufficient income in home country, they have also gone for overseas employment seeking income.

5.2.7 Involvement in Social Activities before Overseas Employment

Overseas migrants had been directly or indirectly involved in social services before going to foreign employment. Some had been directly involved as a managerial member of social organizations, school etc. Some persons had been involved in social activities as a local member of political party and some were voluntarily involved. The involvement of overseas migrants in social activities before going foreign country is shown in the following table.

Table 5.9
Involvement in Social Activities before Overseas Employment

Social activities	No. of respondents	Percent
Member of social organization	30	34.88
Member of local development program	13	15.11
Member of political parties	21	24.41
Other activities	22	25.58
Total	86	100

Source: Field Survey, 2016

In the table 5.9 we can see that every overseas migrant use to involves in social activities directly or indirectly. So from that data it's found that social cost of the overseas migrants is a major loss to Nepal in spite of the remittance earning from the overseas migrants.

5.2.8 Annual Income of the Family Except from Overseas Migrant

Families of overseas migrants are also engaged income generation process to some extend. Some families are totally depend on overseas migrants, some are semi dependent and some families are incoming their enough as it is not necessary to depend on overseas migrants. The families of overseas migrants are found to earn from agriculture, public services, labor, business and other activities. The annual income of the families of overseas migrant is shown in the table below:

Table 5.10
Annual Income of the Family Except from Overseas Migrants

Annually income in Rs.	No.of respondents	Percent
Below-25000	10	11.62
25000-45000	27	31.39
45000-65000	20	23.25
65000-85000	17	19.76

85000-Above	12	13.95
Total	86	100

Source: Field Survey, 2016

From the table 5.10 it is found that 27 overseas migrant's families are earning annually incomes Rs 25000-45000 they are semi dependent to the overseas migrants. The families of 10 overseas migrants are earning a very low income below Rs.25000 annually, so they have to totally depend on overseas migrants while 12 families are earning 85000 annually so they don't need to depend on overseas migrant for daily.

5.2.9 Major Destination of Overseas Migrant

In this section, major destination of overseas migrant workers has been including which helps to know that how many people have gone for overseas country from the study area.

Table 5.11
Major Destination of Overseas Migrant Workers

Country	No. of Respondents	Percent
Malaysia	25	29
Quatar	17	19.7
Saudi	20	23.25
Dubai	10	11.62
Oman	3	3.4
Kuwait	2	2.32
Bahrain	2	2.32
Korea	3	26.74
Other	4	4.65
Total	86	100

Source: Field Survey, 2016

In the table 5.11 it is clear that 29% worker have gone in Malaysia ,23.25% have gone to Saudi Arabia,19.7% of them in Quatar,11.62% of them in Dubai,3.5% of them in Omen,3.32% in Kuwait and Bahrain 26.74% in Korea and 4.65% in others. It is shows that the Gulf countries are most favored destination for overseas employment from the study area. Among them, the highest percent have been taken by the Malaysia and Saudi Arabia. It is clear that, most of the worker have gone in gulf country due to the unskilled and low literacy of migrants. So the main destination countries are Gulf country for the overseas employment from the study area.

5.2.10 Causes of Overseas Employment

There are several reason of seeking overseas employment. The reason might be economical, social and political. They may be related to the acquired skill and other

reason. To find out the causes seeking employment the respondents were asked to identify the prime causes to go to for overseas employment, they gave more than one reasons but they were asked to point out the one major cause. The finding of the survey is soon as follows.

Table 5.12
Causes of Overseas Employment

Causes	No of Respondents	Percents
Poverty	30	34.88
Unemployment	19	22.03
Family loan burden	22	25.58
Conflict	5	5.81
Others	10	11.62
Total	86	100

Source: Field Survey, 2016

Fig 5.4
Percentage of Causes of Overseas Employment



Sources: Based on Table 5.12

Fig 5.4 shows that employment and poverty are the main causes of overseas employment. Many respondents told that there is no employment in the country, So 30% of people have gone for overseas employment due to poverty. 24.41% have gone due to unemployment, 25.58% have gone for overseas employment because of the family loan burden, similarly 5.81% of them have gone because of conflict and 11.62% have gone for other causes. From the above figure it can be say that unemployment, poverty, family loan burden and conflict are the main causes of overseas employment.

5.2.11 Total Cost Paid for Overseas Employment

The cost paid for overseas employment depends on destination, company, agent etc. Minimum cost paid is 50 thousands. Table 5.2.11 shows that most of the people who want to go for overseas employment pay 70 thousand to 1 lakh. This portion is about two third to the total. Those people paying above 1 lakh go other then Gulf countries or in gulf countries for better earning. It is shown in the following:

Table 5.13
Total Cost Paid for Overseas Employment

Cost in 00	No. of Respondents	Percent
Less than 60	8	9.30
60-70	7	8.13
70-80	13	15.11
80-90	30	34.88
90-100	17	19.76
Above 100	11	12.79
Total	86	100

Source: Field Survey, 2016

In the table 5.13 it is clear that highest respondents that is 34.88% have to paid Rs 80-90 thousand for overseas employment. Secondly, 19.76% respondents have paid above 90 to 100 lakhs. 12.79 % respondents have paid above 1 lakh for seeking better earning. A very few respondents 8.30% have paid Rs.60 to 70 lakhs. So from the above figure it is concluded that a very few respondents pay the around the reliable fees for overseas employment which is fixed by the government. But most of the respondents are being cheated by the manpower company or agents so they have to pay more amounts even by borrowing for overseas employment.

5.2.12 Medium Used to Obtained Overseas Employment

People who want to go to overseas employment need to know the job, salary, the nature contract and the cost of getting employment opportunity. Generally government registered manpower agencies (MPAS) are suppose to cater the needs for overseas employment seekers. Besides them individual contract also play important role. The quality of job, the cost is related to the medium use by the individual. The cheating by agent and the torture are also related with the medium used. The medium used this was considered to be important and the respondents were asked to identified it. The respondents have given answer as in the following table.

Table 5.14
Medium Used to Go for Overseas Employment

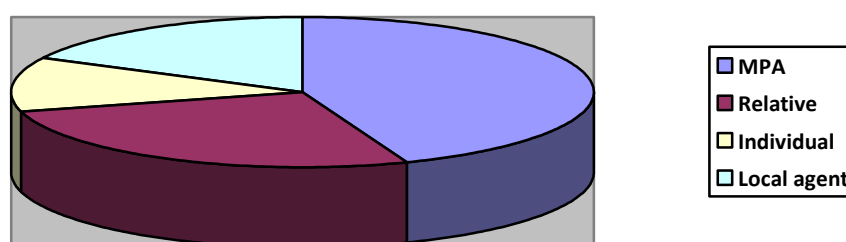
Medium	No. of respondents	Percent
MPA	38	44.18

Relative	23	26.74
Individual	10	11.62
Local agent	15	17.44
Total	86	100

Source: Field Survey, 2016

Fig 5.5

Percentage of Medium Used to go For Overseas Employment



Sources: Based on Table 5.14

Above figure shows that among the respondents, 44.18% have gone to seek overseas employment through registered manpower agencies, 26.74% respondents managed through their relative, 11.62% managed oneself and 17.44% respondents used local agents. It is concluded that the majority of overseas employment seekers uses the MPA as medium to find the job. Some used their relatives and local agents.

5.2.13 Skill Status of Overseas Migrant Workers

Skill is one of the most important factors which helps to find the proper job and increasing the purchasing power of labour. Anybody who is trained can earn more money and get better job than unskilled labour. Most of the Nepalese seeking overseas employment are said to be untrained and unskilled. They do not have adequate skill due to which employment in menial work and are paid low. The assessment of individual towards their own status of skill development the sources of training were asked in interview, the responses received are presented in the following table:

Table: 5.15
Skill Status of Overseas Migrant Workers

Description	No. of Respondents	Percent
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Unskilled	70	81.39
Skilled	16	18.61
Total	86	100

Source: Field Survey, 2016

From the survey, it is found that most of the overseas migrants are unskilled as it covers the 81.39% out of the total migrant workers. 18.81% of them have skill in computer, driving, waiter, electric, plumbing etc the dominancy of unskilled manpower is the main reason of getting low salary and other problems.

5.2.14. Job Types of Overseas Migrant Workers

Concerning to the work abroad, most of the returnees do not like to express but realized that perform interior job there. Most of them perform such work .only a few of them got technical except these, they are engage in storekeeper and drive also.

Table 5.16

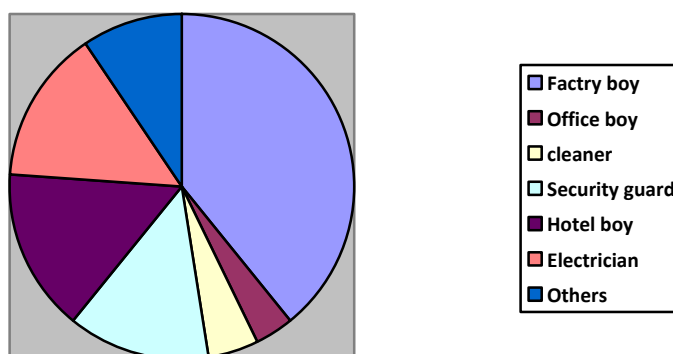
Job Types of Overseas Migrant Workers

Type of Job	No of Respondents	Percent
Factory labor	33	38.37
Office Boy	3	3.48
Cleaner	4	4.65
Security Guard	11	12.89
Storekeeper	2	2.32
Hotel Boy	13	15.11
Electrician	12	13.95
Others	8	9.3
Total	86	100

Source: Field Survey, 2016

Fig. 5.6

Job types of overseas migrant workers



Sources: Based on Table 5.16

The figure 5.6 shows that out of 86 overseas migrants 38.37 percent of them works as factory labour followed by hotel Boy 15.11, 13.95 electrician, 12.79 security guard, 3.48 office boy, 4.65 cleaner, 3.32 store keeper and 9.3 percent work other them

these job. So, from the figure it can be concluded that most of the workers are factory workers because of being uneducated.

5.2.15 Monthly Income of Overseas Migrant Workers

Generally, people of our country go for overseas employment with the purpose of earning money. But most of the people go there with no skill. That is the main cause to earn less money .The monthly income of the overseas migrants is elaborated from the given below:

Table 5.17
Monthly Income of Overseas Migrant Workers

Monthly Income (in NRs. 000)	No. of Respondents	Percent
15-25	23	26.74
25-35	39	45.34
35- 45	14	16.27
45-55	7	8.13
Above -55	3	3.4
Total	86	100

Source: Field Survey, 2016

Out of 86 respondents 26.74 percent of them got income ranging from 15-25 thousand Nepalese currency monthly 45.34% of them got income ranging from 25-35 thousand and 16.27% of them got the income ranging from 35-45 thousand only 3.4% of them earn high income above 55 thousand per month this shows that more than 45.34% of migrants are earning less than Rs.25 thousand per month which is least income level of earning. This low level of earning may be due to the low level of education and skill status of migrants.

5.2.16 Medium of Remittance Transfer

Overseas migrants have been transferring the remittance through various channels. Some are using informal channels according to their convenient. It is difficult to know the actual volume of remittance if they using informal channels to remit. The following table explain the transfer of remittance mechanism .This data shows that how many workers have sent their remittance by data process.

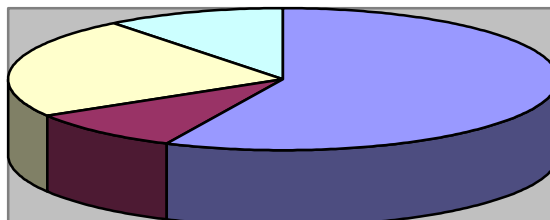
Table 5.18
Medium of Remittance Transfer

Channels	No. of Respondents	Percent
Formal channel(Bank)	49	56.97
Hundi	8	9.3
Friend	20	23.2
Relative	9	10.46

Total	86	100
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Source: Field Survey, 2016

Fig 5.7
Percentage of Medium of Remittance Transfer



Sources: Based on Table 5.18

To transfer their income 56.9% use formal channel like financial , institution, bank ,money transfer, but occasionally they use informal channels also .the above figure shows that 23.2 percent of the migrants workers send their income through friends,9.3 percent of them use relatives to transfer Hundi,10.46% percent of them use relatives to transfer their income.

5.2.17 Duration Spend on Overseas Employment

Duration of stay of migrant workers depend upon availability of work, facilities provided by companies, salary rate, health condition ,visa permit date and other various reason. Generally, Nepalese workers stay abroad three years in a trip. The following table shows the duration of the overseas migrant workers.

Table 5.19
Duration Spend on Overseas Employment

Year	No of Respondents	Percent
Less than one	4	4.65
One	7	8.13
Two	27	31.39
Three	35	40.69
More than three	13	15.11
Total	86	100

Source: Field Survey, 2016

The table 5.19 shows that 40.69% of the respondent stay three years in overseas employment. It was view that 31.39 spent two years and 15.11 percent work for more the two years. Most of them say one year period is just sufficient to repay the loan. So, they went to stay more than a year there.

5.2.18 Causes to Go Again

Most of the returners have planned to go to again for overseas employment. Most of them want to go to employment purpose. Some of them want to go again because of the political insurgency even if they want to stay home and start any income generating works. The following table shows the reason.

Table 5.20

Causes to Go Again

Causes	No. of Respondents	Percent
Employment	55	63.95
Political insurgency	7	8.13
Not fixed	9	10.46
No plan to go	15	17.44
Total	86	100

Source: Field Survey, 2016

The table shows that 63.95% returners again want to go to for overseas employment due to not getting employment in the home country. Similarly 8.13% of them again want to go because of the political conflict even if they want to stay in home, 10.46% have said that they have no plan to go again for now and 17.44% of them are not sure whether they go again or not.

5.2.19 Use of Remittance on Productive Sector

Nepalese migrant workers have earned some part of money and they were returned in home. But they have not used their total income into productive sector due to several causes such as insecurity, lack of knowledge, lack of market etc .But they have been using some portion of remittance into productive sectors which is a positive aspect for the economy.

Table 5.21

Use of Remittance on Productive Sector

Sector	No. of Respondents	Percent
Education	40	46.51
Agriculture	18	20.93
Business	12	13.95
Bank deposit	16	18.6
Total	86	100

Sources: Field Survey, 2016

Above the table shows that most of the overseas migrants (46.51) have spend their income for the education of their children and families. Similarly, 20.93% of them

have invested their remittance on agriculture and 13.95% of them invested on business sector and 18.6 percent of them have deposited their income in banks. A lowest number of the use of remittance depends on the priority placed by the individual on the size of remittance, the time of availability, opportunities for investment and several other factor. Majority of migrants workers go abroad because of the unemployment at home and poverty in the households. Generally the earning made by them is not big. The cost of overseas employment is borne by borrowing, there may be family rituals in waiting, keeping all these condition in mind, the respondents were asked to identify the uses they made from the money earned abroad. Each individual spend the earning in more than one use ,but to find out the using patterns of remittance they were asked to point out the one major sector they made expenses more on it. The answer given by the respondents are presented in the following table.

5.2.20 Use of remittance on unproductive sector

The use of remittance depends on the priority placed by the individuals on different uses .It also depends on the size of remittance, the time of availability, opportunities for investment and several other factors, Majority of migrants workers go abroad because of the unemployment at home and poverty in the households. Generally the earning made by them is not big. The cost of overseas employment is borne by borrowing, there may be family rituals in waiting, keeping all these conditions in mind, the respondents were asked to identify the uses they made from the money earned abroad. Each individual spent the earning in more than one use, but to find out the using pattern of remittance they were asked to point out one major sector they made expences more on it. The answer given by the respondents are presented in the following tables.

Table 5.22
Use of Remittance on Unproductive Sector

Sector	No of Respondents	Percent
Loan payment	29	33.7
Land purchase	23	26.7
Lending	7	8.13
Cultural expenses	19	22
Durable consumers goods	8	9.3
Total	86	100

Source: Field Survey, 2016

The table 5.2.21 the use of remittance on unproductive sector is shown. According to this table the sampled respondents spend huge amount on loan repayment which is

33.7% of the total respondents. 26.7% of the use their remittance more one land purchases, 22% of them use their remittance more on cultural programs, festivals, wedding etc. Similarly, from the above table we can see that, for unproductive sector, 8.13 percent respondents use the remittance to lend money and 9.3% respondents buys the consumer durable goods like TV, Motorcycle etc.

5.2.21 Causes of not Investing Remittance in Productive Sector

Nepalese migrant worker have earned some money in abroad .But they have not yet used their into productive sector .why they have not used their income into productive sector? There may be several reasons. These reasons might be insecurity, lack of knowledge, lack of market, lack sufficient capital, non-availability of opportunities for investment etc. To find out the reason of non-utilization of remittance into productive sectors. The respondents of the municipality were asked and their answer is given the following table.

Table 5.23
Causes of not Investing Remittance in Productive Sector

Causes	No of Respondents	Percent
Lack of opportunity	20	23.25
Lack of sufficient capital	35	40.69
Lack of market	5	5.81
Lack of knowledge	17	19.76
Others	9	10.46
Total	86	100

Sources: Field Survey, 2016

In the table shows that the remittance has been affected by so many factors .For the conveniences, these factors are termed as the non utilization of the remittance has been classified into five headings and the data are compiled in accordance to the number of respondents .The causes of non utilization vary from different households .Among them 40.69% says that the causes of lack of sufficient capital is the major causes that they don't want to invest productive sector,19.76% says that they have no any knowledge to invest in productive sector ,23.25% could not find the opportunity for the investment and 5.81% says that there is no adequate market even if they want to invest in productive sector.

5.2.22 Impact of Remittance on Major Household Economic Indicator

Remittances have widespread effect. Remittance not only affects the economic status but also every aspect of an individual's life. Some of the indicators have been evaluated to test whether remittance have the positive / negative impact on them

.Regarding the impact of the remittance on households indicators land ownership and average income has been increasing but loan burden has been decreased .The trend of keeping money in formal institute like bank has been increased after returning from foreign employment.

Table 5.24
Impact of Remittance on Major Household Economic Indicator

Indicators	No of Respondents			
	Increased	Decreased	Same	Total
Land ownership	47(54.65)	9(10.46)	30(34.48)	86(100)
Bank balance	45(52.35)	10(11.62)	31(36.3)	86(100)
Loan burden	11(12.79)	65(75.78)	10(11.62)	86(100)
Average income	60(69.76)	8(9.3)	18(20.93)	86(100)

Sources: Field Survey, 2016

Table 5.24 shows that 54.65% of respondents have purchased land and their land ownership have increased after returning from overseas employment .Similarly ,65% have reduced their loan burden but remaining has shouldering loan burden now .The table also shoes that the average incomes of the most of the respondents have also increased. Therefore the remittance has raised the economic status of a few people but broad progress is

5.2.23 Suggestion for Properly Utilization of Remittance

Some question were asked during the field survey about suggestion for properly utilization of remittance and their views is given the table.

Table 5.25
Suggestion for Properly Utilization of Remittance

Suggestion	No. of Respondents	Percent
Government should bring secure policy	12	13.95
Government should encourage people	10	11.62
Training should be provided to the overseas employment	17	19.76
Government should give security to investor	15	17.44
Should create opportunity	32	37.2
Total	86	100

Source: Field Survey, 2016

Table 5.25 shows that most of the respondents (37.2%) have viewed for the opportunity to invest, 19.76 percent were answered that they should be provided training about investment .Similarly 17.44percent said that government should secure the investment to use the remittance in productive sectors. This implies that the proper utilization of remittance has not been yet done due to the different causes.

CHAPTER - VI

REVIEW OF FOREIGN EMPLOYMENT ACT AND POLICY

The Government's responses in addressing and facilitating labour migration processes take shape through policies, laws, institutions and programmes. The Government has collaborated with the United Nations and other international agencies to develop policies and legal frameworks, to establish structural mechanisms and to promote foreign employment as a safe, dignified and decent prospect for would-be migrants.

6.1 The National Labour Policy, 1999 and the Foreign Employment Policy, 2012

The National Labour Policy adopted in 1999 cited foreign employment indirectly by including a few strategies that highlight the necessity of developing mechanisms and structures for facilitating foreign employment, in particular:

- Make special attempts for the institutional development of the regime of foreign employment of Nepali people and secure its continuity.
- Form a high-level advisory committee with participation from various ministries, including labour, finance, planning commission and foreign employment entrepreneur organizations.
- Establish a foreign employment institution, with participation of the private sector, for the development of foreign employment.

By 1999, the trend of labour migration was already increasing (from 3,605 in 1994 to 27,796 in 1999) as an option to reduce household poverty and as refuge from political conflict. By the end of the decade, the National Labour Policy was emphasizing the need for structures and mechanisms to better manage the safe flow of migrant workers from Nepal.

As the next decade unfolded, the Government realized that foreign employment was an attractive option for its young labour force and recognized the need for a new policy framework in response to the changing dynamics. In 2012 the Government established its Foreign Employment Policy, which reflects the principles set out in international commitments that Nepal is a signatory to by inculcating the goal to “ensure safe, organized, respectable and reliable foreign employment to contribute to poverty reduction along with sustainable economic and social development through economic and non-economic benefits of foreign employment”.(Adhikari,2004

The Foreign Employment Policy responds to issues in the migration cycle that had not been addressed previously. Though there had been no specific policy on foreign employment previously, various policies were geared towards controlling the flow of migrants in terms of minimizing it. The new policy has made the safety and protection of workers its upmost priority. It acknowledges the increase in the number of female migrants, especially for domestic work and the care industry (the care of children, the elderly, those who need assisted living) and the importance of remittances in the development of migrant workers and their families and the society. The Foreign Employment Policy attempts to facilitate labour migration with the following strategies:

- Identify and promote employment opportunities in the international market.
- Develop skilled human resources to a competitive capacity to maximize the benefits from foreign employment.
- Make each step of the foreign employment process simple, transparent, organized and safe.
- Address concerns of female migrant workers and ensure their rights in the overall migration cycle.
- Ensure good governance in the management of foreign employment.
- Marshal local, national and international resources for managing foreign employment and promote collaborative efforts by increasing sector partnerships.
- Help foreign labour migrants utilize their remittances for their own “human development” as much as possible.

The Foreign Employment Policy recognizes the problems that female migrants experience in the migration process and includes strategies intended to better protect them. The major problems cited are lack of skills among the female labour migrants, which render low salary and less than ideal workplaces; migration through irregular channels, which increases their vulnerability; and lack of protection, especially for domestic workers, from physical violence, sexual harassment and economic exploitation.

The strategies to improve the protection of migrant workers presented in the policy include analysis of the jobs offered in terms of the skills required, the nature of the work and the duration and if it is in line with Nepal's labour standards. It includes providing skills training and pre departure orientation to working in a different culture, extensive dissemination of information regarding the migration process, establishment of structural mechanisms for the protection of female migrant workers and collaboration with various stakeholders to develop inter-country networks to prevent human trafficking that typically begins under the pretext of labour migration assistance.

The Foreign Employment Policy seeks to make optimal use of migrants' remittances by establishing financial channels for them to borrow money for the initial migration costs at fair interest rates so they do not begin their migration cycle overwhelmed with debt that consumes their earnings. These channels also enable migrants to remit their earnings safely and ideally invest so that it grows while they are abroad and thus they return to a source of capital. The policy refers to establishing a Labour Bank, the preparation of which is ongoing, that would offer subsidized loans to prospective migrants to cover

According to Khabar South Asia, prospective workers going to Middle East countries or Malaysia spend about NRs 200,000 (\$2,050) for airfare, insurance and other expenses; the lack of easy banking services forces them to take high-interest loans.(Koirala:2014,) the fees, transport and other costs required to migrate formally. The bank would offer a remittance account and help returned migrants access additional capital for investment purposes. Currently, workers deposit 1,000 rupees into a Migrant Workers' Welfare Fund, managed by the Foreign Employment Promotion Board, before departing to their destination country. Through a public-private partner- ship, the Government will establish the Labour Bank that will also offer loans to returned migrants for initiating their own business in Nepal.

The "human development" focus in the policy includes informing migrants and returned migrants of options for investing their earnings and providing skills training and financial literacy training to migrants and their families to pursue such opportunities. Additionally, the policy aims to create an enabling environment for investment by labour migrants through various tax benefits and concessions.

The policy also provides for institutional structures that would ensure its smooth implementation, monitoring and evaluation:

- A High-Level Foreign Employment Coordination Committee to coordinate and harmonize policy issues between the stakeholders and the Government and to monitor and evaluate activities; and
- An Executive Committee to direct the High-Level Foreign Employment Coordination Committee, to implement foreign employment-related activities and to resolve problems that may arise during the policy-related of activities.

6.2 The Foreign Employment Act, 1985 and the Foreign Employment Act, 2007

Government's first effort at regulating foreign employment was issued in 1985 in the form of the Foreign Employment Act. The Act was a response to the growing demand of labour in the global market and encouraged people to migrate to selected countries. The law was amended three times and governed all activities of foreign employment until it was repealed to give way to a new Act in 2007.

The 2007 Foreign Employment Act was legislated after the Comprehensive Peace Agreement was reached between the insurgents and the Government in 2006. The Act was designed to address the new issues brought by the rapid growth in labour migration for foreign employment. The Act contains several provisions that respond to the changing dynamics of foreign labour migration patterns and differs from the 1985 legislation in one fundamental way: The original law and its subsequent amendments aimed at regulating the foreign labour market and preventing an exodus of higher-skilled individuals; the 2007 law sought to control and facilitate the process of Nepalese seeking foreign employment but to control for the sake of making that process safe.

The Foreign Employment Act promotes the security and welfare of foreign labour migrants with provisions for the protection of their rights and for the regularization and monitoring of the businesses that facilitate the migration process. The provisions include pre-departure preparation (including cultural orientation, what to expect, some language training etc.) and skills training, creation of the Migrant Workers' Welfare Fund and establishment of a Labour Desk at the national airport.

The Migrant Workers' Welfare Fund is designed to provide education and access to health facilities to the children of migrant workers, pay compensation to workers who are injured and to family in the event of death while working abroad and to evacuate

workers during crises and covers the repatriating expenses of bodies of the deceased workers.

Departing migrants use the Labour Desk to exit the country. The officials there inspect the permit sticker in the passport using a hand-held reader to confirm its authenticity and validity. Those whose permit is not deemed valid are not allowed to leave the country.

The Foreign Employment Act also regulates businesses (registered under the Company Act to conduct foreign employment services) that send migrant workers for foreign employment by issuing licenses and specifies that the license may be revoked if a business does not uphold the spirit of the Act and policies. The Act also calls for the formation of a steering committee to formulate policies and make arrangements required to make the process of sending migrant workers systematic and transparent (which the Foreign Employment Policy includes).

To keep pace with the ever-changing dynamics of labour migration, the Foreign Employment Act is under review currently, with adjustments expected that will further ensure that labour migration is safe, decent and dignified and in line with international frameworks governing labour migration, including the ILO multilateral framework.

6.3 The Ministry of Labour and Employment

The Ministry of Labour and Employment is the apex body that governs labour administration and management. It promotes safe, dignified and decent foreign employment and serves to create an enabling environment for relations among employers, workers and other stakeholders. The Ministry has been mandated with responsibility for the labour administration and management, including regulating foreign employment as defined in labour-related legislation.

6.4 The Department of Foreign Employment

The Department of Foreign Employment was established with the enactment of the 2007 Foreign Employment Act, after the dissolution of the previous Department of Labour and Employment Promotion. Concomitantly, the Department of Labour was established to oversee the administration of internal migration.

The Department's objectives revolve around promoting safe and dignified foreign employment, including regulating to operations of the recruiting agencies and other

business offering related services to ensure they conduct fair and decent practices.

Thus the Department:-

- regulates the foreign employment businesses, including the issuance of, renewal and revocation of a license to operate;
- investigates workers' complaints against agencies or agents and initiates the process for prosecution if the investigation warrants it;
- controls fraud in regard to foreign employment by confirming that jobs advertised are legitimate and decent;
- protects the rights of migrant workers by scrutinizing the job notifications, the contracts and the appointment letters; and
- provides "labour approval" for foreign employment through the permits that are issued to departing migrants.

Notification of jobs that are available in foreign countries, typically coursed through the recruiting agencies, are provided to the Department, which reviews the terms and conditions of a contract to affirm it is within the law and gives an "approval notice" for that job listing. Once a migrant is recruited for a particular job and has signed the contract, the handling agency registers the migrant with the Department through the application for the labour permit to travel abroad, which is essentially a stamp of approval. At that point, the recruiting agency provides the Department with the "appointment letter" from the employer in the destination country, again specifying the terms and conditions of the job they are now contracted to perform (often the terms and conditions will be different than what was first presented or presented in the contract). The labour permit is a sticker placed in the worker's passport.

The Department of Foreign Employment maintains a database of details from the labour permit applications and permits granted as well as complaints made and cases resolved regarding foreign employment.

The database records the labour permit applications of workers who go abroad through the services of a recruitment agency as an "institutional" application (referring to the agency acting on a worker's behalf). Workers who go abroad without the help of a recruiting agency learn about jobs through personal networks, independent agents or friends. They can still migrate formally by applying on their

own to the Department of Foreign Employment for the labour permit. They are required to provide details of their contract. The database records this type of application as “individual”. These workers travel to the foreign country on their own and through their own contacts and thus with no system monitoring their journey.

Cases of foreign employment filed under the Foreign Employment Act are considered cases against the State. When a grievance is filed, the Complaints Registration and Investigation Section of the Department of Foreign Employment must investigate. Under sections 43–59, the Department has jurisdiction to decide if an offence has occurred and under sections 48–55 it can impose penalties. The cases beyond this jurisdiction are forwarded to the Foreign Employment Tribunal. For example, the Department does not handle cases filed by workers who received an “individual” type permit, but automatically forwards them to the Tribunal.

The Department of Foreign Employment restructured itself in 2013 to better manage the changing dynamics of labour migration, establishing the following sections and offices in Kathmandu:

- Kathmandu Office
- Malaysia Section
- Qatar Section
- Saudi Section
- EPS Korea Section;
- Labour Desk at Tribhuvan International Airport.

6.5 The Foreign Employment Promotion Board

The Foreign Employment Promotion Board was established according to section 38 of the Foreign Employment Act, 2007 and is chaired by the Minister for Labour and Employment. Its main functions are to implement promotional activities for foreign employment and to ensure the social protection and welfare of migrant workers through the following functions and duties:

- Carry out studies of international labour markets and explore new destinations; collect, process and publish information that promotes specific jobs;
- Manage the Foreign Employment Welfare Funds;

- Conduct pre-departure orientation, skills training and arranging emergency contact detail for each worker that leads to their improved protection while working abroad;
- Formulate, implement, monitor and evaluate programmes to use the skills, capital and technology of returned migrants and mobilize them for national interests;
- Prescribe qualifications for the registration of businesses that provide pre-departure orientation training to migrant workers;
- Formulate and approve the curricula of the pre-departure orientation training;
- Formulate short- and long-term policies as required to make foreign employment safe, systematic and decent;
- Carry out a comprehensive study on the implementation of the Foreign Employment Act and give suggestions for amendments to the Government; and
- Advise the Government on the fixing of service charges and promotional costs.
- The Foreign Employment Promotion Board manages the Migrant Workers' Welfare Fund and thus oversees the following activities:
 - Skills training and orientation;
 - Provision of life insurance and access to medical facilities to workers and their families;
 - Rescue, rehabilitation and reintegration;
 - Financial support and compensation;
 - Awareness-raising and promotional activities, research and studies on foreign employment to strengthen policy and institutional development;
 - "Localization" programme through which information on the migration process and requirements are distributed at local levels to reach prospective migrants with critical information for them to make informed choices;

- Monitoring and evaluation.

6.6 The Foreign Employment Tribunal

The Foreign Employment Tribunal was established under the 2007 Foreign Employment Act and its 2008 Regulations. It is a semi-judicial body consisting of three members: chaired by the Judge of the Appellate Court, a case-trying officer of the Labour Court and the gazetted first class officer in the judicial service.

The cases filed in the Tribunal are tried and settled in accordance with the Summary Procedures Act, 1972. The Tribunal receives cases forwarded by the Department of Foreign Employment.

6.6.1 Labour Attache

The 2007 Foreign Employment Act (section 68) requires the appointment of a labour attaché in destination countries where 5,000 or more Nepali migrant workers are based. The functions, duties and powers of the labour attachés are as follows:

- Provide information to the Government about the condition of labour, employment and immigration where Nepali migrants are working and the steps taken by that country for the protection of the rights of migrant workers.
- Assist in resolving any dispute between workers and businesses involved in sending foreign labour migrants.
- Make the necessary arrangements for rescuing any Nepali worker who has been deemed helpless in the course of foreign employment.
- Furnish information on the availability of employment that matches with the skills of Nepali workers.
- Manage the repatriation arrangements of the body of any deceased migrant worker;
- Maintain bilateral agreements at the government level for the supply of workers from Nepal.
- Provide welfare-protecting information to migrant workers and discourage them to do any other work than set forth in the work contract; Supervise any activity that may affect migrant workers.
- Perform functions as prescribed by the Government from time to time.

- Labour Migration for Employment | A Status Report for Nepal: 2013/201418.

CHAPTER -VII

SUMMARY, CONCLUSION AND RECOMMENDATIONS

7.1 Summary

The main objective of this study is to observe the scenario of foreign employment and workers' remittance in Nepalese perspective. Moreover, the study tried to identify the historical track records of foreign employment in Nepal and inflow of remittances in national as well as global prospects, and then evaluated the government act and policies about foreign labour migration and government's role to maximize benefit from remittances. Secondary data were used to compare the composition of foreign employment and remittance in this study. Data are analyzed by using simple statistical tools like Bar Diagram, Pai-Chart and trend line are used to present the tabulated data.

The present study focus on foreign employment and remittance,a case study of Gorkha municipality of Gorkha district.This study reveals that migration for employment has started to gain a reputation of formal section.The findings also reveals the significance of remittance from employment abroad for the Nepalese economy as a whole for rural household and their livelihood.Although the remittance accumulation is utilized in the rural household and for their livelihood,the poorest section in the society has little or no assist to non-farm employment,both within and outside the country.

The major findings of the case study are summarized as follows:

- Most of the Nepalese people who have gone for overseas employments are males and between the age of 25-40 years.
- Most of the respondent occupation was agriculture before joining overseas employment and have completed up to intermediate level.
- Males have dominated female in numbers of going overseas employment,that is female portion for overseas employment is very small compared to male .

- The major portion of overseas employs are from Magar, chherti, newar communities. It might be because of their majority in the municipality
- To analyzed the marital status out of total migrants 33% were unmarried and remaining person are married, so percentage of married person have been gone for overseas employment more than the unmarried persons.
- Most of the respondents were engaged in social activities through any one medium and they are still contributing to the society after the returned from overseas employment the family of the respondents were also earning money to some extent from agriculture, labour etc. But for most of the respondents it is at very low level and tightly sufficient for daily necessary consumption.
- The main destination of Nepalese worker gulf countries in which Quarter have been taken on the higher percent of it. Only very few persons have gone to Europe and highly income destination of Asia like Japan and South Korea.
- The major reason to seek overseas employment include unemployment, poverty and family loan burden.
- The main to get overseas employment for more than 50% were MPAs. Other went either through relatives channel or through local agents.
- Among the migrants 76% did not have skill. So most of them have been taken for inferior and unskilled labour job like factory labour, Hotel boy and security guard.
- The major challenges of overseas employment are cheating of the main power agencies, not getting contract work, cheating in destination country and increase expenditure for searching employment.
- Although the remittance have given positive impact on household economy, above 50% respondents have been paid at very low level (10 to 20 thousands monthly), which is not satisfactory.
- To remit the income from abroad 57% of the respondents had used formal channel which is good sign, but not still sufficient.
- The major portion of the remittance is used in unproductive sectors like loan repayment, land purchase and cultural works. But some portion of the

remittance is used in productive sectors like education, agriculture and bank account.

- The respondents of this municipality are not utilizing their remittance because of the lack of sufficient capital, lack of knowledge and lack of opportunity.
- The respondents of the municipality said that those remittance have increase their average income status. Around 54% said that remittance has increase their land ownership living. Around 52% said that their bank balance has increase. In this municipality from the sample respondents remittance as also done impact their other indicators. Their technical skills, expenditure on education, food sufficiency and expenditure on productive sectors have been increased. Similarly, their consumption of nutrition foods has also been increased.
- Most of the respondents have sought for the opportunity, adequate training and security of their investment if they wanted to invest their remittance in productive sectors.
- The above facts are drawn from the case study of Gorkha municipality specifically. So, from the case study and secondary data mention above, the major findings of the study are generalized as follows:
- There are more than 3 hundred thousand Nepalese labour migrating abroad yearly from the last 12 years. This number doesn't include the migrants to India. Major concentration of Nepali labour migrants is found in, Malaysia, Qatar Saudi Arab and UAE. There is no significant no. of labour migrants in other countries. The trend of labour migrants in Gulf States is decreasing gradually whereas the no. of labour migrants is increasing in Malaysia.
- Past armed conflict and the lack of employment opportunity were found a major reason to the increment of international labour migration. Now, the volume of migrants workers is still increasing even after the peace process.
- All kinds of people from poor to higher economic and social status are migrating to the accessible location and their interest behind migration is money. Poor and vulnerable groups are migrating Gulf States and Malaysia. Similarly, higher middle class people are migrating to South East Asia countries like Japan and South Korea and the people from rich family to

Europe and North America. So a this distinctive class division among the labour migrants is found in terms of selecting their place of work.

- The expectation of earning is found different in each work place. But the common motive of each migrant is targeted to uplift and economic and social status of their family as compared to present situation.
- It was only after the 1990s that policy maker and the academician began to fully acknowledge the importance of remittance send by Nepalese employed abroad from enhancing the livelihoods of the households, including those in rural regions.
- With the increase in the no.of workers, the inflow of remittances has also taken and upswings. remittances rose from Rs231.7. million in 2009/10 to Rs371 million 2014/15. Moreover, due to policy in initiatives undertaken by concerned authorities for enhancing the inflow of remittance through the official mechanism, the share of remittances incoming through the official channel has been going up.
- With regard to the use of remittances in Nepal, the NRB, central bank of the country had conducted a household budget survey in 2008. The study found that the remittance earnings were invested majorly on buying the land and house, repaying the dept, saving in bank, education, health and others.
- In the past, recruitment in British and Indian armed force was realized as foreign employment. But after enactment of Foreign Employment Act, 1985, the foreign employment except this countries is also considered as alternative platform for the workers.
- Foreign Employment Act (1985) and foreign Labour Employment Regulation (1999) have made various provision s to uplift and sustain this sector and for security of labour and transparency of man power agencies.
- In the context of women migrants workers, policies are not encouraging to them and the problems faced by the women migrants is abroad is also usual.
- It is also found that government has lack of proper vision and working mechanism to address the issue of international labour migration. Market promotion, market assessment, demand verification and the provision of labour attach in the potential labour receiving country are still lacking, although the foreign labour migration has been developed as emerging

business and reliable source of national income in the difficult economic situation of the country.

7.2 Conclusion

In the 1990s increased globalization has effectively opened up new labour employment opportunities in newly industrialized countries, like Malaysia, Taiwan, and South Korea in Southeast Asia, and in the Gulf states in the Middle East, for men and women from South Asia, including Nepal. Even in developed countries, like Japan, the UK, Europe, and the USA, new opportunities for labor migrants have emerged, even though immigration controls and other restrictions ensure that many of them work there unofficially or illegally. The demand for cheap and un-organized labour encouraged labor migration from the poorer developing countries where unemployment and underemployment are widespread. In this prospect, International labour migration mostly in Gulf States, Malaysia and other South East Asian countries is a new phenomenon of migration in the Nepalese context and that only have about 30 years long history. Unexpectedly the foreign labour migration has developed in such a way, which has shifted the agricultural based economy towards remittance based economy.

Numbers of people going abroad for work have been increased for the last few years, especially the origination of armed conflict in Nepal. Major concentration of Nepali migrant workers was in Gulf States for the very beginning but the dynamics has been changed and people are migrating towards Malaysia since the past three years even though the number of people going the Gulf States is still significant. A class division among the labour migrants is also found to select the country of destination i.e. poor people are to India, Gulf States and Malaysia and rich people towards Japan, South Korea, North America and Europe.

There are various problems faced by the migrant workers both in home country and the country of destination. Unless addressing the problems of migrant worker from the policy level, solution is far behind. Nepalese Government on the one hand is not capable enough to proper implement existed policy and the other is, there are several things to do to the regulation and management of foreign labour migration. Basic things that are found to improve are amending the existed laws, promotion of labour market through the labour diplomacy, management of manpower agencies and welfare activities to the best benefit of labour migrants. The situation of women

migrant workers is found more vulnerable as compared to men migrant workers. The existing law in itself found discriminatory towards women and issues of women migrant workers are not considered sincerely. Even though, migration of women in foreign employment occupation has assisted to the economic empowerment of female to some extent.

Foreign employment helps to divert large amount of remittance into national economy. Remittances have positive impact on national economy as well as household economic conduction but this is not satisfactory. Maximum parts of the remittances have been used in household expenses like loan repayment, house maintenance and social spending. Likewise, the study also reveals that bringing more remittance money through formal channels is critical. So the current need is for more effective migration management to reduce the vulnerabilities of migrant workers and safeguard the rights of migrant workers.

Furthermore, we can conclude that foreign employment and remittances is one important component of national economy. Remittances have opened a new area of research to the economists and politicians. As its share and volume keep on growing, economic and financial model builders have got strong ground of empirical testing of hypothesis as “Remittance Led Growth”. So, remittance has a greater scope of expansion for a “role play” in the socio- economic development of developing country like Nepal. Nepal has an encouraging picture toward this direction. However, because of the lot of traditional or emerging new reasons, the remittance sector also would go in jeopardy if timely and proper policy measures and strategic actions are not adopted. Temporary inflow of such remittance cannot serve the long-term objectives of a country. For this, all the responsible bodies’ initiations and drives need to be directed to a safe, reliable, diversified and sustainable remittance system.

7.3 Recommendations

The following recommendations are adopted for the effective management of foreign employment occupation and true utilization of remittance earnings.

1. Nepalese government has adopted liberal economy and open democratic environment as its guiding economic and political strategy. In this regard, the policy formulated by the government should be guided on that. Policies are needed to encourage the use of remittances to promote longer-term growth and income security. Nepal needs to further devise policies that;
 - (a) Send more remittances through official rather than unofficial mechanisms.

- (b) Increase the levels of remittances by encouraging migrants to hold their savings in financial assets in the country rather than holding them abroad.
 - (c) Encourage migrants to become investor in productive assets in the country.
2. The opportunities to promote self-employment and small business formation amongst returning migrants and their relations back home needs to be recognized by the government and schemes must be targeted to assist investment in business activities.
 3. The banking system of Nepal has not been developed fully both in terms of coverage and efficiency. It is necessary to expand the banking network in the rural areas. At the same time, as it might be economically viable for the commercial banks to open their branches in remote areas, which can initiate collaboration for conducting the remittance business. A large section of Nepalese workers going abroad are from lower middle class and lower class residing in the rural areas. Most of them have hardly ever used the banking service. As a result, they are not aware about the formal channels. Hence, a publicity campaign and /or a nationwide advertisement scheme needs to be developed and implemented to familiarize the rural people to remote areas with the banking services.
 4. The workers will be inclined to use the banking channel only if the services provided are quick, reliable and efficient. Hence, new technologies that are constantly changing in the international banking system should be introduced in order to make the payment process quick, simple and hassle-free.
 5. To invest the remittance income in productive sector, the government should initiate for the issue of development bonds like Remittance Bond, having higher rate of interest, or a kind of Mutual Fund.
 6. Nepalese government should pay an especial consideration for the welfare of women migrant workers and all discriminatory laws/acts regarding the women involvement in foreign employment should be amended as per the guiding principle of the state. It is also important to realize that women face greater and different risks when they go for foreign employment. What are these risks and what can be done to reduce and cope with these risks also needs to be analyzed. Due to the lack of information and unorganized nature of their association in destination countries, they seem to face great deal of problems. Moreover, the

prevailing attitude, policies and institutional framework that see women as weak beings and have given rise to obstacles for their empowerment. So, government should pay strong initiation to enhance and empower the capacity of women to compete and make their movement easy and hassle free.

7. Nepalese government's policy on foreign employment has not been adopted in an organized way. The term "Foreign Employment" in the Foreign Employment Act-2042 is defined as the employment to be obtained by a worker to abroad where as the nature of work and the people involved on it are not specified. The existence of Non Residence Nepalese (NRN), sex trafficking, refugees and undocumented workers in abroad are not included by our act. In this regard the policy should be defined the term in itself either in a broad or specific way. This will facilitate to identify the legal status of different forms of migrant people.
8. Effective political diplomacy in the government level on migrant workers' issues is found very fundamental to respect the rights of migrant workers.
9. Government should have a proper policy that should guide them to identify new market for workers and the continuation of old market with increasing facilities to the labour migrants.

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www.unifem.org

APPENDIX - I

Questionnaire for Household Survey,2016

Central Department of Economics

Tribhuvan University

For the purpose of M.A. Thesis
Foreign Employment and Remittance of Nepal
(A case study of Gorkha Municipality)

A. Introductions of foreign Employees

1. Name.....
2. Age.....
3. Sex.....
4. Education.....
5. Caste/Ethnicity.....

B. Socio Economic and Family Status of the Overseas Employees.

6. Total member of the family.....
7. Marital Status
 - i. Married ()
 - ii. Unmarried ()
8. Do you work anywhere before going for overseas employment.
 - i. Yes ()
 - ii. No ()If yes what did you used to do?
.....
9. How much annual pay you used to earn from that job?
.....
10. Where you engaged in any social activities before going overseas employment?
 - i. Yes ()
 - ii. No ()

If yes in what activities were you involved?

11. Do others member of your families is in any job?

i Yes () ii No()

If yes how many members?

.....

12. How much earn in a year?

.....

C. During the process of overseas Employment.

13. Where (Which country)did you go?

.....

14. Why did you want to go there?

Push factors		Pull factors	
a)	Unemployment ()	a)	Employment ()
b)	Poverty ()	b)	Better living standers ()
c)	Conflict ()	c)	Better education ()
d)	Family loan boarder ()	d)	Friends/Relatives ()
e)	Others ()	e)	Others ()

15. How much did you pay for foreign employment?

.....

16. How did you go there?

(a) Through MPAs () (b) Through Relatives/Friends ()

(c) By own efforts () (d) Others ()

17. Did you have any technical skill before going abroad?

(a) Yes () (b) No ()

If yes, what did you have?

.....

D. Situation of overseas Employment.

18. Which work did you do abroad ?

(a) Labour () (b) Technical ()

(c) Official () (d) Store keeper ()

(e) Security Guard () (f) Others ()

19. Did you make any agreement with MPA?

(a) Yes () (b) No ()

If yes, what types of agreement?

.....

20. Where you cheated by MPA?

(a) Yes () (b) No ()

If yes, in what way you were cheated?

.....

21. Did you take any training abroad?

(a) Yes () (b) NO ()

If yes what was the training?

.....

22. Was your work safe?

(a) Yes () (b) ()

23. Did you use anything for safety?

(a) Yes () (b) No ()

.....

24. How did you earn in a year?

.....

25. How much did you remit in a year?

.....

26. Which channel did you use to remit?

(a) Formal Channel () (b) Hindi ()

(c) Friends/Relatives () (d) On self ()

e) All ()

27. Why did you use that channel?

.....

29. How long did you stay abroad?

.....

30. Do you want to go again there?

(a) Yes () (b) No ()

If yes why do you want to go?

.....

31. Has others members of your family gone for foreign employment?

(a) Yes () (b) No ()

If yes how many members?

.....

E. Using pattern of the remittance.

32. Did you bring /send anything except money?

(a) Yes () (b) No ()

If yes what did you bring/send?

.....

33. How did you spend your income?

- | | |
|------------------------------|-------------------------|
| (a) Regular household income | (b) investment () |
| (c) Loan repayment () | (d) Saving () |
| (e) Housing () | (f) Lending () |
| (g) Social services () | (h) Land purchasing () |

34. Have you investment in productive sector?

(a)Yes () (b) No ()

If no why?

- | | |
|--|-----|
| (i) Lack of investment opportunity | () |
| (ii)Lack of market access | () |
| (iii) Lack of sufficient capital | () |
| (iv)Lack of knowledge about investment | () |

If yes, where have you invested ()

- | | |
|---------------------|-------------------|
| (i) Agriculture () | (ii) Business () |
| (iii) Industry () | n(iv) Others () |

35. How much did you earn from that?

.....

36. Did you get any assistance from GOs/NGOs?

(a) Yes () (b) No ()

If yes,whats the assistance?

.....

37. Have you used here technical skill embodied abroad?

(a) Yes, () (b) No ()

If no ,why?

- | | |
|------------------------|-------------------------|
| i) Lack of capital () | (ii) Lack of market () |
|------------------------|-------------------------|

(iii) Lack of technology () (iv) Others ()

37. Have you migrated from origin after returning from overseas employment?

(a) Yes () (b) No ()

38. Some economic indicators before and after overseas employment.

Indicators		
A .Loan Burden		
B. Bank Balance		
C. Best Liability		
D. Land Ownership		
E. Occupation		
F. Average income		
G. Technical Skill		
H .Expenditure on Education		
I.Productive Investment		
J. Food Sufficiency		

39. What is your suggestion to those who are willing to go abroad?

.....
.....

40. What is your opinion to make well overseas employment business productive?

.....
.....