

**ECONOMIC IMPACT OF REMITTENCE IN
VIJAYANAGAR VDC OF PYUTHAN DISTRICT**

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RECOMMENDATION LETTER

This thesis "**Economic Impact of Remittance in Vijayanagar VDC of Pyuthan District**" has been prepared by Mr. Tirth Raj Gautam in partial fulfillment of the requirements for the Degree of Master of Arts in Economics under my supervision. I hereby recommend this thesis to the evaluation committee for approval.

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APPROVAL LETTER

This to certify that the thesis submitted by Mr. Tirth Raj Gautam entitled "**Economic Impact of Remittance in Vijayanagar VDC of Pyuthan District**" approved by the Central Department of the Economics in the prescribed format of the faculty of Humanities and Social Sciences. This thesis is forwarded for acceptance.

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This research report is prepared as a thesis in the partial fulfillment of the requirement for the master degree in economics. The specific objectives of the study is to identify the causes of economy impact of remittance in vijayanagar VDC of Pyuthan.

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ABBREVIATIONS

\$:	Dollar
BOP	:	Balance of Payment
CBS	:	Central Bureau of Statistics
DDC	:	District Development Committee
DOFE	:	Department of Foreign Employment
EPS	:	Employment Permit System
FY	:	Fiscal Years
GDP	:	Gross Domestic Product
GNI	:	Government of Nepal
IME	:	International Money Express
JITCO	:	Japan International Trading Corporation of Organization
MOF	:	Ministry of Finance
NLSS	:	Nepal Living Standard Survey
NPC	:	National Living Standard Survey
NRB	:	Nepal Rastra Bank
S.L. C.	:	School Leaving Certificate
UAE	:	United Arab Emirates
US\$:	United States Dollar
VDC	:	Village Development Committee
WB	:	World Bank

CHAPTER-I

INTRODUCTION

1.1 Background of the Study

Foreign employment can be defined as the form of the dependent relationship of employee on a employer outside the territory of country. Similarly remittance is one of the most relevant foreign currencies. On the other words it is the process of sending money to remove an obligation. Nepalese economy depends on the remittance income where as Nepal is one of the most labors exporting countries.

Labor force is another main resource of Nepal. Due to the high population growth rate 1.35% (CBS,2011) of Nepal population therefore, its role in the development of all sectors is becoming very important in recent years. But due to the lack of opportunities in our country to get employment and earning money skilled, semi skilled and unskilled all type of people have shown their inclination to the foreign employment because of these reasons, young generations are attracted towards the foreign employment, which has benefited them by rising their living of social prestige.

Nepalese economy depends on the remittance income where as Nepal is one of the most labors exporting countries. The total contribution of remittance income is RS. 371 billion in the fiscal year (MOF, 2015).Poverty is the burning problem of both developing as well as underdevelopment countries it is a worldwide phenomenon however it differ in it magnitude from one country to another.

Nepal is underdeveloped country. Poverty can be discussed in two aspects, one is based on per capital income approach &another is basic needs approach. Per capital approach Nepal's GNI per capital is US \$ 772 and absolute poverty is 23.8% of to all population on approach. Poverty is defined as the unavailability of basis needs like clothes, shelter and food. As the example: a person needs average daily intake of 2256 calories and value of lowest actual daily consumption of other basic necessities. If a person can't get that required amount of calories, he can be rated as poor. Due to the very high level of poverty, that social of Nepal is also very low in consumption to the

world level. Nepalese economy has been suffering from the low level of equilibrium trap surrounded by poverty. The economy is still facing the problem of political instability and country is in underway of economic development. Therefore in the recent year thousand of Nepalese people are migrating abroad and remittance is becoming strong pillar for their livelihood (MOF, 2015).

Economic Survey 2015 shows that 23.08 percent of Nepali people are below the absolute poverty line. The official monetary poverty line in local prices is NRs 19,261 (CBS, 2011) per person per year. This is approximately 225 US dollars as of April 2013 transaction rate¹. It implies that a Nepali consuming approximately 0.6 dollar a day is considered as non-poor. This level is far less than that of the World Bank's 1.25 dollar a day measure, which the Bank terms as extreme poverty. There are intra-country disparities in poverty line and distribution. For example, the poverty line is lowest (approximately 184 dollars) for the western southern plain and highest for capital city Kathmandu (approximately 471 dollars). There are more issues. The interesting one is that the Kathmandu ties spend more on non-food items, almost double to food items against the higher expenses in food items for other parts. The proportion of people living below poverty line is highest in the northern mountains while it is lowest for urban hill. The western part of the country hosts higher proportion of poor compared to eastern part. If we use human development concept to measure the poverty, the proportion of Nepali people living in poverty is around 23.08 percent (MOF, 2015). However, there are vast differences in the measurement process and indicators in the both concepts. Nepal's official poverty measurement is basically based on consumption approach which mainly uses basic calorie threshold. It does not concern how the people maintain their basic living standard. It is also blind to whether there are public investments to enhance the capability so that they can sustain their fight against poverty. In common sense, Nepal's official poverty measurement practice deserves criticisms of money metric approach

Remittance is created by the foreign employment that has long experience in Nepal. For the foreign employment Nepalese people are engaged before some centuries. The Nepalese people were earned "Brave Soldier" in the history of world before some decades. Nepalese people are earned a name and fame for the fighting the victory in the war so that they are called as "BirGorkhali" Nepalese migrated people are called

'Lahure' because they employed and earned money in Lahor which is in Pakistan now. Some of the Nepalese were earned money in Malaysia so they were called "MalayakoLahure". The various studies show that Nepal's borders in 1816 through the Sugauli Treaty with British India, the Gorkhali hero BalBhadraKunwar left Nepal to join the army of the Punjabi King Ranjit Singh Moreover, Nepalese armies had fought very bravely in favor of British India and being honest in nature made the East India company decide to recruit for British army and then established 10 regiments so far, especially from Gurung, Rai, Limbu, Magar and other Janajati youths of hilly district. As a result, their income level dramatically changed and financial position had become strong relatively to the other people from the community. Then the demonstration effect took place gradually (Bharati, 2014).

According to historicist K Mojumdar, only 3838 Nepali soldiers returned home upon being discharge after World War I. Due to very strict laws and no economic development occurring in Nepal under the autocratic Rana regime, a significant number of Nepali worker proceeded to migrate to India with the establishment of the tea estates in north eastern India, a considerable number of Nepali worker proceeded to migrate to India with the establishment of the tea estates in north eastern India, a considerable number of Nepali workers immigrated and established communities of their own in the region. He further writes, Nepali migration to India is a topic of significant importance to both nations, yet has been largely ignored. The open border and lack of passport requirements makes the task of keeping tabs on Nepali worker in India or Indian workers in Nepal extremely difficult" (Singh, 2006:74). "For many areas in Nepal, particularly in the Mid-hill Zone, labor migration is a livelihood strategy with a long standing history and thus deeply engraved in the culture. Migration is a common solution to the problem of earning a living in an area with scarce employment opportunities and limited land resource. Migration in Nepal is a highly gendered process. Migrants are predominantly male. Women have the main responsibility for housekeeping and child rearing and are involved in search of work. However, the number of women migrating on their own is increasing in Nepal" (SancharikaSamuha& UNICEM,2003).

1.2 Statement of the Problem

The age of globalization, remittance has become a difficult position of development for any developing country. The developing countries in this age can't even take footpath ahead without external assistance like remittance & foreign aid. Remittance reflects the local labor working in the global economy remittance improves the integration of the countries in the global economy.

The direct economic impact of the remittance is seen about the reduction of poverty allegation in the present situation by its use in the productive activities even through positive impact seen in the society. By the increasing of remittance income we see indirectly positive impact such as impact on health, education, gender issues, social participation, politics, women empowerment & cultural and social changes. Remittance increase the households social consumptions patterns & expanse the overall economic activities besides the increased number of migration help to rise to local ways rate such a rise in wage rate. People are gaining those who are backwardness in the community (Sapkota, 2013). Most of the labor sources are entering in international labor market as a working 3 'D' dirty, dangers & difficult work. Because rising unemployment in the domestic economy due to the internal conflict, corruption, failure of domestic industries lack of the employment opportunities in the domestic economy this study is designed to address to following research questions related to foreign employment, remittance and poverty.

- i) What is the trend of foreign employment in the study area?
- ii) What are the sectors that the remittance is used mostly in the study area?
- iii) What is the economic impact of remittance in the study area?

1.3 Objectives of the Study

The main objective of the study is to analyze the foreign employment and economic impact of remittance in the study area. The specific objectives are as follows:

- i) to explore the trend of foreign employment in the study area.
- ii) to examine the mobilization of remittance in the study area.
- iii) to analyze the economic impact of remittance in the study area.

1.4 Significance of the Study

In this time the remittance income is playing very important role to reduce poverty in the areas of our country Nepal especially, in those areas of Nepal where there is no job opportunities to earn money to fulfill their basic needs except the agriculture sector but the productivity in the agriculture is very low. The people of hilly region areas work for all the year but hardly get food even for six months.

The remittance is coming for all over the world to Nepal where the Nepalese people are migrated certainly that amount of remittance is helping Nepalese economy to reduce the poverty level. But most of the remittance income is used in the unproductive fields like purchasing of luxuries goods, house building, land & consumption etc. Therefore the remittance income is not paying. It's actual role for the development of the country as well as the reduction of the poverty. In other words if remittance income is invested in the production sector like agriculture, industries, manufacturing and other development activities etc.

As remittance income is one of the major sources of foreign exchange earnings. The significance of the study of remittance and poverty reduction is very important though. There are various publications and reports on Pyuthan district on various topics but the study of economic impact of remittance is not yet carried out by any of the researchers. So this study has become the great significant to analyze & to know the economic impact of foreign employment and remittance in the study area.

1.5 Limitations of the Study

- The study is concentrated in Pyuthan district, to determine the magnitude of poverty as well as the amount of remittance income in micro level this study is based on sample size of study area.
- Due to the time and constraint of resources and limited time, 120 households have been chosen out of 892 households.
- The households are chosen randomly for the reason that this approach reduces bias in the estimation. However, this approach has a limitation that the Wards may have the chances to concentrate in one area.

- In addition, yet again because of limited budget and time constraint, this study takes account of only few social economy variables for the analysis and observes the impact of remittances on these variables.
- The study has been conducted in Vijayanagar VDC of Pyuthan district. So, it may not be helpful to make general conclusion. The study includes limited tools and techniques like figure percentages, average and ratio.

1.6 Organization of the Study

This study is on the following format: First chapter is introductory chapter. In this chapter, background of the study, statement of the problem, objectives of the study, significance of the study, limitations of the study and organization of the study has been discussed. In chapter two, review of literature based on previous writing, articles and research works has been summarized in national and international level and studies which is also has been reviewed the available theoretical and empirical literatures. Chapter three includes research methodology, research design, and introduction of study area & nature of data analysis. In chapter four, there is presentation and analysis of data and finally chapter five summarizes the whole works with some recommendations and concludes the thesis findings.

CHAPTER-II

REVIEW OF LITERATURE

In general, review means a looking back on retrospective view of survey, as past event of experience so that every scientific research must be based on past knowledge. Ignore previous studies cannot because they provided the foundation for present study. Therefore, this chapter contains review of the relevant literature found by the published book, journal, article thesis, newspaper, report, websites and previous theoretical and empirical research work which are related to support the present study.

Review of literature is an important part of the research study. It is the process of reading and evaluating the existing literature, it helps to increase the knowledge of the research in the area of interest. By means of literature review, the researcher can identify what has been studied in the past, and so on. Depending upon the past study, the researcher can design his study. He always tries to study that thing which has not been studies in the past. Review of literature also helps the researcher to select a particular methodology of the study (Bhattarai2010).

2.1 Theoretical Concept

Nowadays, the remittance is one of the most important income sources in the context of the Nepalese households. The volume of remittance income is growing at an exponential rate in recent years. The renewed debate stated particularly after 1990 when it was observed that the dependency theory and structural views on remittance, which dominated the debate of 1970 and 1980 and maintained a pessimistic view on remittance witnessed a downfall. The dependency theorists were of the view that remittance never contributed to the developed and the underdeveloped countries mainly or reason that international migration encouraged brain drain from the developing countries depriving them of the human capital that they desperately need to meet their development goals. Prior to the dependency and structural views, however, the developmentalist and neoclassical thinkers during 1960 and 1970s had maintained optimistic views on remittances believing that capital and knowledge transfer by migrants would help to achieve development needs of least developed countries in the world. The same views have taken incarnation at the start of this century bringing back the debate about remittance on the floor once again.

Aryal (2006) conducted a household survey in order to find out the effect of the internal and international remittance on the household welfare and land conservation investment, the impact of 10 percent increase in these remittance incomes have been simulated. The increase in remittance has a positive effect on the household welfare and the soil conservation investment. Household productions as well as consumptions level have improved. Similar results are found in case of soil conservation investment of the household. It is quite interesting to note that both use of family labour and hired labour have increased with the increase in remittance income of the household in the village. The positive impact may be due to the increase in liquidity with the household having remittance earnings. That might help generate land rental and the labour hire market within the village, which in turn increases the income of the households that do not have remittance earnings. The inter-dependence across the household groups in the village and their behaviour needs to be studied carefully to understand clearly the factors explaining this relation.

Gaudel (2006) has studied the remittance income in developing countries has become a lifeline for economic development. By remittance we mean sending income on terms of money or goods in home by the migrants' income from outside their home country. Now days, remittance income has been growing rapidly in developing countries. Since long time in Nepal, many migrants have been transferring their income through the official and unofficial channels. Due to agencies like Western Union, International Money Express (IME), and Commercial Banks, in several district headquarters and villages of the country, the remittance flows has become population for transferring cash or money in time to the recipients. However, it is difficult to calculate the exact size of remittance flows in Nepal due to the emergence of unofficial channels even though it has recorded in balance of payments account. In this regard, it is estimated that unrecorded flows through informal channels are believed to be more than 50 percent. A remittance transaction is completed in three steps. In the first step, the sender pays the remittance to the sending agent or institution using cash, cheque or money order or a debit card using ecommerce and so on. In step second, the sending agency instructs its agent in the recipients' country to deliver the remittance in the third remittances are periodically followed between sending agents and paying agents according to their agreed schedules. However, informal remittances are settled particularly through goods trade. This schedule of

sending money has played an important role to deliver money transfer service in a convenient way. The cost of remittance transaction includes a fee charged by the sending agent, which is paid by the sender and the currency conversion fee for delivery of local currency to the beneficiary in recipient country. If remittance comes through commercial banks or financial institution, they may earn an indirect fee in the form of interest by investing funds before delivering the amount to the beneficiary.

Shrestha(2012)remittance can be generated beneficial impact on the economy various channels such as saving, investment growth consumption &income distribution. Remittance have relaxed the foreign exchange constraints of the country and strengthened its BOP.

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

2.2 Review of International Studies

TilaniandRoshini (2009) studied on impact of migrant in Afghanistan using cross-sectional data from national risk and volatility survey (NRVA) 2003 and 2005. The survey of NRVA 2003 conducted with covered 11227 household out of the total household 2332 number of household had at least one member who migrate during the last year. Similarly, survey of NRVA 2005 conducted with main objectives to gather information update and guide police maker in their development decision about the remittance.

This study found that remittances are the most tangible result of migration and direct link to development. Remittances have direct position impact on poverty alleviation, access to education and health facilities.

Bencherifa(2003) in his case study concludes that international migration and remittances have a positive effect on the education of children. Besides remittance-enabled investment in physical capital, investment in human capital is likely to be important for the long-term growth prospects of developing countries. Thinkingofit

from a capabilities perspective on development spending on the education of children counts as a long-time productive investment and as an income assurance strategy for households and families such investments in their children's education are especially important for people without access to formal social security arrangements.

However, whether skills and knowledge acquired through education will be deployed locally or abroad, that is, through migration, ultimately depends on the political climate, economic growth and the structure of labor markets in sending countries. On the other hand, there is evidence that under certain circumstances migration might also create negative incentives for education. If the opportunity to migrate decreases the return to education, individuals may be discouraged to invest in education. This seems specifically to be the case in migration systems predominated by low-skilled & often undocumented migration, where few if any position externalities of education can be expected. For instance, a Mexican or a Moroccan cleaner with a university education in Spain or the United States is unlikely to earn significantly more than a colleague with only a primary education. There is indeed some evidence from Mexican household surveys indicating that international migrations have a negative effect on the level of schooling of children. This finding corroborates others who suggested that schooling has no effect on incentives for international migration from rural Mexican, where as schooling has positive effects on internal migration incentives.

Rajan (2009) presented the India (Kerala) experience with using random sampling method with adopted probability proportional to no. of household which sample drawn from 300 Panchayats (localities) used mention sample method in fifty households. He found that average age of emigrants 28, average age at return 44, life in Gulf 16, unemployment rate before emigration 23 and unemployment rate after return 29.

In study found that most of the Keralian male worker migrant in Gulf countries to search the appropriate employment opportunities, and they earned money and sent back their home country its impacts particularly 1.28 times more than the transfer from central government, 1.5 more than the government expenditure and 15 to 18 times more than the receipts cashew, marine products. At last of the study remittances impacts on poverty, unemployment, standard of living, ownerships of

houses, consumer durables and social mobility with income distribution. On the other hand, impact of migration on women, elderly people & children due to loneliness.

Roberts (2008) aimed to identify the development impact of remittance on Caribbean economies. This study was done with primary and secondary data. Tools were bar graphs, trend line and table. Finding of this research were that remittance play a central role in the education of many Guyanese. Based on the response of the survey, 15 percent of the funds were used to finance education. A recent observation is that there is a switch in primary and secondary school enrollment from the public school (where educational is subsidized) to the private school where the average cost of tuition is G\$ 150,000 per year. At the University of Guyana during the academic year 1999/2000, 18 percent of the students who were accepted to various programs offered by the university, did not utilize the lone facility but instead made cash payment. At the end of the academic year 2005/2006, this ratio had increased to 30 percent.

Researcher concluded that remittance flow have positively impacted on the development of Guyana. More importantly, given the strong altruistic motive for sending remittances to Guyana formulating appropriate policies to enhance the flow and the use of remittance increases the development impact of these flows and mitigate the cost of migration in Guyana.

Deshal, DemalandSuwendrani (2009) assessed the impact of remittance in Maldives from the period 1997 to 2005. They found that significant role of remittance to remove poverty (i.e. 10% increases in remittance leads to 3.5 % decline in poverty) and internal migration another important aspect of remove inequality.

The study suggested some policy implication to keep documentation of migrant people encourage sending money through legal channel and building strong policy frame work needed for management for foreign employment etc.

World Bank (2012) showed the outlook of migration and remittance follows that Nepal has ranked 6th among all countries across the globe that receive more remittance as a share of gross domestic product in 2011, says a report released on 1st December 2011 of the World Bank on migration and Development. The outlook for remittance Flows 2012-14 estimates that Nepal will received around US\$ 400 million worth of remittance from its overseas workers and in 2011, making remittance stand

at 20 percent of country's total GDP. "Tajikistan, Lesotho, Samoa, Moldova and Kyrgyz Republic are the top five countries receiving more remittance as a share of GDP, and Nepal stand at the 6th place," says the report. Remittance received by these top five countries were equal to 31 percent, 29 percent, 25 percent, 23 percent and 21 percent of the their respective GDPs. The new report shows that the top recipients of remittance among developing countries in 2011 are India (US\$ 58 billion), and the Philippines (US\$ 23 billion). Pakistan, Bangladesh, Nigeria, Vietnam, Egypt and Lebanon are other larger recipients in terms of US dollar. The report estimated that remittance flow to developing countries in 2011 could have touched US\$ 351 billion. This is 8 percent growth over what those countries received in 2010 and well above the growth forecast of 7.3 percent that the WB had made earlier. When flows to high-income countries are included, the global remittance flows could touch US\$ 406 billion in 2012" And this is the first since the global finance crisis that remittance flows to all development regions have increased in 2011", read the report. The report attributes the rise in remittance flows to countries like Nepal to high oil price, something which enabled Gulf countries to hire more workers and pay them better than the past few years. The depreciation of local currency, which enabled families back home enjoy net exchange rate gains, also contributed in the flow of remittance in countries like Nepal.

Such finding of the WB matches with the figures that the Nepal Rastra Bank (NRB) released recently. The latest macro-economic report that NRB made public and says Nepal received some Rs 75 billion worth of remittance over the first quarter of this fiscal year, which is about 28 percent rises over remittance received in the same period last year. The WB predicts that the remittance flows to developing countries in a range of 7-8 percent per annum and reach US\$ 441 billion by 2014. The remittance are expected to increase 8.0 percent to \$351 billion in 2011, 7.3 percent to 337 billion in 2012, 7.9 percent to \$ 406 billion in 2013, and 8.4 percent to \$ 441 billion in 2014.

Many studies examine the relationship between remittances and investments in the home countries. Barajas et al. (July 2009) points out that for developing countries remittances are large relative to other financial flows³. They find that in last 10-year period, remittance flows have become as large as foreign direct investment (FDI) flows to developing countries, amounting on an average of about one third of export earnings, more than twice the private capital flows, almost 10 times official capital

flows, and more than 12 times official transfers. In light of this, developing countries should capitalize this huge amount of remittance inflows and use it for investment to promote development and the growth. Empirical evidence in this regard shows that the inflow of remittances by the migrant workers and professionals from an underdeveloped and developing country helps in increasing the investment activities in the recipient country. Asiedu (2003) reveals that nearly 30 percent of remittances are used for the purpose of investment and construction of house in Ghana. Similarly, according to Drinkwater et al. (2003), if the primary income earner remains at home and continues to maintain the household, earnings from migration are more easily diverted to savings and investment. By using 1988 survey of 1526 Egyptians migrants, McCormick and Wahba (2001), attempt to find the probability of a migrant becoming an entrepreneur/employer/self employed person or a business owner- upon his/her return from working abroad. Even though, the results are different for literate and illiterate migrants, the general conclusion derived was that two factors namely, time spent working abroad and total amount of money saved abroad, have positive and significant effect on the likelihood of migrants becoming an entrepreneurs on their return to the home country.

Adams (2005) examines the impact of remittances on the spending behavior of household for consumption and investments, in both the rural and urban Guatemala. The study takes the data from 2000 survey of 7276 households and compares the marginal budget share of remittance receiving and non-remittance receiving household on six consumption and investment goods. The findings show that the households receiving international remittances spend more at the margin on investment goods, especially, on housing and education, and spend less, at the margin, on food items. Similarly, Yang (2004) analyses how the exchange rate shocks during 1997 due to the Asian Financial Crisis affected the expenditure pattern of 1646 Philippine households receiving international remittances. Of the several findings in this paper, one of its findings shows that a favorable exchange rate shocks (i.e. more remittances income as a result of favorable exchange rate shocks) increases the investment of remittances receiving household in entrepreneurial activities specifically in transportation, communication and manufacturing enterprises.

Adelman and Taylor (1990) found that each dollar sent by Mexican migrants increases the Mexican GNP by about 3 dollars. Duran, Parrado and Massey (1996) noted too

that an increase of remittances by 2 billion dollars draws away a production growth of 6,5 billion dollars. But concerning cross-sectional studies, results are not so convergent. Whereas Stark and Lucas (1988) or Taylor (1992) enlightened a positive relation between remittances and growth in the origin countries, Spatafora (2005) did not find any relation between the real GDP per capita growth and migrants remittances. Chami and al. (2003) even showed that remittances have a negative impudence on the labour supply or on the saving effort (phenomenon of moral hazard). But if remittances are mainly used to finance basic consumption, they may have an effect on poverty even though their effect on growth is negligible. The second channel brought into light in the literature is income inequality. Ahlburg (1996) and Taylor and Wyatt (1996) confirmed the hypothesis according to which remittances have an adjustment effect on the income distribution in Tonga and in Mexico. For Tongan households for example, Gini index of total revenue would have diminished from 0,37 to 0,34 thanks to remittances received. Nevertheless, other studies showed that remittances flows accentuate income inequality. This is the case of the Adams' work on Egypt (1991) or of the one of Rodriguez on Philippines (1998). One of the main explications is that only richer families can afford the costs of migration (Stahl 1982, Lipton 1980). So later these rich families will also receive remittance flows. In this case, migrants' remittances would worsen income inequality and consequently the poverty level in the countries of origin too.

Even if the channels through which migrants remittances can affect poverty reduction have been much examined, to our knowledge, just few papers focused on which factors depends the remittances effectiveness in terms of poverty reduction. Moreover, no one studied the role of instability occurring in the origin countries on the remittances effectiveness at the macroeconomic level.

In 2005, Ruiz-Arranz and Giuliano examined the role played by the financial development in the effect of remittances on the growth of home countries. Given the difficulty for borrowing money in developing countries, the authors argue that migrants' remittances can represent a substitute for the lack of credit access in these countries, and thus favour growth in countries where the financial system is not enough developed. That is why they study the interaction between migrants' remittances and financial development, but also the effect of this interaction on growth. Finally, Ruiz-Arranz and Giuliano find that remittances can more promote

growth in countries where the financial system is less developed. In 2006, Faini studies the effect of the political situation in the origin countries (measured by the inflation level) on the remittances effectiveness. He finds that the interactive term remittances political situation is negative and significant. So the effect of remittances on growth would be all the more improved that the political situation is bad. Furthermore, when this interactive term is included in the regression, the effect of remittances remains significant. But when the author took into account the endogeneity of remittances and of the political situation by using an instrumental variables procedure, the multiplicative term is no more significant. In other words, the results of Faini seem to be not very robust. Besides, the theoretical arguments for this relation are not really developed in his paper or more generally in the literature. Indeed, remittances flows do not pass through the State, so it is not realistic to think that the political situation of the origin countries can have a significant effect on the remittances effectiveness. Furthermore, even if the role played by the financial development in the remittances effectiveness seems to be more consistent, it would be also relevant to imagine that the effectiveness of remittances in terms of poverty reduction could be amplified when the economic instability is important. Indeed, many studies, above all at the microeconomic level, showed that migrant remittances can play an insurance role, particularly in small economies which are very disturbed by shocks.

Macro level studies for a cross section of countries appears to be sparse. Paolo Giuliano and Ruiz-Arranz (2005) use cross country data on remittances for 73 developing countries from 1975-2002 (using 5- year averages) to examine the relationship between economic growth and remittances. Their study focused on how a country's capacity to use remittances and its effectiveness in doing so is influenced by local financial conditions. They found the marginal impact of remittances on growth to decrease with the level of financial development. They argue remittances ease credit constraints in developing countries that do not have well functioning financial markets, thus playing an important role in providing the initial start-up capital for productive investments. They conclude that remittance driven growth is less important the more developed the financial system.

Jongwanich (2007) examined the impact of worker's remittances on growth and poverty in developing Asia-Pacific countries using panel data from 1993 to 2003.

They find that while remittances have a significant impact on poverty reduction through increasing income, smoothing consumption and easing capital constraints of the poor, they have only marginal impact on growth operating through domestic investment and human capital development. They find an insignificant impact on growth in a direct growth equation and deduce the above conclusion indirectly.

2.3 Review of Nepalese Studies

Karki (2006) has attempted to identify the impact of foreign employment and remittance in rural community in the study area. Moreover he also tried to identify the past trend of foreign employment and remittance of Nepal, Socio-economic characters of foreign employees, sources of financing and cost.

For foreign employment, change brought by foreign employment and remittance in household economy and uses of remittance. His study is based on both the primary as well as secondary data. Primarily data were collected from the publication of CBS, NPC and WB etc for the purpose of comparison of the composition of foreign employment and remittance in his study. He has analyzed the collected data by using simple statistical tools like percentage and ratio.

Thus, the study has concluded that the main destination of Nepalese workers is Gulf countries and Malaysia. Sixty percent of total workers are in Gulf countries. The main countries are Saudi- Arab, Qatar, UAE, and Malaysia etc. The remittance is increased in the year 2003/4 by 36% while base year was 1994/95. The contribution of remittance to GDP in 2003/04 was 11.44% and the share of remittance in convertible foreign exchange reserve was accounted by 46.9 % in 2003/04. The average cost for foreign employment was Rs. 93.25 thousands. It ranges between Rs. 45 thousand minimum to Rs. 150 thousands maximum. Sources of financing for foreign employment for 90.255% migrant workers was borrowings. The major sector of employment for Nepalese workers was building construction (41.66) and Industry (26.38%). The Nepalese workers average stay duration was 2.99 years. Most of them respondents of that study want to go again because of the unemployment (70.85) and conflict (36.11). Out of causes maximum summaries that remittance has increased their household economic and social indicators after returning from foreign employment. Around 55% respondents said that remittances have changed their

economic status and standard of living and around 72 percent said that it has increased their social attitude and around 90% respondent skills. But remained same standard of living and 27% said that it remained their social attitude same and 9% said that remained same level of skill after returning from the foreign employment. Around 77% respondents improve their clothing and 33% increased their cash available according to the field resources. But around 15% respondents have worsened their education of children, health of family members and cash available and around 36 % respondents have same level of education of children and health of family members around 47 to 50 % have same level of cloth and cash available.

The study has some recommendation for the betterment of the foreign employment sector. These are the policy should made to solve the conflict situation create good environment and provided sufficient technology as well as market give more information to the respondents technical training institution should be established in rural areas the required funds should be provided by the government sector for the people who cannot afford foreign employment should be declared by the government etc.

Lohani (2014) studied on foreign employment and remittance of chock ChisapaniVDC of Tanahun district to identify the impact of foreign employment and remittance in rural community, socio-economic character of foreign employee source of financing, changes brought by foreign employment and remittance in household economy. To fulfill the objective of study 116 respondents, new technology like Skype and email also were used in few cases and data collected through questionnaire and interview method. Some secondary data were also used. Both qualitative and quantitative methods were used to analyze the data. The study found that the remittance was used in different heading i.e. land purchase in urban areas education expenditure in social rituals etc. In the one hand it has made remittance holder lazy as a result so many hectares of land have been useless similarly on the other hand remittance has increased the economic activities which ultimately increases the demand. Less investment on productive sectors tends to lack of production which leads to the import and as a result the payment goes to the outside. it proves that there are no productive uses of remittance in respective area. So, the positive impact of remittance on local level was not realized. In this regard, the null hypothesis (H₀): there is no significant positive impact of remittance on chock ChisapaniVDC was accepted and alternative

hypothesis (H1): there is significant positive impact of remittance on chock Chisapani VDC was rejected.

All the reviewed literatures were not fully related to this research work. Different research design, sampling procedures, data collection tools were use in those reviewed related literature though this present research work is shaped in a constructive direction because of the invaluable contribution and insight given by these researches are formed in the study. This study intends to examine the role of remittance on female education in form of case study of Kanchanpur which has not been done so far.

NRB(2012) revealed the impact evaluation of remittances in Dhanusha district that of the total 25 socio-economic variables the study took for granted, more than half of them received expected impacts from remittances. The land purchase was most significantly affected variable from remittance income. Similarly, the agricultural income was also substantially affected by remittances. Remittance-recipient households experienced a substantial rise in agricultural income after they started receiving remittances. The households of migrant workers were also found to be allocating a significant amount of their children were also positively affected. This outcome was in contrary with the result some prior studies had revealed that educational efforts of the children of migrant-sending households had adversely affected. The positive effects were also observed in the access of communication means such as radio, TV, Telephone. In the same line, the migrant household's radio listening and television watching-habits were also increased significantly. The results in women empowerment were mixed, however. The women's decision regarding children's education and financial transactions were positively affected where as the effect were negative for women's health consciousness and child birth. Besides, the remittance-recipient household is higher than in non-recipient households. The analysis with only treatment households demonstrated that there is no female worker among those who went abroad for foreign employment. Middle East was the most favorite destination of the migrants in the study area followed by Malaysia. The income for migration per migrant worker stood NRs 169,000 resulting in income of NRs 14,000 per month, indicating that the income of migrant workers is relatively low. Most of migration expenditure was financed by borrowing and only a trivial amount from saving. In borrowing, the average interest rates these households paid

was 28.3 percent per annum, which was mostly from moneylenders who charged them as much as 40 percent per annum on average. Only 14 percent of total borrowings of these households were from formal bank and financial institutions at the average interest rates of 16.6 percent per annum.

Gurung and Adhikari (2014) concluded it has become easier to obtain travel documents and passport. The increasing flow of information and the liberalization in travel led to surge in the migration of Nepali citizens for employment. Again, because of political conflict since 1995, the trend of foreign employment has dramatically increased. This situation has compelled Nepalese youths to look for overseas employment. This conflict has also resulted in increased flow of migrants from the mid west to India.

Karna (2004) concludes that the risk in migration of young Nepalese in search of work had contributed largely to revenue growth. It was believed that remittances sent by workers to their relatives back home from both formal and informal sources totaled Rs. 100 billion, compared with the total contribution of the manufacturing sector in the national economy of Rs. 36 billion and that of finance and real estate of Rs. 51 billion (Panta 2004:6). It revealed the fact that the remittance sent by workers had contributed substantially in relative terms, to the growth in GDP. The factors that had contributed to whatever growth they had witnessed in the government revenue in the last fiscal year were undoubtedly the corresponding growth in the migration of the young people to other countries in search of work. The government revenue in the current fiscal year would increase at the current rate.

NRB (2005) found that 86 percent of Nepalese emigrant workers, other than Indian, are working in the Middle East countries. Moreover, a majority (85) of Nepali working abroad are labor and 13 percent in army and a very small portion 2% in foreign government services. The study reveals that almost half of the people working abroad get only US \$150 per month. It further points out that only one-fifth of emigrant workers send their money through the Banking channels.

Rai (2013) states that remittance income is emerging as one of the most significant and reliable sources of external finances for many developing countries. Not only in the macro level the contribution of remittances has been directed and sizeable in remittance recipients in micro level as well. A significant number of people in developing world are receiving remittance earnings to finance their expenditures in

home consumption, children's education and so on. In this thesis he concludes that the main medium to get foreign employment in manpower agencies with 52.22 percent and they are exploiting because of lack of knowledge. Out of them 58.59 percent emigrant workers have taken loan from sahu and their relatives. It shows that foreign employees are extremely poor and their access in financial sector is very low.

Nepal (2015) studied migration among young adults (aged 18-40) is increasing, with more than 1,500 young Nepalese going abroad every day seeking employment (The Ministry of Finance, 2013). Approximately 453,000 Nepalese migrated in 2012-2013 alone for employment opportunities (The Ministry of Finance, 2013). There is a large number of Nepalese immigrants in countries like Saudi Arabia, UAE, Qatar, Kuwait, and Malaysia. The majority of Nepalese migrant workers employed in these countries are either unskilled or semi-skilled laborers, mostly working in construction, manufacturing or domestic jobs. Remittances comprise nearly 25% of Nepalese GDP (The Ministry of Finance, 2013, 2014). This means the role of remittances in Nepal is extremely important for the economic development of the country.

Migration can be considered as a way to mitigate shocks or as a way to enhance opportunities for individuals. Youth migration is common in regions and countries where there is a lack of public sector support, job opportunities, and insufficient access to basic facilities such as health care or education.

Previous studies have shown the net benefits from migration are substantial for unskilled workers, landless and relatively deprived workers (Angelucci, 2013; Bhandari, 2004). These workers have the lowest opportunity cost to migrate, and the benefits of migration can be highest for these individuals when similar jobs have higher wages at the destination. The private transfer, these migrants send to their families provides a sizable element of household income. Migration, however, is a costly and risky investment for the poor and unskilled. Costs associated with migration are both monetary and non-monetary. Migrants are usually the younger, more productive members of the household. The absence of younger and most productive household members can increase the disutility of the migrants and the household alike. Non-monetary costs associated with migration are the disutility of being away from home and physical and emotional stress to both

family members and migrant at the destination. For monetary costs, liquidity constraints may be a factor that prevents potential migration opportunities

2.4 Summary of Literature Review

In Nepalese context only earning of remittance is shown poverty reduction is elaborated increment of literacy per capita income international standard of population have been counted. These all above indicators are directly linked up with foreign employment. On the other hand foreign employment caused the rapid inflation unplanned urbanization which leads to many problems. Foreign employment also causes trade deficit of the nation because remittance increased the purchasing power of Nepalese not the production, increment on purchasing power only causes the high import which leads to trade deficit.

Many survey and research show that 82 percent of remittance goes to consumption; only 2 percent goes to capital formation. It means that remittance is only used for consumption, so it has no long term value. It only increases the consumption habit of population, not the national production.

By the above conclusion, many surveys have been conducted about the foreign employment and remittance in Nepal. It is found that causes to join foreign employment uses of remittance in household economy, poverty reduction, consumption pattern and etc. have been studied many times, but not searched linkage to the international migration pattern. In this research, I have tried my best to search the linkage of remittance and internal migration because it is the time to study uses of remittance not only the contribution on GDP, its long term impact should be analyzed. New vision and work plan should be drafted by government to use the remittance in national economy. Its socio-economic impact should be studied. Proper use of remittance could change the national economy. By using remittance, national production could be increased despite import and import must be replaced by export. So, the remittance would be gift rather than ruin in Nepalese economy.

CHAPTER-III

RESEARCH METHODOLOGY

3.1 Research Design

This analysis is based on Pyuthan district. It is micro level study. This is analytical as well as descriptive research design with controlled & treatment group. The treatment group consist the households with at least one household member engaged in foreign employment for minimum two years & the rest of the household are considered as controlled group. The main object is to review the impact of remittance on poverty reduction of the study area; therefore, the rationale of treating two years of foreign employment demarcation is to recognize the impact of remittance on poverty reduction & to establish the significant relationship between variables. The required data to meet the objectives of this study are taken from primary as well as secondary source. The simple statistical as well as scientific tools are used to analyze the results.

3.2 Introduction of Study Area

Vijayanagar VDC is located at the mid part of Pyuthan District. According to VDC profile 2011 the total population of this VDC is 5168 out of which 2634 male and 2534 are females. The total households are 832. The major occupation of households is agriculture. Besides, households receive a significant portion of remittance income sent by a large number of youth and youth from abroad. Thus, the remittance income has been a major source of household expenditure in the village. Female migration and female foreign employment is also increasing day by day in the village.

3.3 Nature of Source of Data

This study will be based on primary source of information. Interview was the main tool gather primary information with the help of questionnaire. Some interviews will be held via Skype, Face book and E-mail. This was the main component of the study and some data were derived from secondary sources which are both published as well as unpublished like centre bureau of statistic (CBS) national planning commission Nepal, standard survey by (CBS) and journals, books, magazines and others.

3.4 Variables

Various socio-economic indicators are available to study the impact of remittance income at household level in the society. However, this study examines the basic variables about income, consumption, expenditure, education level of children, schooling, purchase of fixed assets, ownership of durables household investment on business and other production works, village labor and wages etc. The main independent variables is the inflow of remittance income to households in the Vijayanagar VDC and the difference between household outcomes likes consumptions, household saving, education level etc. between controlled group and treatment groups.

3.5 Method Collection of Data

3.5.1 Primary Data

This primary data was collected through direct interview with the help of structured & semi- structured questionnaire prepared for this study. The questionnaire has contained the question which covered the socio-economic & other issues to obtain the required information related to this study. The primary data required for the proposed study are information on pattern of migration, socio-economic & demographic characteristic of migrants are also indemnified.

3.5.2 Secondary Data

Expected primary data some other data related to the study had been collected from the secondary sources also. The relevant data are Compiled from publication of the National planning commission, Central Bureau of Statistic (CBS), Economic Survey published by ministry of finance, Nepal Living Standard Survey by CBS, economic Reports by NRB and unpublished reports of District Development Committee (DDC) and Village Development Committee (VDC) of the study area. Research publication of organizations like CEDA and Center Library of the Tribhuvan University has been thoroughly consulted for the study.

3.6 Sample Size

In Vijayanagar VDC there are 892 household and total population is 5168 among them the working age population is only 2973 (the population aged between 15-59 years) from 892 total household in the study area 120 household in the study area 120 household were selected using proportional size with random sampling method. The sample is more than 13% of total household which can be considered as the representatives of the universe of study. This size is the total number of household in each ward. The selection of sample size is given in following table.

Table 3.1

Sample Household of Vijayanagar VDC

Ward No.	Total HH	Total Sampled HH	Controlled Group sampled	Treatment Group sampled
1	95	13	6	7
2	98	13	7	6
3	113	15	7	8
4	135	18	9	9
5	73	10	5	5
6	107	14	7	7
7	115	15	8	6
8	79	11	5	6
9	77	11	6	5
Total	892	120	60	60

Source: *Vijayanagar VDC Profile, 2011*

3.7 Method of Analysis of Data

This study employs the concept of impact evaluation to examine the role of remittance in poverty reduction in the study area. The study adopts this approach assuming that receipt of remittance by households in the study area is regarded as a 'treatment' and those households who fall on this group are known as 'treatment household'. The counterparts who do not receive remittances are called 'control households' and these households too. Descriptive statistics are used to analyze and present the data using the statistical software. Using the quantitative techniques, diagrams, figures and tabular analysis, comparative description is made between two groups of households.

CHAPTER-IV

PRESENTATION AND ANALYSIS OF DATA

4.1 Socio-Economic Characteristics

In this chapter research has tried to find out background characteristics of respondents and household. This includes much information in regards of the study area. This chapter also deals with socio economics and demographic characteristics of respondents found in the study area along with educational status, migration process, caste, dependent population family size as well as occupation prior to this. In this chapter the researcher had compare the characteristics of respondent with migration and foreign employment process.

4.1.1 Demographic Features

According to VDC profile 2011, the total population of Vijayanagar VDC is 5168 out of which 2634 male & 2534 are females. The total households are 892. The following table 4.1 gives the ward wise & sex wise distribution of population of the study area.

Table 4.1

Demographic Status in Study Area

Ward No.	Total Numbers of Households	Population		Total Population
		Male	Female	
1	95	296	252	548
2	98	288	297	585
3	113	321	321	642
4	135	434	406	840
5	73	224	217	441
6	107	279	292	589
7	115	323	326	649
8	79	252	233	485
9	77	199	190	389
Total	892	2634	2534	5168
%		49.0	51.0	

Source: *Vijayanagar VDC Profile, 2011*

4.1.2 Education Status

Education helps to reduce poverty because of educational employment in the house and the country as well. Thus in the study are realizing the above fact that education is the prime factor for reduction of poverty. There are so many educational institutions. There are one higher secondary school, 1 secondary school and 3 Primary School. The following table 4.2 gives us the information about the educational status of the study area.

Table 4.2
Education Status of Study Area

Education Status	Male	Female	Total population
Literate	1282	1122	2404
Up to secondary	372	278	650
Up to higher secondary	112	66	178
Bachelor level	54	19	73
Master level	9		9
Total	1740	1396	3136

Source: *Vijayanagar VDC Profile, 2011*

The above table 4.2 shows that 2404 people are literate, 650 people are educated up to secondary level 178 people are higher secondary level 65 people are bachelor level and 9 people are master level.

4.1.3 Occupational Status

The following table 4.3 show that 1601 people are involved in the agriculture, 644 involved in survive 68 people are involved in business and people are involved in industry and 96 people are involved in wage labor.

Table 4.3

Distribution of Household Member According to Major Occupation

Main Occupation	Population
Agriculture	1601
Service	644
Business	68
Industry	8
Wages labor	96
Total	2417

Source: *Vijayanagar VDC Profile, 2011*

Many household Members in the study area belong to agriculture where 1601 member are dependent on the subsistent type of agriculture in the village. The agriculture Productions are paddy, maize and wheat. Together animal husbandry follows buffalo, goats, cows and bulls. However agriculture is characterized by self consumption and no for any business purposes.

4.1.4 Ethnic Composition

In this topic the situation of ethnic population composition by ethnicity is described. Ethnic population composition is related to the caste wise distribution of household. The different castes are inhabitant in study area have been found different structure. The table 4.4 presents below shows the caste wise distribution of the household.

Table 4.4

Distribution of Household by Caste

S.N.	Ethnic Group	Total Household
1	Bhramin	111
2	Chettri	272
3	Janajati	319
4	Dalit	192
Total		832

Source: *Vijayanagar VDC Profile, 2011*

Table 4.4 shows that total population of Vijayanagar VDC is divided into different castes such as Bhramin, Chettri, Janajati, Dalit. This shows that the majority of households are found to be Janajati which is 319 household and other casts are Chettri 272, Bhramin 111, Dalit 192.

4.1.5 Economically Active Population

Poverty is directly related to the economically active population. The people of age group between 0-14 are dependent which are also called economically inactive population. Earnings period of Human being starts after adolescence. Those age group which are above sixties are also less active in terms of earning

Table 4.5

Distribution of population by Economically Active and Non Active

Ward No.	Below 15	15-59	Above 60
1	197	333	18
2	221	337	27
3	256	372	14
4	315	499	26
5	161	260	20
6	235	340	14
7	288	343	18
8	189	272	24
9	153	217	19
Total	2015	2973	180

Source: *Vijayanagar VDC Profile, 2011*

Table 4.5 shows that ward wise active population belongs to age group 15-59 years and economically inactive population belongs to age group 0-14 years and above 60 years old. Non active population belongs to households as well as agriculture activities like animal farming, digging and plugging the field.

4.1.6 Foreign Employment Status

The following table 4.6 shows the spending duration time of migrant workers in the abroad for foreign employment.

Table: 4.6

Distribution of Population of Foreign Employment and Time Duration

Ward No.	Involve forging employment		Time	
	Male	Female	Less Than 5 Years	More Than 5 Years
1	51	0	24	27
2	37	0	19	18
3	33	0	28	5
4	120	0	56	64
5	62	1	22	41
6	86	1	75	22
7	98	0	75	23
8	77	1	33	45
9	75	0	29	46
Total	649	3	361	291

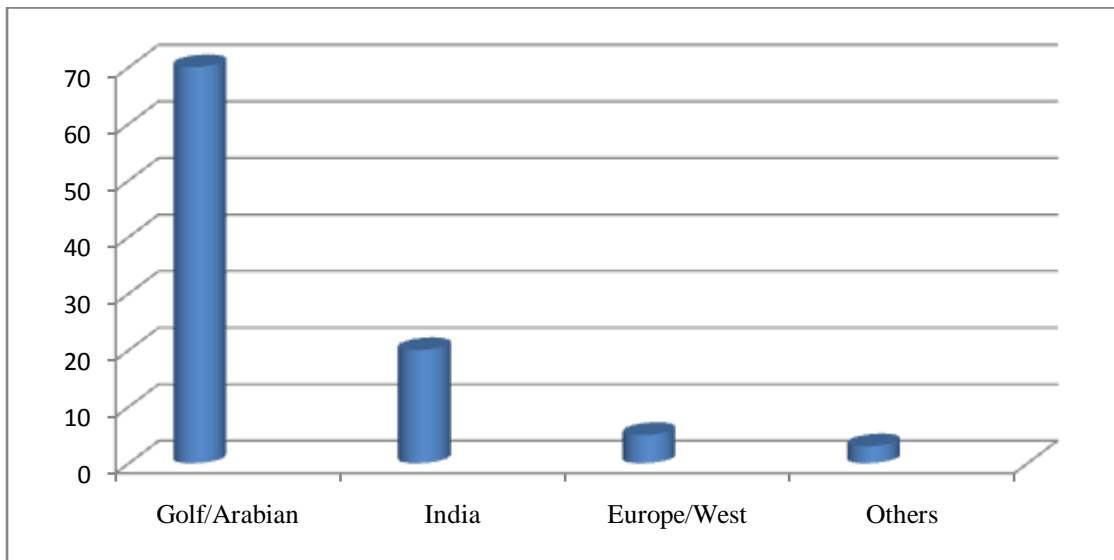
Source: *Vijayanagar VDC Profile, 2011*

4.2 Trend of Foreign Employment in the study Area

4.2.1 Major Destination of Foreign Migrant Workers

The average number of family migrated abroad as foreign employer is 1.45 in the treatment group. About 20 percent of households have more than one family as foreign employer with minimum 1 and maximum 3 person. The country wise classification of the foreign employers in the survey area is shown in following figure

Figure 4.1
Migrant's Places



Source: *Field Survey*, 2015

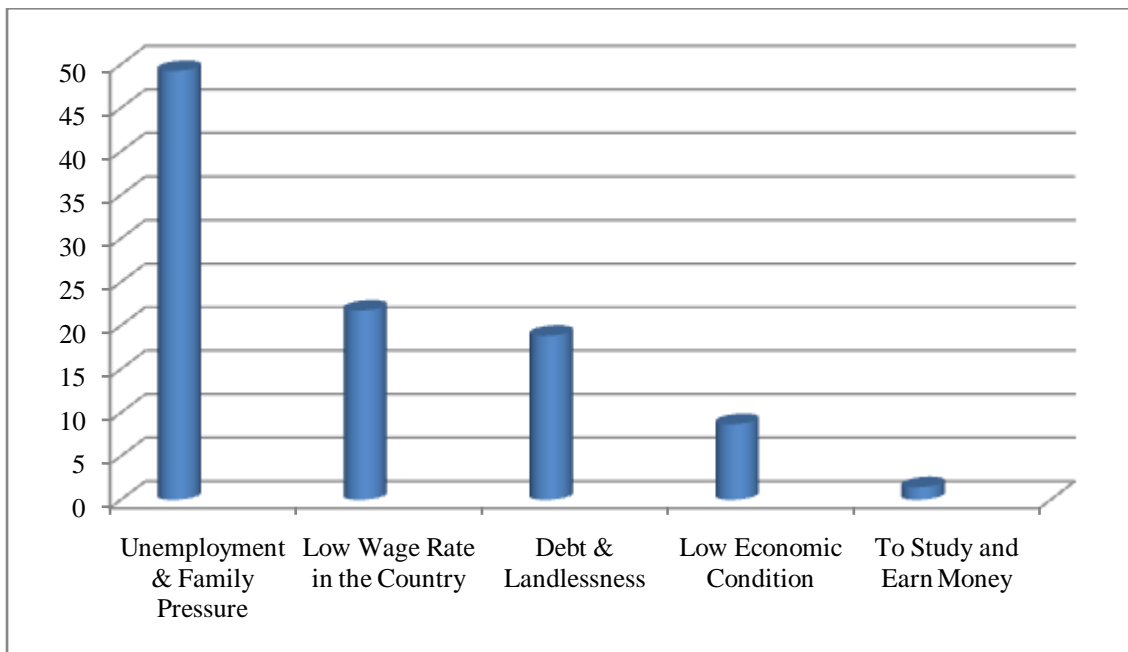
About 69.79 percent of foreign employers have been working in the Golf and Arabian countries like UAR, Saudi Arab, Malaysia, Qatar, etc. Very few percent have been working in the Europe and western Countries, this consists 5.34 percent of the total foreign employers. The second largest destination of the foreign employment is India with about 20 percent and other 4.87 percent.

4.2.2 Causes of Foreign Employment

People migrate to work and stay between many countries because of employment, family pressure, death etc. in the figure 4.2 causes of foreign employment migrant workers are shown.

Figure 4.2

Causes of Foreign Employment



Source: *Field Survey*, 2015

The figure 4.2 shows that unemployment and family pressure is main causes of the foreign employment. It shows the number of respondents having reason of foreign employment is 49.27 percent which is large number and approximately half percentage. Similarly, second most important reason to move to the foreign employment is low wage rate prevalent in country which hardly attracts the workers. Because of low wage rate in Nepal, 21.74 percent respondents were in favour of going abroad to work. Likewise, 18.84 percent respondents were heavily impacted by debt and also not available of enough land for food. Moreover, to improve the economic condition and to become rich 8.69 percent respondents desired to go abroad in working. On the other hand, 1.45 percent respondents opined that to learn the technology of foreign earn money as well as attracted foreign employment.

4.2.3 Duration Spent on Foreign Employment

The table 4.7 shows the spending duration time of the migrant workers in the abroad for foreign employment.

Table 4.7

Duration Spent on Foreign Employment

Description	No. of Respondents	Percentage
Less than one year	2	3.33
One year	8	13.33
Two year	27	45
Three year	14	23.33
For year	4	6.68
Five year	2	3.33
More than five year	3	5
Total	60	100

Source: *Household Survey, 2015*

Most of the Nepalese workers worked around two years in abroad in trip. In this field survey, it is found that 45 percent of them have crossed two years stay in abroad. 23 percent of them have crossed three years stay in abroad. Likewise, 13 percent migrant workers have crossed the one year of stay in abroad. Similarly, 3 percent are migrants who have crossed the five year long stay in abroad. More than five year stay, there is five percent. This shows that generally the migrants spend about in-between two three years.

4.2.4 Distribution of Negative impact of Foreign Employment

All things have two aspects: negative and positive. In this section, negative impact of foreign employment has been described through this topic by asking the question by respondents. According to their answers, it shows the impact which is shown in the following table.

Table 4.8

Distribution of Negative impact of Foreign Employment

Description	No. of Respondents	Percentage
Migrating skilled manpower	60	50.0
Feeling insecurity	6	5.0
Homesick problems	10	8.3
Deficiency of local development activity	26	21.7
Death of migrants	4	3.3
No answer	8	6.7
Other	6	5.0
Total	120	100

Source: *Household Survey, 2015*

Table 4.8 shows that the half percent of total sampled respondents have viewed that migrating skilled manpower, from which local resources have not been utilized properly and potentiality of the development process of local level remain constant also decreased, which directly has negative impact on developing process of the economy of the owner country. 21.7 percent have viewed directly local development activities. Among sampled respondents 8.3 percent migrants suffered from homesick problems, 5 percent felt insecurity, 6.7 percent have not given any answers and 5 percent gave the answer other (suffer from various types of diseases). Among the samples respondents or households, it seems 4 people died in foreign country that have gone with the aim to earn more money; that is bad aspect of foreign migration.

From the above table, it cannot be said that remittance always has positive impact on economy, besides of its own some dangerous negative impact on economy or households if we cannot use properly the remittance, and also lack of awareness of the migrant people.

4.3 Economic Impact of Remittance in the study Area

It is often believed that if somebody receives foreign employment his household economy will improve. The change in economic well being improvement in skill, social status might be some of the areas where the changes takes place etc. If the respondents are able to gain more than the income which is needed to run their family and also to pay their loans principle. Economic condition can be improved and their

poverty problems can be reduced. To find out change in household economic condition due to foreign employment, the respondents were asked to give their own judgment about their economic condition.

4.3.1 Economic Status

Economic status is one of the most important factors to relate the poverty. The table 4.9 shows that 90 percent of treatment. Household reported that their economic status in increased due to foreign employment, 6 percent & 4 percent replied that their economic status are remained same & decreased it means they had increased the sum of family debt. The table 4.3.1 also shows that 49 percent of control household reported that their economic status in increased, 36 percent & 15 percent are reported that their economic status in remained same and decreased. The information is presented in the following table 4.9.

Table 4.9
Household Economic Status

Group/ Indicator	Increased	Remained Same	Decreased	Total
Treatment	90%	6%	4%	100%
Control	49%	36%	15%	100%

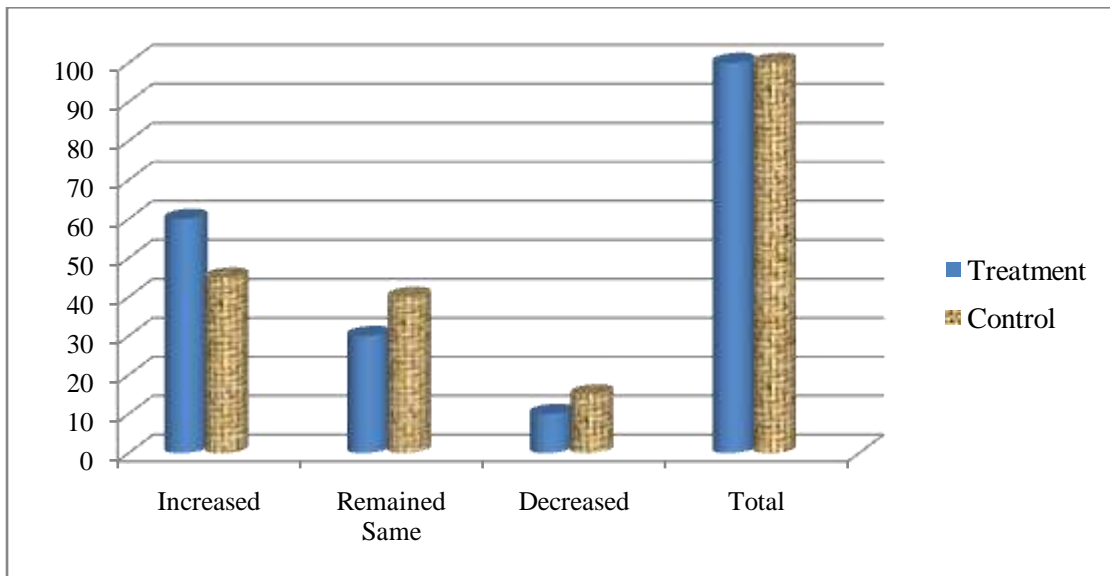
Source: *Field Survey, 2015*

This evidence of research shows that economic status increased from treatment households was 90 percent. But from the control side only 49 percent, it is 41 percent less than treatment over there. The remained same of economic status for treatment group are about 30 percent lower than that for control group and 11 percent lower than for the control group of decreased economic status.

4.3.2 Standard Living

The figure 4.3 shows that 60 percent of treatment household reported that their standard living is increased due to foreign employment, 30 percent & 10 percent replied that their standard living in remained same and decreased. It's also shows that 45 percent of control household reported that their standard living in increased, 40 percent and 15 percent reported that their standard living in remained same and decreased. The information obtained is presented in the following figure:

Figure 4.3
Household Standard Living



Source: *Field Survey, 2015*

This shows that the increased living standard for the treatment group 15 percent higher for than the control group. The remained same and decreased of standard living for treatment group are about 10 percent and 5 percent lower than the control group.

4.3.3 Skills

Skills are most important thing to relate the poverty. Due to the lack of skill the worker will get payment in comparison with others. Due to the lack of skill, many Nepalese workers are forced to do the job of 3D i.e. danger, dirty and difficult so skill plays the vital role for job efficient skillful person are highly paid.

This table 4.9 shows that 70 percent of the treatment group had learnt some new skills there either it may be useful have or not. The rest 30 percent of the respondents replied that they didn't learn any new skills while working abroad. Similarly 45 percent of the control group had learned some new skills. The rest 55 percent of the respondent replied that they didn't learnt any skills. So they are called remained same. This is given by following table 4.10:

Table 4.10
Skill Status

Group/indicator	Increased	Remained Same
Treatment	70%	30%
control	45%	55%

Source: *Household Survey, 2015*

This table 4.10 shows that the increased new skills of the treatment groups are about 25 percent higher for than the control group. The remained same for treatment group are about 25 percent lower than control group.

4.3.4 Impact on other Indicators

How the foreign employment and remittance impact on certain household indicators? Do they send their children to better school? Do they live in better house? These were very important questions. Positive impact on them depends on size of income of respondent's family size, earlier economic condition of the family, knowledge and education of respondent's culture of society etc. to find out the impact of remittance on households indicators the respondents were asked to respond on the changes brought by the foreign employment.

4.3.4.1 Schooling of Children

Schooling of children is shown in table 4.11. Every parent wants to be secured of their children's future. So they invest on their education and other facility. In Nepal most of the parents wants to send their children to private school. They are really hypnotized by the private school. It seems demonstration effects, too social reputation and economic prosperity would seen by the schooling of children in the rural area. The government schools have been the destination of low economic standard people. The foreign employment has directed affected the number of the students in the study area. The decrease of number of students in government schools each year leads to the collapse or merge of the school in Pyuthandistrict.

Table 4.11
Schooling of Children

Group Indicator	Description							
	No Child		Government		Private		Total	
	Frequency	%	Frequency	%	Frequency	%	Frequency	%
Treatment	12	20	8	13.33	40	66.67	60	100
Control	14	23.33	22	36.67	24	40	60	100

Source: *Household Survey of 2015*

Above table 4.11 shows that 66.67 percent of treatment group had sent private school & 13.33 percent in government school. The rest 20 percent of the respondents replied that they have no child. Similarly for control group had sent private school and 36.67 percent in government school. The rest 23.33 percent of respondents replied that they have no child.

4.3.4.2 Housing Condition

The table 4.12 shows that 80 percent if treatment group reported to that improved their condition of housing and control group was 55 percent, 15 percent of treatment group had reported that their housing condition is same and control group reported that 35 percent, 5 percent, housing condition is worsened of treatment group and 10 percent of control group.

Table 4.12

Household's Condition of Housing

Group/ Indicator	Increased		Same		Worsened	
	Frequency	%	Frequency	%	Frequency	%
Treatment	48	80	9	15	3	5
Control	33	55	21	35	6	10

Source: *Household Survey 2015*

The above table 4.12 shows that increase of housing condition for treatment group are about 25 percent higher for than the control group. It shows that anybody who had returned from foreign employment either have made new house or repaired old house to improve their housing condition. The same conditions of housing for treatment group are about 20percent lower than control group. The worsened conditions of housing for treatment group are 5 percent lower than control group. It might be low

income or other more pressing priorities like lone payment, household expenditure, marriage of a family member etc.

4.3.4.3 Use of Fuel

Fuel is the most important things for household, in the can test of Vijayanagar VDC, most of the people are using wood as a fuel; it is due to a big jungle near part of village and some household produce wood on their own land also. Somebody uses Biogas and electricity. Wooden fuel is the highest use of both treatment 75% and control 89% households and use of Biogas is 6 percent, both households are equal to use it. Use of electricity is 19 percent for treatment group and 5 percent for control group.

Table 4.13

Use of Fuel

Group	Wood	Biogas	Electricity
Treatment	75%	6%	19%
control	89%	6%	5%

Source: *Household Survey, 2015*

The table 4.13 shows that the households with their family members working as the foreign employers more than 2 years abroad use electricity as fuel more for various purpose than the households without family members working abroad. The proportion of Biogas users is similar for both groups and the users of firewood for treatment group are about 14 percent lower than that for the control group and electricity is also 14 percent lower than treatment group.

4.3.4.4 Clothing

The table 4.14 shows that more than 71 percent of treatment group said that household members are using better clothing: 21 percent of treatment group had replied that their clothing status same before and after returning from forcing employment. The rest 8% reported that their clothing status decreases. This table also shows that 50 percent of control group said that household members are using better clothing 30 percent of control group had replied that their clothing status decrease. This information obtained is presented in following table 4.14:

Table 4.14
Household's Clothing Status

Group	Better	Same	Decrease
Treatment	71%	21%	8%
Control	50%	30%	20%

Source: *Household Survey, 2015*

This table 4.14 shows that the better clothing for treatment groups is about 21 percent higher for than the control group. It might be related to the increasing purchasing power. The remained same and decrease clothing for treatment group are about 9 percent and 12 percent.

4.3.4.5 Health

Health is one of the major indicators to increase productive capacity and efficiency of the people. Healthy people are the pillar of development and wealth of nation. It is very importance to have physically and fit people for the socio-economic development of nation. Balance diet and good health facilities sanitation etc are required to be health. But in the search study area, general poor people are not aware enough of the hygienic way of life. When they fall ill, they go to traditional practitioner (Dhami) or some old man for treatment who know a little about herbs because traditional belief.

Table 4.15
Household's Health Study

Group	Increase	Same	Worsened
Treatment	65%	20%	15%
Control	48%	30%	22%

Source: *Households Survey, 2015*

This table 4.15 shows that the better health status for treatment group is about 17 percent higher than the control group. It might be due to general health condition of study area and health awareness. The health status for treatment group are 10 percent lower than that for control group & for treatment group are also about 17 percent lower than for control group.

4.3.4.6 Financial Statement of Households

The use of financial services was also found to be higher in treatment group. A 20 percent of households in treatment group, for example, possess a bank account where as in control group, it was only 8 percent. The purchase of the insurance policies is 4 percent in treatment group while this is about 0.05 percent for control group. The insurance policies purchased by both groups are inadequate and very low.

The women empowerment with respect to the decision for financial transaction is higher for treatment group by 25 percent and the households in control group still have male dominated decisions.

Table 4.16

Financial Statements of Households

Group	Bank A/C	Insurance	Head of financial Transaction		
			Male	Female	Both
Treatment	20%	4%	35%	60%	5%
Control	8%	0.05	55	42%	3%

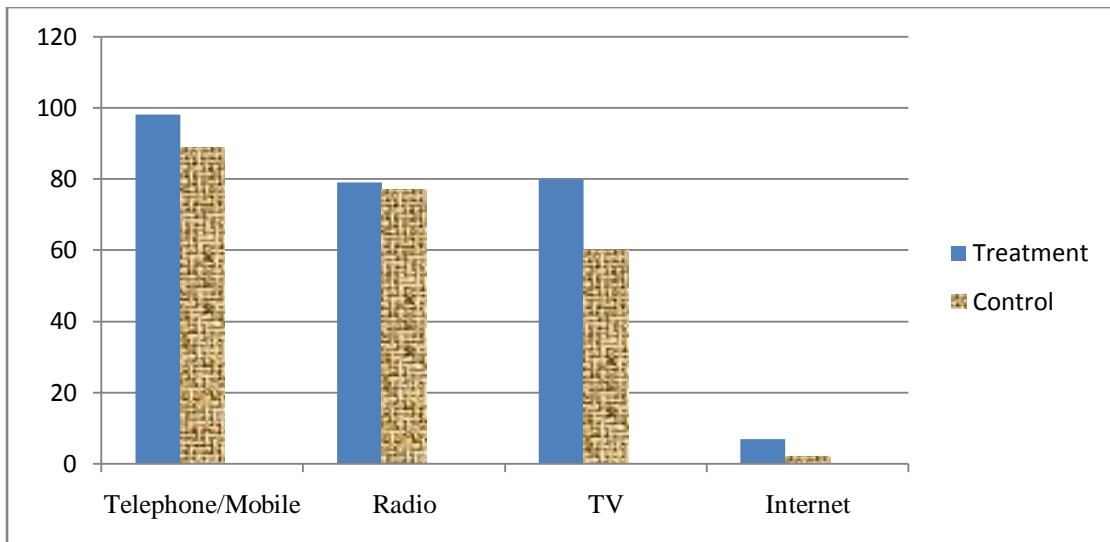
Source: *Household Survey, 2015*

4.3.4.7 Use on Information Access

As like other district and village, use of information and communication technology is fast increasing in Vijayanagar VDC, most of the people are using call phone. It is about 98% from treatment household and 89% of control households.

Figure 4.4

Use of Access Information



Source: *Household Survey, 2015*

The user of telephone/ mobile for treatment groups are about 10 percent higher for than the control group and radio users is 4 percent. The large different is observed for T.V. users among the treatment and control groups 20 percent.

4.3.4.8 Food Sufficiency

In this topic food sufficiency condition of the study area is described. Although agriculture is the main occupation for livelihood in Vijayanagar VDC, due to lack of irrigation facilities, sloppy land structure, fragmented cultivated land structure, agriculture production is not sufficient to met annual food grain for consumption.

Table 4.17

Distribution of Household by Food Sufficiency

S.N	Food Consumption period	Households	Percentage
1	12 Months	4	3.34
2	9 Months	28	23.32
3	6 Months	78	65.00
4	3 Months	6	5.00
5	Less than 3 Months	4	3.34
Total		120	100

Source: *Household Survey, 2015*

Table 4.17 shows the food production of sampled household only 3.34 percent households have sufficient food grain for annual consumption and remaining 96.60

percent households production is insufficient to meet annual consumption from their agriculture production. They meet their day to day annual consumption by earning wage, remittance, by selling domestic animal, borrowing loan from village money lender and selling herbs.

4.4 Mobilization of Remittance in the Study Area

Mobilization of remittance is another main part of this study. How migrant workers spend their income in different heading is important for this study. So during the time of data collection, many questions were asked with the respondents. At first, respondents didn't tell the truth. They were not so frank, later the objectives of the study were told by the researcher and they were ready to tell in this matter. The main reasons for refusal was that the migrant workers were not familiar to the tax law of own country. They were afraid of the tax on their income

4.4.1 Annual Household Expenditure

In this research, it was found that entire household can't save their hung amount. Their large level of income is used for house consumption than other. Due to the remittance amount family expenditure is also increasing day by day it looks clearly not uses the remittance income in the sector of productive activities only small amount are saved which flow to investment in any part of the nation. Maximum family members are hesitating to work hard on their field or farm houses or crops cultivation hung amount of remittance income is being used on regular house expenditure like food and other consumption goods. But also they are attractive to migration from Hilly village to Terai region where treatment household pour about 17% income on land purchase against the control family by 5.2%. Similarly in home purchase lone also 12% by treatment households and which is 5% more than control households. Comparing in between treatment and control household on income and expenditure pattern shows something different in the following sector.

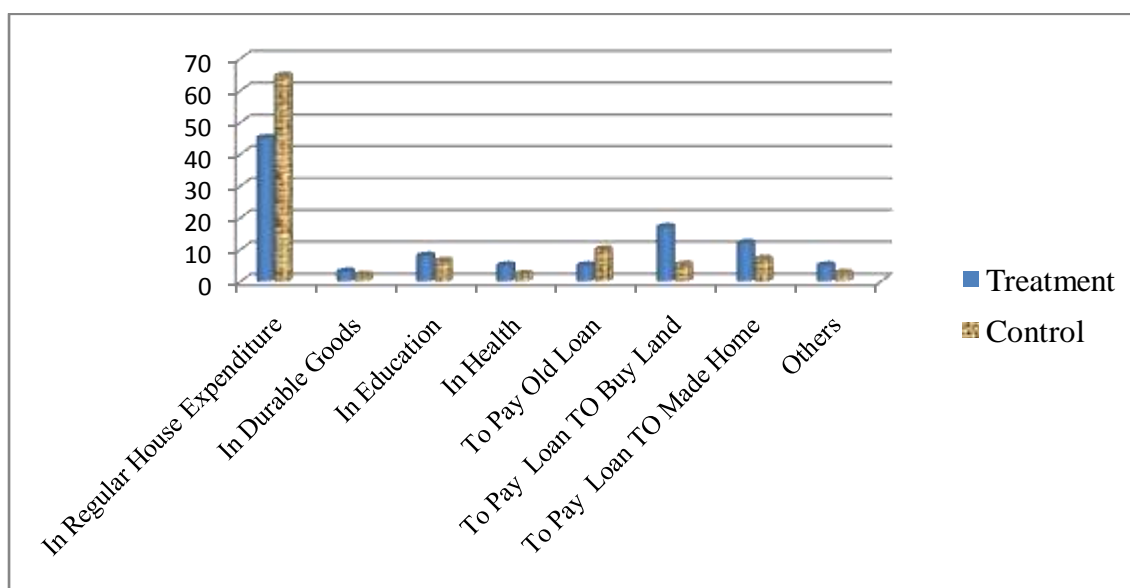
Table 4.18
Average Annual Household Expenditure

S.N	Expenditure Sector	Treatment		Control	
		NRS	%	NRS	%
1	In regular house expenditure	114750	45	63372.54	64.5
2	In Durable	7650	3	1965.04	2
3	In Education	20400	8	6288.128	6.4
4	In Health	12750	5	2259.796	2.3
5	For paying lone				
a	To pay old lone	12750	5	9825.2	10
b	To pay lone buy land	13350	17	5109.104	5.2
c	To pay lone to make home	30600	12	6877.64	7
6	Other	12750	5	2554.552	2.6
	Total	255000	100	98252	100

Source: *Household Survey, 2015*

The household expenditure on consumer's durables like mobile phone, home appliances vehicles etc are significantly higher for the treatment group. On an average, the total yearly expenditure for the treatment households is more than 2.59 times higher than for the control group. This shows a large proportion of remittance expenditure goes for the consumption purpose & purchase of Land, Home.

Figure 4.5
Average Households Expenditure (in%)



Source: *Household Survey, 2015*

4.7.4 REASON OF NON-CORRELATION OF REMITTANCE INTO PRODUCTIVE SECTOR

Nepalese migrants workers have earned some part of money in abroad and they were sent their earn amount or return in home. But they have not yet used their income into productive sector. Why they have not used their income into productive sector? They may have been several reasons. These reasons might be insecurity, lack of knowledge, lack of market, lack of sufficient capital, no-availability of opportunity for investment etc. to find out the reasons of non-utilization of remittance into productive sectors, the respondents of this VDC were asked and their answers are given in the following table:

Table 4.19
Causes of Non-Utilization of Remittance into Productive Sector

Causes/Reason	No. of Respondents	% of Respondents
Political conflict	12	20
Lack of sizeable capital	15	25
Lack of market	10	16.67
Lack of knowledge	13	21.66
Others	10	16.67
Total	60	100

Source: *Field Survey, 2015*

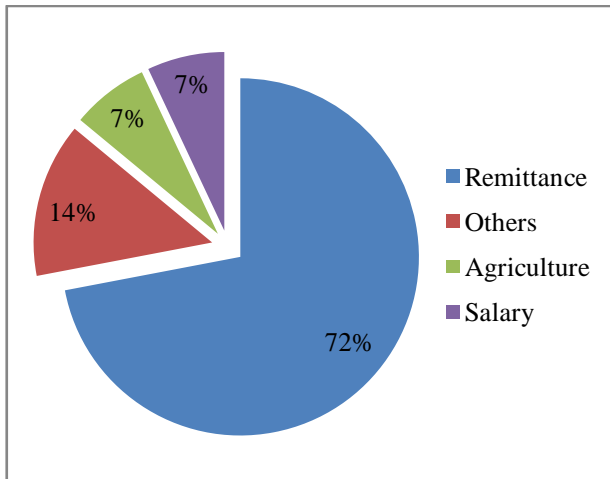
The above table shows that the remittances have been affected by so many factors. For the convenience, these factors are termed as the non-utilization of the remittance, has been classified into five headings and the data are complete in accordance with the number of the respondents. The causes of non-utilization vary from different households among the total respondents. 25 percent sat that the causes of lack of sizeable capital is not uses the remittance in productive sectors. Equal percent 16.67 of them have reported that due to the lack of market and other causes, 21 percent due to lack of knowledge, 20 percent for political conflict. They use remittances on unproductive sectors. Here, other causes might be lack of proper knowledge of education, utilization, investment in productive sector of the received household etc.

4.4.3 Source of Annual household Income

The main source of income for treatment households is the remittance income which consists about 72 percent of the total income of households. And the income from job, business and agriculture sector compose the major items of income for the control group. Figure 4.6 and 4.7 shows the composition of household income for two groups.

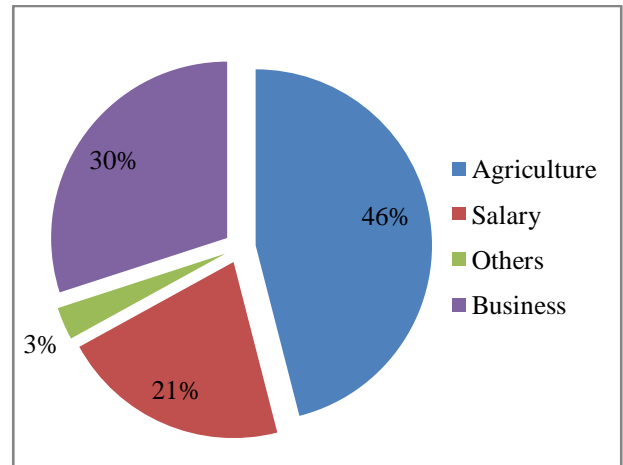
Figure 4.6 Figure 4.7

Composition of Annual income
(Treatment Group)



(Source: Household Survey, 2015)
(Treatment Group)

Composition of Annual Income
(Control Group)



(Source: Household survey, 2015)
(Control Group)

The composition of Annual household income for two groups is quite different. Remittance income is the major source of income for treatment group, while the household in control group depends on Agriculture sector highly to maintain their total income.

CHAPTER-V

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

The main objective of study is to gauge the impact of remittance on poverty reduction in the study area. Moreover the study also tries to analyze the nature and extent of remittance income in the study area. Remittance income is emerging as one of the most significant and reliable sources of external finances for many developing countries. Not only in the macro level, has the contribution of remittance been direct and sizable in migrant-sending households in micro level as well. A significant number of people in developing world are now receiving remittance earning to finance their expenditures in home consumption, health and in children's education.

The study applies a semi-experimental to evaluate the effect of remittance earnings on various socio-economic dimensions of migrant households in Vijayanagar VDC in Pyuthan district. All nine wards were randomly chosen in VDC and a survey was conducted in 120 households both from treatment group and control group. The survey administered the questionnaire that included a number of socio-economic aspects of households, including children's education, family's health, financial access, information and communication access and others.

- The main destinations of the Nepalese workers are Gulf/Arabian countries. More than 69 percent of total workers are employed in Gulf/Arabian countries. Only 5.34 percent of respondents have gone to Europe/ Western countries.
- The major reasons to seek foreign employment include unemployment and family pressure, family debt burden and to earn money especially.
- The respondents of this VDC did not utilize their remittances in proper sectors, caused by non-security and lack of sizeable investment funds for investing in productive sector of economy.
- From this study, also some negative impact of remittance in the study area are 50 percent of the respondents have been migrant skilled manpower from the VDC, 21.7 percent of the respondents have viewed that there is deficiency in

local development activities due to the abroad migration. 8.3 percent respondents said that homesick problems.

- The economic status increased from treatment households was 90 percent. But from the control side only 49 percent, it is 41 percent less than treatment over there. There remained same of economic status for treatment group are about 30 percent lower than that for control group and 11 percent lower than for the control group of decreased economic status.
- The increased living standard for the treatment group was 15 percent higher than control group. It remained same and decreased of standard living for treatment group are about 10 percent and 5 percent lower than the control group.
- The increase of housing condition for treatment group is about 25 percent higher than the control group. The same condition of housing for treatment group is about 20 percent lower than control group. The worsening condition of housing for treatment group is 5 percent lower than control group.
- Wooden fuel is the highest use of both treatment 75 percent and control 89 percent household and use of biogas is 6 percent, both households are equal to use it. Use of electricity is 19 percent for treatment group and 5 percent for control group.
- Large proportion of remittance expenditure goes for consumption purpose and purchase of land, home and durable goods.
- Information access has entered deeply in the society nobody far from it so every household has at least one cell phone but it found higher in treatment households than control households. Television, radio listeners also found higher in favor of treatment households than in control households. The consumption was also observed to be higher than that of control households.

5.2 Conclusion

- i. international labour migration mostly in Gulf countries. South Korea and European countries are new phenomenon of migration. In the context of Nepal, foreign employment development in such a way which has shifted from agriculture based economy towards remittance based economy.

- ii. Surely remittance income is playing very positive role to reduce poverty of the study area and also it is improving the social as well as other economic indicators of the VDC but this is not satisfactory.
- iii. The use of remittance depends on the priority placed by the individuals of different uses, the sizes of remittance has not been yet done due to the lack of appropriate policy and in the environment. Finally, foreign employment and remittance does not have positive effect only rather negative effect of foreign employment and remittance and equally challenging. Poorer families have been increases their life standard, economic status as well as all aspect of the household. Although there are some negative also seems causes by foreign employment or after receiving remittance.
- iv. Effect of social economic phenomenon are come out in front of societies eyes but it is uses for poverty reduction, increases the no of children to go to school, easy for demanding their daily needed things and funding about the health care etc. So, maximum utilization of remittance income is used for consumption level. Remittance income is not used for productive sector just it has used to import the goods and services. Though the remittance income society/family can alive with changing their life style but it is not long term financial support in both households, society and national until remittance is not used to secure sector as like to produce basic needs in own country/village, investment to gain from natural resources for example irrigation, jungle, small type of hydro project etc. And improve to modernize in agriculture, practice to open handcraft industries.
- v. Maximum part of the remittance income have been used in unproductive sector like regular households expenditures, loan payment, house improvement and social spending etc. This doesn't give any return in the future.
- vi. From this study, it is concluded that economic condition of migrant workers is poor. Therefore, they have gone to foreign countries through the loans and most of the people spend their earnings in repayment of debt. Because of being uneducated and unskilled manpower, they are facing many kinds of problems.

5.2 Recommendations

Based upon the summary of findings and conclusion of research, recommendation can be made both at the policy level and for the households.

- i. Surely remittance income is playing very positive role to reduce poverty of the study area and also it is improving the social as well as other economic indicators of the VDC but this is not satisfactory. Maximum part of the remittance income have been used in unproductive sector like regular households expenditures, loan payment, house improvement and social spending etc. This doesn't give any return in the future. Thus the village level policy makers should be made to give more information to respondents own using their remittance income in to productive sectors like animals husbandry, handicrafts, coffee, farming, investment in shares, business and beekeeping in the village etc.
- ii. Most of the respondents of rural areas come from lower income groups and based on agriculture occupation. So, they can't easily effort foreign employment. If they go foreign countries for employment, they should borrow or loan at the high interest rate. So the policy should be made to give more opportunities to poor people of rural areas as well as a facilitated to them from funds for foreign employment. In the case of this VDC almost all the workers from the lower income group are migrated to India to work because of lack of money with them were they are earning very little amount of money comparing with the migrated workers to other Gulf countries and Malaysia. Thus, Govt. should provide lone to the poor people in the cheap interest rate who want to go to foreign employment.
- iii. Most of the respondents have not utilized their remittance and newly learnt skill when they come back home by different causes. So policy should be made to compulsorily investment to the national level. Government shouldmade such investment fund and all the foreign workers should contribute a certain percent of their income so it helps the fulfillment of lower investment in the national economy. It leads to the overall development of the nation.
- iv. Mostly unskilled and semi skilled workers go to the foreign employment so they are involve in the different works. They are low paid it leads to the low

level of remittance, so, government must provides the technical skills and orientation classes to the migrant workers before their departure to their destinations. Education system should be reviewed. Theoretical education must be replaced by the technical education system.

- v. We can conclude that remittance has helped to deduct the poverty of Nepal from 56 percent to the 23.8 percent since 1990 to 2013. Simply, deduction of poverty means economic prosperity. Human always try to make their dream true with their economic prosperity. Most of the human being's wants to consume the physical assets and search for physical happiness, simply it would be difficult to achieve the facilities and better quality of life in rural geographical location of Nepal that's why they shift to the urban and semi urban areas for temporarily or permanently. So in Nepalese context, we can conclude that remittance has influenced internal migration.

Finally, this above study of economic of remittance, mobilization and trend of foreign employment status of Vijayanagar VDC is very important. Current issue of the Nepalese economy, therefore, this study can be considered as significant while the study is conducted in small size and may not be sufficient to make general conclusion for the whole nation about the role of remittance income and trend of foreign employment. But by this study, I am confident that it will be certainly beneficial to the people of Vijayanagar VDC and side by side for the people of other neighbouring VDC of the of the entire country.

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APPENDIX

Questionnaire for Household Survey 2015
Central Department of Economics
Tribhuvan University
(For the purpose of M.A. Thesis)
Economic Impact of Remittance in Vijayanagar VDC of Pyuthan
District, Nepal

Questionnaires

Name of household=

Age=

Sex=

Name of Tole=

Number of household member=

Ward no=

Date=

Caste =

1. General Information of household member

I. Main Occupation of household head

- | | | |
|-------------------|----------------|-----------------------|
| a) Agriculture | b) Business | c) Foreign Employment |
| d) Government job | e) Wages Labor | f) Others |

II. Does your household have the following items?

- | | | |
|--------------|--------|-------|
| Mobile Phone | 1) Yes | 2) No |
| T.V. | 1) Yes | 2) No |
| Radio | 1) Yes | 2) No |
| Internet | 1) Yes | 2) No |

III. Where does your child study?

- | | |
|----------------------|-------------------|
| 1) Government School | 2) Private School |
|----------------------|-------------------|

IV. Types of toilet used?

- | | |
|---------------------|----------------|
| 1) Composing toilet | 2) Pit latrine |
|---------------------|----------------|

V. Sources of Drinking Water?

- | | | |
|----------|--------|----------|
| 1) River | 2) Tap | 3) Other |
|----------|--------|----------|

VI. Structure of house?

- 1) Permanent
- 2) Semi- Permanent
- 3) Temporary

VII. Have you changed Economic status?

- 1) Increased
- 2) Decreased
- 3) Remained same

VIII. Have you changed standard living?

- 1) Increased
- 2) Decreased
- 3) Remained same

IX. Have you changed skill?

- 1) Increased
- 2) Decreased
- 3) Remained same

X. How many times do you visit health care center for antenatal care?

- a) 2 times
- b) 4 times
- c) 4 more than 4 times
- d) never

XI. What are the causes for going to abroad for employment by you on the basis of primary factor?

- 1) Job not found in the country
- 2) To pay family Lone
- 2) To increased the family economic status
- 4) other

XII. Is food production sufficient to maintain for family's livelihood?

- 1) Yes
- 2) No

XIII. Have you benefited from any NGO/INGO from poverty alleviation program in your village?

- 1) Yes
- 2) No

XIV. Where does your child study?

- 1) Government school
- 2) Private school
- 3) No child

XV. If you invested, where would you have invested?

.....
.....

XVI. If you don't invest remittance income in productive sector, what are the reasons?

- a) Lack of business environment
- b) Lack of market
- c) Lack sufficient capital fund
- d) No idea about the business

XVII. What are the causes for going abroad for employment?

- a) Unemployment and family pressure
- b) Debt and Landlessness
- c) Low wage rate in the country
- d) Low economic condition
- e) To study and earn money

XVIII. How much time did you spend in abroad?

- a) 1 year
- b) 2-3 years
- c) 4-5 years
- d) Above 5 years

2. What are sectors that you invested money earned from foreign employment?

S.N	Expenditure & Investment	Amount (Rs)
1	In regular house expenditure	
2	In Durable	
3	In Education	
4	In Health	
5	Building Home	
6	For paying Loan	
A	To pay old Lone	
B	To pay lone to make home/ buy land	
6	Other	
7	Save money	
Total		

3. Remittance Income & Foreign Employment

1	No. of Family Who are migrated overseas	
2	Country	
3	Sex	
4	Period of stay	
5	Total Expenditure	
6	Source of Expenditure	
7	Monthly Income	
8	How do you receive your money from abroad	IME Hundi Friends Other

4. Financial Statement of Household

1	Have you any insurance?	I) Yes II) No
2	What type of insurance do you have?	I) Life insurance II) Health insurance III) Other insurance
3	How much insurance premium do you pay per month?	Rs.
4	Do you have any account in any bank and financial institutions?	

5. Information Question

- I. What sorts of problems realized in foreign employment?
- II. How and which way is appropriate to go to abroad?
- III. Did you change the Job while in abroad?
- IV. Did you get any new skills there?
- V. Can it be helpful to you here also?
- VII. In your opinion what is to be done to promote foreign employment?
- VIII). How the remittance income can be made more productive?
- IX). Is your family happy?

