

**ROLE OF REMITTANCE IN RURAL POVERTY REDUCTION:
A CASE STUDY OF BARRE VDC, UDAYAPUR DISTRICT**

A Thesis Submitted to
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By
SAMJHANA KAFLE
Central Department of Rural Development
Tribhuvan University, Kathmandu
T.U. Reg.: 9-2-224-277-2007
Exam Roll no.:281608
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Declaration

I hereby declare that the thesis entitled **ROLE OF REMITTANCE IN RURAL POVERTY REDUCTION: A CASE STUDY OF BARRE VDC, UDAYAPUR DISTRICT** submitted to the Central Department of Rural Development Tribhuvan University, is entirely my original work prepared under the guidance and supervisor. I have made due acknowledgements to all ideas and information borrowed from different sources in the course of preparing this thesis. The results of this thesis have not been presented or submitted anywhere else for the award of any degree or for any others purposes. I assure that no part of the content of this thesis has been published in any form before.

Samjhana Kafle

TU. Reg. No. : 9-2-224-277-2007

Date: 07-04-2017 (english)
24-12-073 (Nepali)

RECOMMENDATION LETTER

This thesis entitled **ROLE OF REMITTANCE IN RURAL POVERTY REDUCTION: A CASE STUDY OF BARRE VDC, UDAYAPUR DISTRICT** has been prepared by **Samjhana Kaflea** under my guidance and supervision. I hereby forward this thesis to the evaluation committee for final evaluation and approval.

.....
Prof. **Prem Sharma PhD**
Thesis Supervisor

Date: 07-04-2017 (english)
24-12-073 (Nepali)

Approval Letter

The thesis entitled **ROLE OF REMITTANCE IN RURAL POVERTY REDUCTION: A CASE STUDY OF BARRE VDC, UDAYAPUR DISTRICT** submitted by **Samjhana Kafle** in partial fulfillment of the requirements for the Master's Degree (M.A.) in Rural Development has been approved the evaluation committee.

Evaluation Committee

.....
Prof. Dr. Prem Sarma
Supervisor
(Head of the Department)

Date: 07-04-2017 (English)
24-12-073 (Nepali)

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Abstract

The increased global integration and the enhancement in communication technology have facilitated migration of youths from Nepal to foreign countries; as a result, the flow of remittances started growing at a higher pace from gulf and other countries to Nepal. Consequently, remittance has become an important contributor to Nepalese economy.

The present thesis entitled, 'Role of remittance in rural poverty reduction: A case study of Barre VDC, Udayapur district' aims to examine the contribution of the remittance in rural poverty reduction of the study area. It further analyzes the nature and extent of remittance income and measures the socio-economic impact of remittance on poverty reduction of the study area.

The design of this study was pre- and post recall as well as comparison of remittance receiving household with remittance non receiving householders. This study adopted the descriptive and analytical method.

It was found that remittance has increased their household economic and social indicators after returning from foreign employment. It was found that majority of households improved the conditions of housing, provided good education of their children, improved the health of their family members. Moreover, they have started to wear good clothes and increased the savings.

It has been concluded that the economic and social condition of all families who have involved in foreign employment have been increased. It was in both aspects i. e. economic as well as social. Therefore, Remittance income brought positive changes in the status of the families of the respondents.

The thesis is important for stakeholders who are at national policymaking level. In addition, it is also a vital document for concerned Village Council for making policy related to migrant workers and utilization of remittance in productive sectors.

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ABBREVIATIONS/ACRONYMS

ADB	:	Asian Development Bank
BOP	:	Balance of Payment
CBS	:	Central Bureau of Statistics
CEF	:	Convertible Foreign Exchange
DEID	:	Department for International Development
FDI	:	Foreign Direct Investment
FY	:	Fiscal Year
GDP	:	Gross National Product
GON	:	Government of Nepal
HDR	:	Human Development Report
ILO	:	International Labor Organization
IMF	:	International Monetary Fund
KSA	:	Kingdom of Saudi Arabia
MOF	:	Ministry of Finance
NLSS	:	Nepal Living Standard Survey
NPC	:	Nepal Planning Commission
NRB	:	Nepal Rasta Bank
SAARC	:	South Asian Association for Regional Co-operation
SLC	:	School-Leaving Certificate
UNDP	:	United Nation Development Program
UAE	:	United Arab Emirates
Uk	:	United Kingdom
USA	:	United State of America
Us \$:	United State Dollar
VDC	:	Village Development Committee
WB	:	World Bank
WDR	:	World Development Report

CHAPTER - I

INTRODUCTION

1.1 General Background

Nepal, a landlocked Himalayan country, surrounded by India in the east, west, south and by China in the north. Located between latitudes 26⁰22' and 30⁰27' and longitudes 80⁰4' and 88⁰12' east, with 147181 sq. km. About 83percentage of the land mass is occupied by hill and mountains, including the highest peak in the world Mt. Everest. The remaining 17percentage is occupied by flat land terai in south. The population growth rate of Nepal was 1.4 percent per annum and total population is 266, 20,809 (CBS, 2011) and per capita income less then \$640. The economy of the country is still largely agriculture-based. The development challenge of Nepal is formidable. The annual population growth rate is 1.4percentage and around 26percentage of population lives below the poverty line and GDP growth rate is not more then 4.6percentage (Mof, 2012). Nepal being one among the poorest countries of the world, its opportunities for the faster economic growth is limited. We have abundant resources for which the country enjoys competitive advantages. The exotic culture, unique, unique social setting arts and architecture, religion and above all people themselves are the resources, if harnessed appropriately could bring about noteworthy achievements.

Nepal is a small landlocked and agricultural country. A majority of the people of the country are engaged in agricultural farming but due to traditional technology, this sector has not help to promote economy. Because of the high rate of the unemployment, low salary structure and limited employment opportunities in the country, Nepalese youth have shown their interest in the foreign employment resulting in the substantial growth of remittance economy. Cross border migration is in practice from the ancient past especially to India, China and Bhutan. Nepalese economy has been suffering from the low level equilibrium trap circumscribed by poverty and stagnation. The economy is still facing the problem of recession covered by conflict and corruption, though the country is in unclear way for the political stability and economic development. Therefore, in the

recent years, thousands of Nepalese people are migrating away to the countries, and remittance is becoming the instrumental factor for their livelihood (Dhakal, 2008).

Remittance can be defined as the sum of money that a migrant worker sends back to his/her country of origin. Remittance transfers are crucial sources of income for developing economies like our country Nepal and people as well. At a present context, with the rapid globalization, a lot of good opportunities are creating in the world. Global opportunity and liberal economic and social policy have now explored the avenues for easy flow of workers into the host country that has contributed a lot to the home countries to reduce the unemployment problem and helped in maintaining favorable current account balance.

Nepal has also the long tradition of overseas employment which started particularly after the people started migrating to neighboring Indian cities. The trend now, however, has shifted and the overseas employment has become one of the attractive options for many leaving the country to work abroad. The argument for the people's interest for foreign jobs, be it in neighboring country or overseas, is attributed to low absorptive capacity of domestic economy caused by the sluggish performance of manufacture and non-manufacture sectors, rapid growth of population and labor force, prolonged political instability, changing attitude of the people in their livelihood and others(NRB, 2012).

Nepal Life Standard Survey (NLSS) 2010/11 concluded that 56percentage of the total households were receiving remittance from their family members. Each household receives an average remittance of Rs.80436 per year of the total remittance flow. 19.6percentage comes from within the country, India 11.3percentage and from other countries remittance contribution is 69.1 percentage of total remittance flow.

The increased global integration and the enhancement in communication technology have facilitated the movement of labor from one country to another and, as a result, the flow of remittances started growing at a higher pace. While there is a moderate rise in remittances transmitted to development to developed countries, the remittances sent by migrants to developing countries has witnessed dramatic survey recently. This happened

precisely after 1990s when the migration from the developed countries from the North accepted many migrant workers from the poor South (NRB, 2006).

Remittance transfers of resources from individuals in one country to individuals in another are an important source of private funds in developing countries unlike foreign investment which goes to a limited number of well-established economies on the volatile earnings from trade remittances tend to be stable thus helping to cushion domestic economic shocks. And they are of direct benefit to the individuals and households that receive them (World Bank, 2005).

1.2 Statement of the Problem

Remittance is an important contributor to Nepalese economy. Larger scale of remittance is entering in the national economy over last few years and demand for middle level manpower is very high in international labor market.

Information is lacking in each and every step for potential labor migrants. Most of them are not aware where they are going, what work they have to do, the actual cost they need to spend to go for work and other social and cultural information about the country of destination. As a result, there are numerous realistic stories of the suffering of Nepalese migrant workers in abroad. It is believed that Nepalese workers are accepted in East and South Asia as well as Gulf countries only because of they are cheap and they do whatever job given. Most of the migrants are educated from middle and lower middle class families who go abroad with the hope of earning much within a short period (Rimal, 2004).

Since many years foreign employment rate is increasing, but most of unskilled labors have been going to foreign land. Nepalese labor force seeking foreign employment has very low level of technical education and formal training. They are compelled to take danger, difficulty and dirty job in foreign country. Slowly training, institute are being established in Nepal to develop skills on individuals who are seeking foreign employment so that earning capacity of the employed can be increased and competitiveness in the

labor market can be increased. But these institutes are in infancy. Individuals seeking foreign employment have spent a large amount of money as a cost for employment.

Remittance may help improve economic growth, especially if used for financing children's education or health expenses. Even when they are used for consumption, remittances generate multiple effects, especially in countries with high unemployment. In many other countries, a large part of remittances are invested in real estate reflecting both a desire of migrants to provide housing to family left behind and a lack of other investment instruments in the recipient community. Whether remittances are used for consumption or buying house or for other investments, they generate positive effects on the economy by stimulating demand for other goods and services (WB 2005).

The trend of Nepalese people going abroad for employment is tremendously increasing day by day. The Nepalese government has also encouraged Nepalese labor force for foreign job. But still a host of problems in the remittance sector has to be resolved.

It is no doubt to say that Barre is one of the most remittance-recipients out of 46 VDCs of Udayapur district. With an enormous number of people residing outside for the foreign job, however, the question is that how much money sent by those workers in district has affected the livelihood of their families and neighborhoods back in the country. This study is expected to answer this question by conducting a comprehensive survey in migrant-sending communities of the district.

Yet another less explored are so far regarding remittances is how the people going abroad finance their migration cost. A majority of the people going for foreign job belongs to the families who are economically very poor and they often live in the areas where there is acute lack of financial services. On this ground, this research also aimed at identifying how money sent by migrant workers has reduced poverty and improved lives of their families at homes.

1.3 Objectives of the Study

The primary objective of the study is to examine the contribution of the remittance in rural poverty reduction of the study area. The specific objectives of the study are:-

- i) To examine general poverty scenario of the study area.
- ii) To analyze the nature and extent of remittance income in study area.
- iii) To measure the impact of socio-economic remittance on poverty reduction of the study area.

1.4 Significance of the Study

Studies have shown that remittance is playing very important role to reduce poverty and uplift living standard in rural area of our country. Especially in those are of Nepal where there is limited job opportunity to earn money to fulfill their basic needs. This study is very significant to those (professional, students, teacher etc.) who want to know about the remittance and its role in rural poverty reduction.

Remittance is one of the major sources of foreign exchange earnings of a country. The inflow of remittance increased continuously but during the period of recession it has been affected. Remittance inflow has not only increased the foreign exchange earnings and regulation of current economy but also due to strong remittance income Nepalese industry, internal trade etc. are regulated. The nation is earning revenue from this source too. In such adverse situation of national economy, total GDP growth has been increased positively. This proves that remittance income playing or crucial role in minimizing the vulnerability of the economic growth to same extent (pant, 2008). To analyze the present manpower of Nepal about 70 present of the educated manpower is migrated of work, some of them are coming back of Nepal and some of them are salting there forever but all of them are spending money from there for their family and relative.

Remittance can generate a beneficial impact on the economic through various channels, such as saving, investment, growth, consumption and income distribution. Remittance have relaxed the foreign exchange constraints of the country and strengthened its balance of payment position. Bringing more remittance money though formal channels are critical, as there in no actual flow of currency through informal channels. There is, however, more, money being circulated in the receiving country without any increase in, foreign reserve due to informal channels. Depending on the volume, this increase in cash circulation without an increase in foreign reserves can cause inflation. The remittance money can crate real-estate bubbles and tends to support overvalued exchange rates. Furthermore, when the informal sector is utilizes, any direct or indirect tax revenues the government would gain form these transaction are lost (Shreatha, 2006).

1.5 Limitations of the Study

The study has following limitations:-

This study is concentrated on a particular area of Barre VDC, Udayapur district to examine an impact of remittance on poverty. Thus conclusions or generalization of this study may or may not applicable in the other part of the nation.

i) This study is based on sample size of the study area.

ii) Price of all commodities is calculated at the current price.

iv) The study also includes limited statistical tools and techniques like figure, percentage, average and ratio.

1.6 Organization of the Study

This study has been organized in five chapters. The First chapter is introductory chapter, which includes general background, statement of the problem, objectives of the study, significance of the study, limitation of the study and organization of the study. The second chapter focuses on review of literature. The third chapter explains the research methodology of the study. The fourth chapter Poverty scenario and socio-economic feature of the study area. The five chapters explain the data analysis and interpretation of the study area. The Six chapters includes summary of the major findings, conclusions and suggestions. At last references/ bibliography annexes are presented.

CHAPTER II

REVIEW OF LITERATURE

For review study, the researcher uses different books, journal, reviews abstracts, indexes, report, and dissertation or research studies publication by various institutions, encyclopedic etc. It is divided into three headings.

- Concepts and Theories
- Previous Studies
- Conclusion on Review

2.1. Concepts and Theories

Remittance means the transferring money from one place to another. Generally remittance refers to that portion of migrants' earning sent from the migration destination to the place of origin. Even though they can also be sent in kind, that the term "**remittances**" is normally limited to donate monetary and other cash transfers transmitted by migrant workers to their families and communities (NRB, 2006). In this way, remittance is the amount transferred by workers abroad to support their families' back home. In the actual sense, present day Nepalese economy is characterized by "**Remittance Economy**". The trend of working abroad starts from the beginning of world war in which Nepalese fought not for the protection of their homeland but in course of fulfilling duty in which they are engaged. For the foreign employment Nepalese people are engaged before some centuries. The Nepalese were able to the name themselves "Brave soldier" during the world war. Nepalese earned a name and fame for the fighting the victory in the war so that they are called as "Bir Gorkhali". The Nepali migrants are called "Lahure" because they employed and earned money in Lahore which is in Pakistan now. Some of the Nepalese earned money in Malaysia so that are called "Malayako Lahure". According to study conducted by prof. Seddon, Jagannath Adhakari and Ganesh Gurung entitles " Foreign Labor migration and the Remittance Economy of Nepal" DFID (Department for International Development of the British Government) in

the year 2005, nearly RS69 billion was Remitted by the Nepalese working in foreign countries in 1997. Of this, nearly 40 billion came from an estimated one million Nepalese working in India whereas the rest (nearly Rs. 29 billion) come from people working in other parts of the world.

According to NRB, the recorded value of money sent back from abroad more then doubled, from 1974/75 (Rs 90.7 million) to 1980/81 (Rs 216.8 million). Over the next decade, the official value of foreign remittances increased three fold, to reach Rs. 676.8 million by 1989/90. By the middle of the 1990's the velum of officially recorded remittance from abroad accounted for between a quarter and third.

Remittances fall under the group of items classified as transferee in the balance of payments (BOP). In the fifth edition of the balance of payments manual (BPM), transferee are defined as offsetting entries for real sources or financial items provided, with out a quid pro quo, by one economy to another. Putting it in another way, whenever an economy an economy does not receive or provide recompense in from of real resources of financial items for goods, services or finical items supposes to or received from another economy, it become a transfer for the purposes of BOP accounting. Two kinds of transfer are identified in the BPM: current transfers and capital transfers. while current transfers are recorded in the current, capital transfers are recorded in the capital account. Current transfers are categorized on the basis of the sector of the compiling economy into two main groups: general government and other sector. General government transfers encompass current transfers, in cash or in kind, between government and international organizations. Current transfers and other private sector of the economy and non-resident consist of those occurring between individuals, between nongovernmental institutions or organizations (or between the two groups) or between nonresident government institutions and individuals or non- governmental institutions. Moreover, the category of workers' remittances encompasses current transferee by migrants who are employed in other economies and considered resident there. Standard measures on remittance are based on three items in the BOP reports (as incorporated in the IMF Balance of Payments Statistical Yearbooks). These are in the form of; a) workers living abroad for greater then one year; b) compensation of employs (gross earning of

foreigners living abroad for less than one year; and c) migrant transfer (net worth of migrants moving from one country to another (De Wind & Holdaway, 2005).

Observation of the trend of Nepalese seeking jobs abroad, the majority of them that is 5,77,810 people have gone to Malaysia, 4,84,797(Qatar), 3,59,771(Saudi Arabia), 2,16,731(UAE), 24,342(Kuwait), 19,533(Bahrain), 12,007(South Korea), 11,502(Oman), 4,070(Hong Kong), and 43,157 other countries, Nepalese have gone for employment MOF (2009/10), Economic Survey. Nepalese government opened 107 countries for foreign employment, Nepalese are found to go for work in Malaysia, Saudi Arab, U.A.E., Israel, Bahrain, Macaw, Afghanistan, Libya, USA, Japan, Australia, Singapore, Denmark, Canada, Korea and so on. In this way, the remittance plays a vital role in the economy.

2.2. Previous Studies

Adams (2004) used the survey data for Guatemala and Ghana to investigate the effect of remittance from domestic and international migrant on poverty and income distribution. Using both cross section data from Ghana living standard survey and pseudo-panel estimation it is found that international remittances decrease the probability of family being poor. The effect of international remittance in reducing poverty is far higher than effect of domestic remittances in reducing poverty. It concludes that remittances reduce poverty but has no effect on income distribution in Guatemala and Ghana. The degree to which remittances impact poverty depends on how measures poverty.

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

The study concluded that remittance has indirect impact on economic growth through human capital development and the case of capital constraints, its direct impact is nil, where poverty is concerned remittances seem to have direct impact on poverty reduction, though the direct increase in the income of the poor, thus smoothening household consumption and easing capital constraints.

NRB (2012) in his case study positive effects were also observed in the access of communication means such as radio, TV, and telephone. In the same line, then migrant households radio listening and television watching habits were also increased significantly. The Channel through which the workers send money was reportedly formal channels (84 percent of household reported this). Only 14 Percent report that they sent money through hundi and \$ percent remitted with their friends.

Shrestha (2006) in his report titled "Foreign Remittance: A panacea for Nepalese Economy" has stated that remittance can generate a beneficial impact on the economic through various channels, such as saving investment, growth, consumption and income distribution. Remittances have relaxed the foreign exchange constraints of the country and strengthened its balance of payment (BOP) position.

Osmolovski and Lokshi (2008) examined the work related migration and poverty reeducation in Nepal. This research paper used total per capital consumption expenditure as an indicator of household welfare. Their consumption aggregate includes of household welfare. Their consumption aggregate includes of household expenditure on food and non food items, imputed housing expenditures an implied stream of services from durables goods, as well as cash expenditures an imputed household itself. The values of home - production items are calculated as a product of the quantity of each food item and its prevailing local market price. The poverty line for the analysis is constructed using cost of basic needs approach. To assure interregional comparability, all monetary indicators (household consumption values of remittances wage and so on) are deflated to 2004 all . Nepal prices .The cost of the poverty basket in 2004 all Nepal prices equals NRP 7,694 per year per person -equivalent to US \$ 107 or US \$ 590 in PPP (WB 2006).In this research three group of households classified, the first migrants who send no remittances.

The second group comprises households that receive remittances but do not report them. Finally some household could receive remittance from individuals who are not household member.

The result of this study shows that almost 20 percent of the decline in poverty in Nepal between 1995 and 2004 can be attributed to increased work-related migration and the resulting remittances sent back home. In the absence of migration the poverty rate in Nepal would increase from the currently observed 30.2 percent and the mean per capita expenditure would decline from 15000 to 14000 NPR. Migration and remittance have a strong impact on the living conditions of households with a migrant. The poverty rate among households with a member who migrant within Nepal would be twice as high as current levels if the migrants had stayed home. The poverty rate for households with a migrant working abroad would also be substantial higher had their members not migrated. They emphasize the role of migration for work and remittance inflows in raising the living standards of recipient families and reducing aggregate poverty in Nepal.

Sharma, Gurung (2009) try to examine the impact of global economic slowdown on remittance inflows and poverty reduction in Nepal. Secondary time series data were taken for analysis. The study found that the remittance income rent invested mainly on household purposes of purchase of land, purchase and maintenance of new house, paying off loans, deposit cash in bank and finally interest for business purpose. Some returnee migrants have also invested their saving in business ventures. Given the political and economic realities in Nepal and the limited space for expanding employed and income opportunities, foreign employment will remain a attraction for new entrants in the Nepal labor market remains fragile subject to different factor, including local demands and global economic situation. Since the bulk of the Nepali migrant workers consist of unskilled labor. Youth are exposed of insecure and low-paid jobs. Lastly they recommended that the private sector shoals take the initiative to make the most productive use of remittance income, which is now largely invested in land, housing and building. In the long term it would be not sustainable for promoting foreign employment.

Bhattraï and Regmi (2010) focused on the role of remittance in household economy collecting primary data from Nirmal Pokhari VDC in kaski district of western hill Nepal. For the purpose of household survey, four wards of the VDC were selected purposively. In the second stage of sampling the total households of the selected wards were divided into two categories based on remittance receiving households (RRHH) and remittance receiving households (RNRHH) . From these two strata, 34 remittance non-receiving and 64 remittance receiving households were selected randomly for household survey. The necessary information was collected filling up the interview schedule asking head of the household. The analysis was done with the help of simple statistical tools. Descriptive as well as inferential statistical tools have been used. Educational status, income, expenditure, saving and debt were taken to analyze the role of remittance in rural household economy.

Main findings are that per household agriculture income was Rs.20213.02 for RRHH whereas it was Rs. 24691.49 for RNRHH. Similarly average non-agriculture income was Rs.17170 for RRHH whereas it was Rs. 572118 for RHRHH. It implies the fact that remittance has positive influence on non-agricultural income but not on agriculture income of the sample households. The study suggests that remittance has no doubt, played an important role to subsist the household economy in the rural area. However, from the test of mean difference in various indicators of household's economic status, it is difficult to claim that remittance has played significant role to enhance the productive cycle of the rural economy. The remittance has not been properly channeled into the domestic economy by investing it into agricultural, education and to shift in non-agricultural economic activates, rather it has been used to meet the hand to mouth problem of the household or to spend on the non-productive venture such as buying land in cities, buying ornaments and to celebrate better fast and festival.

A study done by UNFPA (as cited in Khatri, 2006) looked at 74 low and middle income countries, Developing countries are found that there is statistically significant correlation between remittances and decline in poverty. It is noted that 10 percent increase in the share of remittance in a country's GDP can lead to a 1.2 percent reduction in poverty. Moreover, a 10 percent increase of migrant flow from the sending county will lead to 1.6

percent decline in the share of people living on less than \$1 a day. Although the methodology used in reaching the findings in the study is somewhat controversial, the positive impact of remittance on employment and poverty alleviation is widely accepted.

Remittance impact on poverty reduction in small country like Nepal can be even higher than the average impact for 74 countries indicated by UNFPA study. There are two reasons why this can happen: first the country is poor and the per capital income is low;; and second productivity is also low. For example, a study done by National Living Standard Survey on the contribution of remittance a reducing poverty between 1996 and 2003 was 11 percent. Remittance not only helps to reducing poverty, but also to rescue the depth and severity of poverty in Nepal, and other country. (Khatri, 2006)

CBS (2008) examined the labor market conditions in Nepal and current situation of employment, underemployment and unemployment and of labor force in different economic activates, The data were primary and collected from field survey. In the first stage, 400 equal primary sampling units (PSUs) were selected from urban and rural strata. In the second stage, 20 households from each PSUs were selected with systematic sampling techniques. Further stratification was done to create 6 strata compromising 3 urban and 3 rural areas. The total sample size combining both the urban and rural areas comprised of 800 PSUs covering 16.000 households distributed over the enter economy.

The survey found that labor force participation rate is 83.0 percent; rate of employment is 97.9 percent or 83.0 percent economically active with 17.0 percent remaining inactive; 2.1 percent unemployed and annual employment growth rate is 2.45 percent. The survey also found that nearly 44 percent of households have at least one absentee living either abroad or within the country. When differentiating between abroad and within the country, the survey found that slightly more then 29.0 percent of households have at least one absentee living in abroad. Similarly, survey found the proportion of households receiving a remittance was 30.0 percent of all enumerated households. The average amount received over all households in the last 12 months was Rs. 19,721. Most remittance income was coming from abroad. The share of remittance received from abroad is the highest from Qatar i.e. 21.3 percent and 19.2 percent , 14.9 percent, 13.4

percent, 2.2 percent, 29.0 percent respectively from Malaysia, Saudi Arab, India, United Kingdom and other countries. From this analysis survey estimated that total amount of remittance received is more than 95 billion NRs, while per capita remittance for the entire country is 4042 NRs.

CBS (2011) about 49 percent of the households in the country perceive their total income as less than adequate and 50 percent think it to be just adequate. The percentage of households reporting their income as “more than adequate” is around one percent only. The proportion of households reporting their income as “inadequate” is the highest in the far-west development region (69 percent) and the lowest in the central region (39 percent). Among the analytic domains, this proportion is the lowest in the Katmandu valley urban areas (26 percent). As expected, proportion of households reporting their income “inadequacy” decreases from the poorest quintile to the richest quintile. It is interesting to note that about 29 percent of the households even in the richest quintile think that their Income is inadequate.

Table: 2.1

Summary statistics of remittances and transfers			
Description	Nepal Living Standards Survey		
	1995/96	2003/04	2010/11
Percent of all households receiving remittances	23.4	31.9	55.8

Nominal average amount of remittance per recipient household (NRs.)	15,160	34,698	80,436
Share of total amount of remittances received by household			
From within Nepal	44.7	23.5	19.6
From India	32.9	23.2	11.3
From other countries	22.4	53.3	69.1
Share of remittances in total household income among recipients	26.6	35.4	30.9
Nominal per capita remittance received for all Nepal (NRs.)	625	2,100	9,245
Nominal total amount of remittance received (million NRs.)	12,957.5	46,365.5	259,088.5

Source: CBS 2011 vol. 1

About 79 percent of the total remittances received by the households is used for daily consumption while 7 percent is used for loans repayment. Other uses are to acquire household property 80 (5 percent) and for education (4 percent). Only a small percentage of the remittances (2 percent) is used for capital formation and the remaining (3 percent) is used for other purposes. Nearly 85 percent of the remittance from India is used “for daily consumption”. More than one half of remittances received from Malaysia, Saudi Arabia and Qatar are used “for daily consumption”.

Nepal living standard survey (NLSS-2003/04) has defined remittance as a transfer income received by a household with in last 12 months. All incomes transferred from a single source (Individual/household) are counted as one remittance. According to the survey the following table is presented as a comparison of remittances between the year 1995/96, 2003/04 and the year 2010/11

Table: 2.2

Summary statistics of Remittance

Description	Nepal Living Standard Survey		
	1995/96	2003/04	210/11
Percent of all households receiving remittance	23.4	31.9	55.8
Average amount of remittance per recipient household (NRs)	15,160	34,698	80436
Share of remittance received by household from with in Nepal	44.7	23.5	69.1
From India	32.9	23.2	30.9
From other Countries	22.4	53.3	9245
Share of remittance in total household income	26.6	35.4	2,59,088.5
Per capita remittance amount for all(nominal NRs)	625	21,000	
Total remittance received (NRs)	12,957,840,907	46,365,466,726	

Source: NLSS volume (2010/11, vol.2)

According to the survey, remittance flows from internal and external sources. A majority of remittance (58 percent) come from within the country, followed by India (19 percent) and other countries (23 percent).

NLSS estimates that the total amount of remittance in the country is Rs. 259 billion in nominal terms. Internal sources accounts for 20 percent of this amount. Gulf countries (especially Saudi Arab and Qatar) together account for 26 percent, Malaysia 8 Percent, India 11 percent and the remaining 35 percent is accounted by other countries (table). The majority of the remittance are brought in by "self" (by the donor himself/herself) in case of internal sources whereas financial institutions are the main media for external sources except India. The majority of remittances are sent through financial institutions from these countries: Malaysia (81 percent), Saudi Arab (73 percent) and Qatar (64 percent).

Perhaps a better indicator of source shares is by size of transfer incomes. The survey summarizes number, size and share of remittances by source also. NLSS II estimates that the total amount of remittance received in the country is Rs. 259088477460. This is summarized in the following table.

Table: 2.3

Share of remittances received by source

Sources of remittance	Share of remittance amount received (percentage)
Internal	
Urban Nepal	9.9
Rural Nepal	9.7
External	
India	11.3
Malaysia Saudi Arabia	8.4, 9.9
Qatar, UK	16.0, 3.0
Other country	31.8
Other Donor Agency	0.0
Nepal	100

Source: NLSS volume (2010/11 vol. 2)

Per capita remittance is a better indicator for the whole population stands at NRs 2100. Urban areas have double the size of rural areas but strongest association is seen with the level of household consumption. The poorest consumption quintile receives one -eight of what the richest quintile receives in per capita terms. Remittance flow from internal and external sources, according to the survey, majority of remittance come from within the country, followed by India and other countries. The far-west and mid west have higher shares from India. Perhaps a better indicator of source shares is by six of transfer income. The survey summaries number, size and share of remittance by source also. NLSS II estimates that the total amount of remittance in the country is NRs 46 billion is nominal terms. India accounts for 11.3 percent, three Arab countries for 27 percent, other countries for 17 percent and internal sources for the remaining share. This is a large shift from eight years ago when internal sources and India accounted for more than one fourth of the total amount. This is summarizing in the following table.

Karki (2006), in this dissertation, "Foreign employment and Remittance Economy of Nepal; A case study of Dhuseni VDC, Illam District" has attempted to identify impact of foreign employment and remittance in rural community. 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 households 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 analyzed the collected data by using simple statistical tools like percentage and ratio.

Thus, the study has concluded that the main destination of Nepalese's workers is Gulf countries and Malaysia. Sixty percent of total workers are in Gulf countries. The main countries are Saudi- Arabia, Qatar, UAE and Malaysia etc. The Remittance is increased in the year 2003/04 by percent while base year was 1994/965. The contribution of remittance to GDP in 2003/04 was 11.44 percent and the share of remittance in convertible foreign exchange reserve was accounted by 46.9 percent in 2003/04. The average cost for foreign employment was Rs. 93.25 thousand. It ranges between Rs. 45

thousand minimum to Rs 150 thousand maximum. Source of financing for foreign employment for 90.25 percent migrant worker was borrowings. The major sector of employment for Nepalese's workers was building construction (41.66 percent) and Industry (26.38 percent). The Nepalese workers average stay duration was 2.99 years. Most of them respondents of tat study area want to go again because of the unemployment (70.85 percent) and conflict (36.11 percent). Out of causes maximum respondents of Brahmin/Chhetri were suffering from the conflict problem. The study summaries that remittance has increased their household economic and social indicators after returning from forging employment has increased their household economic and social indicators after retuning from foreign employment. Around 55 percent 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 percent respondent's skill. But around 36 percent respondents said that economic status has been same, 44 percent have remained same and standard of living and 27 percent said that it remained their social attitude same and 9 percent said that remained same level of skill after returning from the foreign employment. Around 77 percent respondents improve their clothing 15 percent respondents have worsened their education of children, health of family members and cash available and around 36 percent respondents have same level of education of children and health of family member, around 47 to 50 percent have same level of cloth and cash available.

The number of job aspirants in foreign land increased dramatically, especially after the restoration of democracy. The Labor Act, 1985 came as a boon for facilitating foreign employment and opening up avenues for the private sector. With the enactment of Foreign Employment Act, 1985 and arrangement of distributing passport to the potential migrant workers by the District Development Offices, accompanied by higher demand for labor created by the oil boom in the Gulf, the Nepalese started to migrate beyond India, particularly to the Gulf. 2 The total number of migrant workers (excluding those migrating to India) increased to 940,824 in 2006/2007 from 1,926 in 1992/93 (Table 1). By the end of 2007, the total number crossed one million. The official figures of those working abroad are felt to be grossly underestimated (Graner and Seddon, 2004 and

Gurung, 2002). The official figures capture only those passing through formal procedures. In many cases, those who travel abroad for other reasons (for instance, for study) may be involved in paid employment. The number of workers going abroad for employment has been steadily increasing as per the data provided by the Department of Labor and Employment Promotion. In 2006/07, the number of workers going overseas for employment was 214,094 compared to 2,159 in 1994/95.

Table: 2.4

Number of Nepalese Workers Abroad

Year	Number of Job Seekers
1994/95	2,159
1996/97	2,134
1997/98	3,259
1998/99	7,745
1999/00	27,796
2000/01	55,025
2001/02	104,739
2002/03	105,055
2003/04	121,769
2004/05	139,696
2005/06	182,043
2006/07	214,094

Source: Department of Labor and Employment Promotion (2007)

The major factor contributing to large-scale out-migration from Nepal is higher growth of labor force and limited employment opportunities outside the farm sector. The 3 percent

annual growth of labor force is not matched by additional job creation; moreover, the low salary structure in the economy, insecurity in the rural areas, and higher demand for the labor in the industrialized Asian and Middle-east countries are the other contributing factors. The Government's liberal policies, accompanied by mushrooming growth of the manpower agencies have also played instrumental roles. Currently, 700 manpower agencies are operating in Nepal. Furthermore, food scarcity, distorted peace and social order are strong push factors for increasing out migration. The poor people from the Mid West and Far West are migrating to India and those who can manage the funds are migrating beyond India. (Source: NPC/CBS (2005).

2.3. Conclusion on Review

After reviewing the various literatures, it is concluded that the international labor migration is one of the great source of remittance. The Nepalese immigrants sent a considerable remittance back their home which play vital role for their overall development. In case of Nepal one of the major exports is labor and most of the households now depend on at least one member earning from abroad. Generally the Nepalese labor force is comparatively low skill in terms of education and vocational training. Thus a higher qualification could be beneficial at foreign as well as national labor market. Most of the previous studies were impact of remittance on poverty alleviation and education of other districts and VDCs but present study tries to show role of remittance in Baree VDCs of Udayapur district.

CHAPTER- III

RESEARCH METHODOLOGY

3.1 Research design

This is a case study of Barre VDC. It was a micro level study. The design of this study was pre- and post recall as well as comparison of remittance receiving household with remittance non receiving householders. This study adopted the descriptive and analytical method. The main objective of this study was to review the role of remittance in rural poverty reduction. For this purpose, US \$1 income per day concept was adopted to measure the poverty of the study area.

3.2 Source of Data

This study conducted with primary as well as secondary data. The primary data collected using the questionnaire methods. The survey method confined to the remittance household survey only. The collected data will be processed according to the need of study. In the context of secondary data, available sources, like policy document, article, books, web-site will be also used which efforts are already done in the past.

3.2.1 Primary Data Collection

Among the selected households, members were taken interview with sampled household were use structured questionnaire and relevant information collected through the medium

of questionnaire. The questionnaire included both open and closed types. The researcher took personal interview and fill up the questionnaire, Cross check, editing and indirect question were also put some time to check the validity and relevancy of questionnaire.

3.2.2 Secondary Data Collection

Besides, primary data secondary data also needed to fulfill the research objectives. So the sources of available data should be taken from official and unofficial sources. The relevant data were taken from publication of National Planning Commission Secretariat, Central Bureau of Statistics (CBS), Budget speech of GON, Economic Survey, Annual publication of Nepal Rasta Bank, Book, Report, Magazines, Seminar Paper, Reports of Research Center's data and information from donor agencies like WB,ADB,IMF,UNDP etc.

3.3 Sampling Design

There are 845 households and total population is 5093 in Barre VDC. Among them the working age population is only 2148 (the Population aged between 15 years to 60 years is categorized into the working age population). Among the total no of households total of 103 households were migrated to another place in the year 2069/70 BS. Among the total population about 20 percent of the people were migrated to another place. Among them about 36.3 percent of people were migrated for their further studies and about 43.7 percent of people were migrated for work. From 845 total households in the study area, 104 households were selected using proportional size with random sampling method. In order to make the study meaningful as well as short in the limited time period a larger sample size was not feasible. The sample was more then 10 percent of total households, which can be considered as the representative of the universe of study. The strata were the nine wards of the VDC for the selection of sample households each word was made proportional to the total size. The size was the total number of the households in each ward. This survey was conducted from August, 2015 to September 2015. The Selection of sample size is given in the following table.

Table: 3.1

Number of Households

+Ward No.	Total number of Households	Number of sampled households
1	54	12
2	56	13
3	102	17
4	100	12
5	97	7
6	150	9
7	108	19
8	91	8
9	87	7
Total	845	104

Source: Field survey, 2015

3.4 Data Processing

After the data collection, all information of the questionnaire was checked and verified. Then the data were tabulated in row and column in different categories such as education, income occupation and family size to analysis the different categories to solve the problem. The data were entered on Excel 2010 of Microsoft.

3.5 Data Analysis

After collecting data, all information of the questionnaire were classified and tabulated to meet the needs of the study. Data analysis was done with the help of require tools and techniques. In data analysis the simple technique was used to analysis the result.

CHAPTER-IV

ANALYSIS AND PRESENTION OF DATA

This chapter is all about the description of the social characteristics of the respondents, status of economic condition, occupation causes to seek foreign employment, medium used to abstain foreign employment, destination, duration of stay in abroad, income earned in abroad, system of transfer remittance income, uses of remittance income and the effect of the remittance in the poverty situation and send in the life status of the family of the migrated worker etc. In other words, this chapter deals with all the data related to the topic which are collected in the field survey.

4.1 Socio-economic Status of Sampled Household

Social- economic status reflects the economic social well being. So their social economic profile is reported below which is found in the study area.

4.1.1 Social Characteristics of Respondent

Social conduction such as cast/ethnic composition, size of the family, age, marital status and literacy determine the willingness and clarity of the individual to participate in foreign labor market. In the process of field survey, we found the main casts of the study area were Brahmin, Chhetri, Janajati, Kami, and Sarki, etc. For the purpose of the study the sample household in respect of the above described cast was taken. The main social characteristics considered important for these groups were family size, marital status and literacy rate. The information obtained by interviewing the respond is presented in the following table.

Table 4.1.1

Average family size, age and literacy percentage of different Ethnic group of sample

Households

Cast/Ethnic group	No. of Respondents	Average family	Percent of literacy
Brahmin	48	5.12	76
Chhetri	10	5.03	61.4
Janajati	36	6.91	49.7
Kami/Sarki	2	6.23	46.7
Other	8	5.06	51.2
Total	104	5.67	57

Source: Field survey, 2015

The following table 4.1.1 shows that among the workers seeking foreign employment from Barre VDC is mostly dominated by Brahmin, Janajati, Chhetri, Comparing the age of the migrant of the three casts with other cast, the average age of the migrant of these caste is very high while other casts like Sarki, Kami has very low average age of the migrant workers. On another aspect of the following table we can see that the literacy level of the migrant workers from the upper so called upper casts like Brahmin and Chhetri is quite high compared to the another casts migrant. The literacy level of the migrant of Brahimin is 76 percentage where the literacy percentage of Chhetri is 61 percentage. The following table presents the another fact that the following size of the respondent from the low cast like Kami and Sarki is high compared to the Brahimin which is also playing the vital role to foreign employment for the young and dynamic labor forces even they are educated also. Most of the people of the lower cast Marriages in their childhood, which means that the percent of the marriages cast is very high. Which is also another important aspect as a push factor of foreign employment?

4.1.2 Demographic Status

According to CBS population census 2011, the total population of this VDC is 5093 out of which 2280 males and 2758 are female. The total households are 803. The following table 4.6 gives the ward wise and sex wise distribution of population of the study area.

Table 4.1.2

Demographic status in Study Area

Ward No	Total number of households	population		Total Population	sex ratio
		Male	Female		
1	54	56	7	324	0.856
2	56	78	9	685	0.56
3	102	83	12	465	0.79
4	100	51	12	374	0.71
5	97	23	4	132	0.93
6	150	35	5	1056	0.69
7	108	73	6	387	0.73
8	91	22	9	369	0.69
9	87	107	18	373	0.93

Source: Field survey, 2015

The above table 4.1.2 shows that among the total population of 5038, all the wards of the VDC, the sex ratio is higher i.e. the number of female population is more than the number of male population. According to the CBS census 2011, among the wards the sex ratio is highest in words number 5 and 9 which is 0.93 and lowest is wards number 6 and 8 which is 0.69. Taking average of sex ratio is 0.82. Among the 9 wards according to the

demographic status wards number 6 is the biggest ward which has 150 households and total population is 5038. Among wards, ward number 1 is the smallest ward with the 54 household and total populations 609.

4.1.3 Age and Sex status of the Study area

Below table 16 shows that out of the total population of this VDC about 41.82 percent population belong to the age below 15 years which means that dependent population is very high in this VDC. The population of working age (15-59) is only 43.26 percent. The population above 60 years is 14.88. If the population between the ages of 15-60 years regarded as economically active population and below 15 years and above 60 years are regarded as economically in active on dependent population. Based on the above assumption there is very high dependency ratio, which 56.7 percent. This high dependency rate is also one of the major causes of poverty situation in the study area.

Table 4.1.3

Distribution of population by sex and age groups

Age Group (y)	Male Population	female Population	Total	Percent
Below 15	957	962	1919	41.82
15-29	402	438	840	18.30
30-44	317	262	579	12.61
45-59	309	258	567	12.35
60-75	209	194	403	8.78
75+	112	168	280	6.10
Total	2306	2282	4588	100

Source: VDC profile, 2015

4.1.4. Education Status of Sampled Members

Despite the gains, the nation literacy rate is very low two out of five people are literate. Two third of the total population, thus, remains deprived of the basic capability of literacy. While more than one-half of boys and men are literate, only one of four girls and woman is literate-despite the fact that literacy among girls and woman, in term of percentage ratio, grew much faster than the boys and men. Gender differences on other domains of life, thus is being reconstituted in differential access to opportunities to literacy is highly unequal between the urban and rural areas and the ecosystem and developmental regions of the country.

Education status refers to their standard. Educational status determines an occupation, income, and consumption of the people. The result of the study found is presented in the following table.

Table No. 4.1.4

Education Status of Sampled Members

Education Status	Population	Percentage
Illiterate	120	20.59
Literate	125	21.44
Education up to IA	253	43.39
Above IA	85	14.58
Total	583	100.00

Source: Field survey, 2015

From above mentioned table no. 4.1.4, we can find 120 total population are illiterate, 125 population are literate, 253 population are having up to IA level and remaining and 85 is having more than above IA level education. From the table the literacy rate is approximately 65.08 percent. It is more then national literacy percentage of Nepal. Average literacy percentage of Nepal is 63.2 as per the data prepared by ministry of education on the basic of Nepal labor force survey 2008(Economic survey 2009/10).

4.1.5 Health Status

The flow of remittance in the study area has increased the peoples approach to the health facilities. There is a health post being run by the government and 2 private medical clinics providing the health services to the people in this VDC. The health status in the sampled households in the following table.

Table 4.1.5

Health Status of the Sample Household

People used by health facility from	Number of Household	Percentage
Lama/Dhami	15	14.43
Health post/Govt. hospital	32	31.77
Private Clinic	45	43.27
Ayurvedic	12	11.54
Total	104	100

Source: Field survey, 2015

The above table presents the data about the receiving health facilities from various sectors like health post, private medical firms and other. The above table shows that 31.77 percent of the total people were getting facilities from the health post. 43.27 percent of the people were getting the health service from the private medical firms, 11.54 percent people going to Ayurvedic facility and only 3.1 percent used to Lama/Dhami.

4.1.6 Sources of Income of the Sampled Households

In the sturdy area even through the different people are engaged in different occupation like Agriculture, Business, Jobs (Government as well as private) and foreign employment etc. which are the main source of income of the respondent family of the study area. The situation of the income depending on their sources in the sampled households is in the following table.

Table 4.1.6

Source of income of the sample households

S.N.	Sources of income	Number of households	Percentage
1	Agriculture	47	45.19
2	Job	9	8.65
3	Foreign employment	35	33.65
4	Business	3	2.89
5	Others	10	9.62
	Total	104	100

Source: Field survey, 2015

Table no.4.1.6 shows that only nine household heads are involved in public sectors out of 104 and it is about 8.65 percent of total. It clears that their access to public sectors is very low. In the selected sample, 33.65 percent has engaged in foreign employment. Beside this 45.19 percent of household are in agriculture. It shows that agriculture is the main occupation of the study area.

4.1.7 Source of Fuel

Fuel is most important for cooking in every house. The finding of the study is as follows in the case of fuel use.

Table No. 4.1.7

Fuel

Fuel	No. of Household	Percentage
Firewood	81	80
Bio-gas	7	5
LP gas	11	11.25
Others	5	3.75

Total	104	100
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Source: Field survey, 2015

Table no. 5.2.1 shows that all 80 percent households have been using firewood for cooking, 5 percent household using Bio-gas, only 11.25 percent household using LP gas and 3.75 percent household using to other fuel.

4.1.8 Drinking Water

In the case of drinking water facility, different sources are used in the study area. They are presented in table no. 5.2.3

Table No. 4.1.8

Drinking Water

Drinking water	No of Household	Percentage
Well (Kuwa)	18	17.5
Tap (public)	78	80
Tap (private)	8	3.75
Total	104	100

Source: Field survey, 2015

Out of 104 households, 17.5 percent households is using well as a source of drinking water. 80 percent people use public tap, and only 3.75 percentages of peoples uses private tap as source of drinking water.

4.2 Communication and Entertainment

Access to information was found to be higher in sample household. The ownership of media items such as radio, television all is higher in sample households. Radio and mobile phone remained to be the most used of communication in the study area.

Table No. 4.2.

Communication and Entertainment

Items	No of Household		Total Household
	Yes	No	
Electricity	98	6	104
Radio	101	3	104
Telephone/ Mobile	89	15	104
Television	78	26	104
Email-Internet	28	76	104
Refrigerator	26	78	104

Source: Field survey, 2015

The above table 4.2. shows that the total sample household of the study area, only about 98 houses are connected by electricity, 101 household uses to Radio, 89 household Telephone/mobile phone, only 78 household used to Television, Email-Internet used household only 28, and only 26 household used to refrigerator.

4.2.1 Household Status

This title gives us the information about the poverty situation of the sample households from the structure conduction of the houses.

Table No. 4.2.1

Sample household made by Different types

S.N.	Types of houses	Total number
1	Made with rod, Concrete and cement	19
2	Made with stone and mud with tin roof	68
3	Made with stone and mud and thatched roof	17

Total	104
--------------	------------

Source: Field survey, 2015

The above given table 4.2.1 shows that most of the sample household have made with stone and mud with slate stone in the roof. These type houses are 17. After these types of household there are 68 house made of with stone and mud thatched roof. Remaining 19 houses are made with concrete.

4.2.2 Status of Economic Condition

Economic conduction is one of the most important factors of emigration. It is expected that people from lower economic condition (the type of people with problem in fulfilling their basic needs) should seek foreign employment. Mainly the lower economic condition families used to go India for foreign employment because of the cost of funding, foreign employment is quit high and poor people may not be to afford it. In this VDC respondents were classified into lower, lower middle, middle and high income group according to their own assessment of their economic condition. The information obtained is presented in the following table.

Table 4.2.2

Frequency distribution of economic condition of different Ethnic groups of Respondents from Barre VDC

Cast/Ethnic group	No of Respondents	Economic Condition			
		Lower income group	Medium lower	Medium income group	Higher income group
Brahmin	48	8	32	14	6
Chatri	10	1	4	3	-
Janajati	36	5	18	4	-
Kami/Sarki	2	5	1	1	-

Other	8	3	1	-	1
Total	104	19	56	22	7

Source: Field survey, 2015

Above table 4.2.2 present the summary about the economic condition of the respondents and their family. From the above table we can see that among the sampled households most of the households are Brahmin, where they have quite strong economic background where 7 households from total households are from high income group where as 22 household are from medium income group, 56 households are from medium low income group and only 19 households are the lowest income group, 17.25 percent of the population from Brahmin are in lower income group. After Brahmin, Chhetri and Janajati are the economically strong in which only the 14.28 percent of the total household are in lower income group. Among the sampled households Kami/Sarki cast is the poorest cast in which 75 percent of the sampled households are in lower income group from the above table we can see that there is only one family in the high income groups besides Brahmins.

4.2.3 Monthly Income and Unemployment

It is clear to all of us that unemployment is the main causes of the poverty in any state and the unemployment plays the major role of migration to the other place from their native born place. In this study also we found that the main cause of the migration of the youth of the study area is due to unemployment in their native country. Most of the workers of the study are migrated to those countries where they don't need any special qualification to migrate like India, Qatar, Malaysia, UAE, KSA, and other Gulf countries and also to others south Asian countries. Their migration to the different countries depends upon the economic condition of their, and also the regular monthly income of the members of the family. This is shown in the following table.

Table 4.2.3

Regular Money Income of the sample households

Regular monthly income (in Rs)	No. of household
Less than 5,000	25
5,000-10,000	22
10,000-20,000	27
20,000-50,000	25
Above 50,000	9
Total household	104

Source: Field survey, 2015

The above table 4.2.3 presents the fact of the sample household of the study area that about 42 percent of the total sampled household receiving less NRs 10,000 per month. Which means an average of NRs 1650 per month is available to each person of the sample households. This is very below the absolute poverty line. Only 9 percent of households receive more than 50,000 per month as the regular income. Among the 104 households about 25 percent of the household receive less than 50,000 per month, which is very low level of poverty for the existence of the family members.

4.2.4 Causes of Foreign Employment

At present time, labor migration is a global phenomenon. With the rapid global economic liberalization, the demand and supply of labor is unlimited and unbound therefore labor force of different countries are moving globally. But there are many causes for labor migration and it determines differently based on the country. In the context of our country Nepal, the main cause of foreign employment is poverty. Beside this there are different causes of labor migration in international labor job market which is shown in the following table.

Table No. 4.2.4

Causes of Foreign Employment

Causes	No. of HH	Percentage
Job not found in the country	58	55
Pay to Family loan	8	10
Political conflict	2	2.5
To increase the family economic status	20	12.5
Internally desire to go abroad	5	6.25
Due to the friends and relative	8	10
Any others to be mentioned	3	3.75
Total	104	100.00

Source: Field survey, 2015

Table no.4.2.4 shows that lack of opportunity is the main reason of foreign employment. Out of total household about 55 percent worker has gone for foreign job market because of unemployment problem and lack of opportunities in the country. In the study area, 12.5 to increase the family economic status and following by political conflict in the country with 2.25 respectively. 10 percent people going foreign pay to family lone, It is because of a decade of decade of conflict between most governments. On the overland, employee also gone to foreign employment to increase their economic status and family pressure as well.

4.3 Nature and Extent of Remittance Income

4.3.1 Types of Jobs and Duration of Study in Foreign Employment

Since the skill of Nepalese workers is quite low; most of then get employment in manual job. To find out the types jobs performed the respondent were asked to give the type of work they did while being employed in foreign country which is categorized into five

types, they are construction, mechanical, agriculture farming, industrial works and hotel/catering.

Duration of foreign stay of emigrants workers depend upon availability of work, facilities provided by company, salary rate, health of workers, visa permit data, home urgency another several reasons, Sometime the respondents return their home before the agreement data due to inferior type of job, low salary and family affaire such as death of any the respondents were asked to provide their length of stay. The result of both the types of job performed and the duration of stay in the foreign employment are summarized in the following table.

Table 4.3.1

Types of jobs performed and duration of stay in foreign Country of respondents

Cast/Ethnic group	No of Respondents	Types of job					Average stay of duration
		Constru ction	Mechan ical	Agro- far.	Indust ry	Hostel/Cat ering	
Brahmin	48	30	10	7	11	11	3
Chatri	10	-	-	-	5	5	3.5
Janajati	36	12	3	-	2	-	2.8
Kami/Sarki	2	2	1	1	-	-	2.7

Other	8	3	-	1	-	-	2.7
Total	104	47	14	9	18	17	

Source: Field survey, 2015

Table 4.3.1 shows that most of the migrated respondents work in the construction areas in which 31.25 percent work in that occupation. Most of the people from lower cast work in the construction areas due to lack of other technical knowledge to work in other areas. The second most employed area is Industry in which 22.25 percent respondents are working and third most employed area is mechanical in which 17.5 percent respondent are working. Other areas of employment for the Nepalese workers are hotel/catering and also the agriculture-farming where 17.5 percent. According to the duration of stay from the field survey we know that the respondents from Chhetri ethnic group have longest duration of stay where they that the respondents from Chhetri ethnic group have longest duration of stay where they away on an average of 3.5 years once. After Chhetri, Branmin spent average of 3 years on foreign employment at a time. The Sarki/Kami and other cast duration of stay around 2.7 years. In means the average duration of stay of the respondents from Barre VDC is 2.93

4.3.2 Numbers of Employee Based on Country

The table 5.8.1 shows the migrated workers field of work in destination country of the study area. The most favored country of Nepalese workers are gulf, Malaysia Indian army and others. The data are presented on table no. 4.3.2

Table No. 4.3.2

Number of Employment based on Country

Country	No. of HH	Percentage
Gulf	50	43.75
Malaysis	21	13.75
Indian Army	7	8.75

Birtish Army	4	5
Singipur Polic	3	3.75
Hong kong	4	5
South Korea	7	8.75
Others countries	9	11.25
Total	104	100.00

Source: Field survey, 2015

Finding shows that most of people have gone to gulf countries. 43.75 percent of total number of persons is in gulf and they are unskilled labor. This overwhelmingly high percent of migrated unskilled labor force in fact does not produce high volume of remittance. However, if this high number of unskilled and semi-skilled labor-force had been fully skilful, today's volume of remittance would be at least doubled. On the other hand 13.75 percent workers are in Malaysia and followed by Indian army with 8.75 percent. Korea is the lowest number of employee where only 8.75 percent Nepalese worker are working there.

4.3.3 Actual Time of Day and Daily Work Hour

Most of the rural people of Nepal who want to go for foreign employment work as daily time and daily hour. The rule of government sector per day 8 hours, and 6 day per week. The summarized vision of time of work hour and day the different group is given in the following table.

Table No. 4.3.3

Actual time of day and daily hour

Actual works Time of agreement	Yes	No	Total
	68	36	104
Percentage	67.5	32.5	100

Source: Field survey, 2015

Actual time of per day and per hour, 67.5 percent workers work in actual time of day and 32.5 percent didn't actual time of agreement in per day.

4.3.4 Training before Going Foreign Employment

Training is the most essential for higher income. Wage rate of workers depends on their training and skill. But in case of Nepalese worker, most of the worker is unskilled and they have no training before going foreign employment.

Table No. 4.3.4

Training Before Going Foreign Employment

Training	Yes	No	Total
	31	73	104
Percentage	26.25	73.75	100.00

Source: Field survey, 2015

Table no. 4.3.4 shows that only 26.25 percent Nepalese worker have training before going employee country. In this study area, 73.75 percent workers have gone to foreign employment without training and skill. So that their wage rate is low as a result and they are unable to change their economic status rapidly.

4.3.5 Causes to Return Back to Work Again

The labor employment about when returns back to his/her home he has two options. He

may stay in his own native country and have to take some new profession continue as former as return back to the same foreign employment. Those who return may be returning for several reasons such as easy continuation of job, unavailability of job at home, avoiding conflict. Those who are not able to return again with several reasons, such as difficulty in job, willingness to stay with family, no urgency to make more money because the debt has been paid, marriage or death of the older member of the family and got another employment in their own native country etc. How the sample households respondent to the further employment in foreign land was solicited through the questionnaires and the response are summarized below.

Table 4.3.5

Cause to return for foreign employment for different Ethnic group of respondents

Cast/Ethnic group	No. of Respondents	Causes of returns		
		Employment purpose	Conflict	No plan to go
Brahmin	48	41	7	6
Chatri	10	7	-	1
Janajati	36	19	-	7
Kami/Sarki	2	8	-	1
Other	8	5	-	2
Total	104	80	7	17

Source: Field survey, 2015

The above table 4.3.5 shows that among the respond, 76.25 percent respondents plan to return to foreign employment. For them the most important push factor for sending to foreign employment again is employment purpose i.e. they can't get any jobs in their

native country returning back from the foreign employment, among the total respondents 83.43 percent of the respondents return back due to the employment problems, other 7 percent of the people said they can survive in their own country but the conflict problem is purchasing then back to the foreign employment. Among the total respondents only 11 percent respondent doesn't plan to return again while may be because they had done difficult, danger and dirty works in abroad. Ethnic group wise almost all the lower casts are planning to return back to the foreign employment, where as some of the respondents from Brahmin and Chhetri and other casts don't plan to go to the foreign employment again as the same ratio. It can be concluded that continuous foreign employment is means to avoid the unemployment and conflict in the country.

4.3.6 Income Earned Abroad and skills

It is often said that Nepalese workers get low paying jobs in overseas. So, they earn less money than Laborers from other countries. But income earned abroad depends on skill of workers, salary payment by company, rules and regulation of the working country, types of company, duration of stay etc. To find out the income earned by Nepalese labor in abroad the respondents were asked to give their monthly salary earnings. The respondents' answered are given in the following table.

Table 4.3.6

Income Earned and skills abroad for different Ethnic group of respondents

Cast/ Ethnic group	No. of Respo ndent	Average monthly income (in thousands)							
		Based on destination		Based on skill		Types of job			
		Gulf	Malaysia	Skilled	un skilled	Mech.	Hotel	Ind.	Agr.
Brahmin	48	13.43	12.4	22	10	17	15	13	-
Chatri	10	15.43	12	20	8	16	18	11	8.5
Janajati	36	12.84	14	17	7.75	22	20	17	9.5

Kami/Sarki	2	9.63	9	15	7	15	-	10.5	-
Other	8	10.3	10	18	9	-	14	-	10.5
Total	104	12.32	11.48	18.4	8.35	17.5	16.7	12.8	9.5

Source: Field survey, 2015

Above table 4.3.6 shows that the respondents who have done the work in gulf countries earned more money than the respondents worked in Malaysia, comparing there two countries the average monthly income of the respondents in Malaysia is Rs 11.48 thousands where the average monthly income in Gulf countries is Rs. 12.32 thousand. Comparing the income of the respondents cast wise, we can get the result that the respondents from Bramihin, Chhetri gets more average monthly income than the other because they understand all the rural and regulation of their work and their salary before their departure to the destination country. The monthly average income in Gulf countries and Malaysia is lowest for the Sarki cast because most of the workers from that cast are illiterate. In another aspect of his table we can understand that the average monthly income between skilled workers and unskilled workers is very different. The skilled workers getting the average monthly income of around 18.5 thousand were as the unskilled workers are getting around 8.35 thousand rupees as monthly average income. The average monthly income varies according to types of jobs also. Among the firms get highest monthly salary which is 17 thousand rupees per month in the Gulf countries also. Cost wise variation is that most of the Brahmin and Chhetri are working mechanical firms, hotel, industries and agriculture gets average monthly income of Rs 16.7, Rs 12.87, Rs 9.5 respectively. It means that the workers working in agricultural sector are getting very little money of Rs 9.5 per month.

4.3.7 Classification of sample Household on the Basic of Save Remittance

People gone to abroad as foreign migrant workers after few times they started to send remittance back loan home whether the amount is less or more. People gone to abroad by taking loan from different sources, if it has not enough to pay loan of few months salary or remittance and to pay loan or do other things by remittance it is necessary to save the

remittance. So the following table whether the sample household save the remittance or not.

Table 4.3.7

Classification of sample Household on the Basic of Save Remittance

Save remittance	No of Household	Percent
Yes	80	82.5
No	24	17.5
Total	104	100

Source: Field survey, 2015

Above table shows that almost Household save the remittance 82.5 Household save the remittance and 17.5 household doesn't save the remittance. That means most of the household save remittance to do further work.

4.3.8 Source of Pre-departure Expenditure

Finance is the most important determinant factors for going foreign employment they must pay certain amount of money to go foreign job market. Without no paying any cont worker cannot go for work. The worker should collect money from different source because of their low economic status and it is presented below table.

Table 4.3.8

Source of Pre-departure Expenditure

Source	No. of Household	Percentage
From own income	17	21.25
Having Loan from		
Bank	8	10
Merchant	3	3.75
Relative	24	17.5
Public situations	6	7.5
Friends, Parents	43	36.25
Selling various thing	3	3.75
Total	104	100.00

Source: Field survey, 2015

Table no.4.3.8 shows that 36.5 percent foreign employee have borrowed loan from friends and parents to pay the cost of foreign employment and it is the highest percent as well. Only 10 percent employment is gone to lone from bank, 3.75 percent selling various things, and 17.5 percent to pay the cost for relative. In the study area 21.25 percent foreign employee has used their own income to ay the cost of foreign employment.

4.3.8 Medium of Remittance

At present in Nepal different mediums are available to receive remittance. Nepalese migrant workers send their income in different medium base on country and development of financial institution and their knowledge about it. In this study sample households are receiving their remittance in the following medium

Table No. 4.3.9

Medium of Remittance

Medium	No. of Household	Percentage
From Bank	24	23.25
From money transfer	45	38.75
From hundi	9	11.25
Friends/Relative	22	21.25
Others	4	5
Total	104	100.00

Source: Field survey, 2015

Table no. 4.3.9 show that 38.75 percent households are receiving their remittance income thought money transfer and it is the highest percent. Only 11.25 percent households receive remittance from hundi. Most of the western and South Korea employee are sending their money from hundi and gulf and Malaysian employee are sending their transfer. In case of bank only 23.25 percent households are receiving remittance from

bank and only 5 percent household receiving other option. It may be because of lack of banking habits and of banking system in study area and rural area of Nepal. Besides this many employees send money from friends and many employees bring their money themselves.

4.4 Remittance Income and Its Utilization

It is not important that how much labor force migrated in different countries. It is important that how much remittance they enter in the country and how they utilize their remittance income.

4.4.1 Utilization of Remittance and money invested

Utilization of remittance shows the picture of economic condition of households. It measures household's economic condition, consumption capacity and investment behavior. Consumption represents the total quantity of goods and services bought and consumed by consumer during a period. It depends on the earning capacity of people. If economic condition is good households increase their consumption and if not good they use their remittance income on debt repayment which is shown below.

Table No. 4.4.1

Utilization of Remittance

Use of remittance (annually)	An average Amount (annually) per households
In regular houses expenditure	41000
For paying Old/Recent loan	27000
Building home	36000
To pay loan/to buy made home	13400
In education	45100

In health	9000
In business	11000
In social service	4000
Saved money	22800

Source: Field survey, 2015

The table 4.4.1 shows answer of questions the annual expenditure on different sector. It is found that 41000 expenditure is in household consumption of remittance income, 27000 household pay old and resent lone. 45100 is found in education respectively. The highest amount of remittance income utilizes to debt Building home with 9000 and followed by to in health, 11000 is found by business. Only 4000 is used to social service and 22800 average saved money per annually per household.

4.4.2 Opportunity and Invest Money in Our Country

Money invest is most important it is because household socio-economic standard reflects. Therefore the household invest money have shown in the following table.

Table 4.4.2

Opportunity and Invest Money

Cast/Ethnic group	No. of Respondents	No of Household (Invest Money)	
		Yes	No
Brahmin	48	38	35
Chatri	10	10	3
Janajati	36	1	6
Kami/Sarki	2	-	7
Other	8	1	3
Total	104	45	54

Source: Field survey, 2015

The above table 4.4.2 shows that utilization of remittance income opportunity and invest money get the 38 Brahmin household invest, 10 household chhetry invest money. Kami/Sarki household didn't use to invest money. Many people not used to invest money any opportunity in our country.

4.4.3 Changes in Household Economy Due to Foreign Employment

It is often believed that if somebody receives foreign employment his household economy will improve. The change in economic wellbeing improvement in living standard, improvement in skill, social status might be some of the areas where the changes take 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 as well as their interest amount then only their economic conduction can improve and their poverty problem can be reduced. To find out the change in household economic condition due to foreign employment, the respondents were asked to give their own judgment about their economic conduction before employment and after foreign employment and comparison of these two time periods the answer given by them is presented in the following table.

Table 4.4.3

Frequency distribution of change in different indicators of respondents due to Foreign Employment

Indicator	Change in condition				Total
	H. Increased	Increased	Little	Same	
Economic	30	41	29	4	104
Standard living	19	45	16	24	104
Social status	24	34	15	31	104
Skills	14	44	24	22	104

Source: Field survey, 2015

The above analysis is based not on the ethnic composition or group but it is based on the total sample size with out categorization. It shows that 20 percent of the respondents reported that their economic status is highly increased due to foreign employment. The 19 percent of the respondents replied that their economic status is remained little. The 5 percent of the respondents' economic status has same due to the foreign employment. The decrease in economic status might have been resulted with high cost and low pay in foreign employment or short period of foreign employment. Another 11.25 percent of the respondents had increased their Highly standard of living 30 percent of the respondents had replied that standard of leaving remained same and 35 percent respondents said that their standard of livening is increased after retiring from foreign employment due to incensement in family debt, 15 percent little. In the contest of social attitude and rest 38.75 percent respondents' social attitude remained the same. In another aspect of foreign employment 20 percent of the respondents had leant little skills there ether it may be useful. The rest 22.5 percent of the respondents replied that did not learnt any new skill while working abroad.

From the above table it can be concluded that most of the respondents felt that there was a positive change in their household economic and social attitude and skills development etc. after retuning from foreign employment.

4.4.4 Impact on Made more other Productive

How the foreign employment and remittance impact on certain household inductors? Do they live in better house? Do they send their children to better school? How the health condition of their family changed? Is their family member better dressed? Are they protected from rural indebt ness at the time of need? These were very important questions. Positive impact on them dependent on size of income of respondents brought from foreign employment, family size, earlier economic conduction of the family, knowledge and education of the respondents, culture of society etc. To find out the impact of an employment on households indicators the respondents were asked to

respond on the changes brought by the foreign employment. The answer provided by the respondents is given in the following table.

Table 4.4.4

Frequency distribution of impact on other households' indicators of the respondents

Indicators	Increased	Worsened	Same	Total
Condition of housing	75	8	21	104
Education of Children	73	-	31	104
Health of Family member	54	17	33	104
Clothing	58	8	38	104
Cash available with them	48	23	33	104

Source: Field survey, 2015

The above table 5.4.4 shows that 81.25 percent of the respondents reported to have improved their condition of housing. It shows that anybody who had returned from foreign employment either have made new house or repaired old house to improve their housing condition. 13.75 percent of the respondents had reported that their housing condition is before and after and foreign employment but the condition was not given. It might be low income or other more pressing priorities like loan payment, household expenditure, marriage of a family member etc. No any respondents housing condition is worsened after retiring from foreign employment.

Among the total households, 73.75 percent of the households reported that the education of their children have improved due to the income earned their parents from foreign employment. It might be the result of improvement of economic condition of the individuals who could afford boarding school for their children due to the foreign employment. The rest 26.25 percent of the respondents had reported that the education status of their children remained same before and after foreign employment. The 55

percent respondents said that the health status of their family had worsened due to the foreign employment where about 25 percent of the respondent replied that health status of their family had worsened due to the foreign employment either of the respondents himself or of his family members. The 28.75 percent of the respondents said that the health condition of their family member remained same even after returning from foreign employment. It might be due to general health condition of the area and health awareness.

More than 60 percent of the respondents said that household member is using better clothing after returning from foreign employment. It might be related to the increasing purchasing power and cloth after returning with the respondents and also with their family member. The rest 16.25 percent of the respondent had replied that their clothing status same before and after returning from foreign employment. When the availability of liquid cash to meet various household need was assessed, about 47.5 percent of the respondent had increased their cash holding with them, another 28.75 percent of the respondents cash holding has remained same and rest 23.75 percent of the respondent had worsened their cash holding after returning from foreign employment or the income earned from abroad is just equal to the sum of household expenditure and payment of loans and interest or it might have been the result of high expenses, low income or the high cost of foreign employment. It indicates that foreign employment has increased the liquidity situation of about 47.5 percent of the participant of foreign employment. It can be concluded that from the above table that around 64 percent respondents of this VDC have improved different household indicators due to foreign employment. But around 10 percent have worsened and around 25 percent respondents have same level of household indicators even after returning from foreign employment. In short, people who have returned from foreign employment have received same economic benefit and improved their financial, social and economic condition but it cannot be said it has improved their life tremendously.

As a summary, we can say that the remittance income earned from foreign employment is helping the household of the study area in fulfilling their basic needs as well as fulfillment of other social and economic aspects of their life. In another aspect of this survey we can see that the remittance earned by the foreign labor have benefited other

member of his family than the employed himself. Therefore it is clear that the remittance is playing very positive role to the respondents and their family to reduce their level of poverty of the study area.

CHAPTER V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY

The main objective of the study is to gauge the Impact of foreign employment and remittance in poverty reduction in the study area. Moreover the study also tries to analyze the nature and extent of remittance income in the study area. Socio economic characters of foreign employees, source of financing and cost for foreign employment, change bought by foreign employment and remittance in household economy and uses of remittance.

To fulfill the above stated objective of the present study Barre V.D.C. of Udayapur district was selected area and a sample survey was conducted during 2014. The sample size was 80 household were chosen by **Proportional random sampling method and data collected through Questionnaire method.** Some secondary data were used to show and compare the composition of foreign employment and remittance of the national level as well as of the local level in the study. Data are analyzed by using simple statistical tools like mean, percentage, and ratio.

Major finding of the study

From the study, following conclusion is drawn.

1. In the National context, main destinations of Nepalese workers are Gulf countries and Malaysia. More than sixty percent of the workers are employed in Gulf countries. Country wise Malaysia, Qatar, Saudi Arabia, UAE are the destinations of the Nepalese workers, Up to the 2010/11 the no of workers went to Malaysia are 3,69,521, Qatar 2,52,741, Saudi Arab 1,60,250, UAE 1,02,244 and current years South Korea also favorable for the Nepalese workers. Up to the 2006/07 the no of workers went to South Korea are 4401.

2. According to NRB, total remittance received through registered source by Nepal in FY 2068/09 is more than 100 billions, which is very large then the previous year. In the FY 2069/070 the flow off remittance rose by 19 percent in Nepal, during the first half of the FY and touched the amount to Rs 57 billion as of Mid January Nepal has received Rs 48.26 billion during the same period of last year.
3. The contribution of remittance to GDP saving and investment in 2010/011 were 17.8 percent and 49.6 percent respectively. Share of remittance in convertible foreign exchange reserve was accounted by 46.9 percent in 2008/09. Which is also raising trend?
4. The socio economic characters of migrant workers was age group most of 25-40years, 71.97 percent of the migrant workers are married, and 80percent of the migrants are literate, 62percent migrants coming from medium income group, 38 percent migrants from higher income group and 78 percent of migrants from agriculture occupation.
5. The average income of the household in this V.D.C. is around NRs 10,000 per month and only the 53.9 percent of the total active population and only the 33.77 percent of the total population of the study area are employed. It means that dependency ratio is very high in the study area.
6. Major reasons to seek foreign employment include unemployment, family debt burden, conflict problems and to earn money which they earning in their own country.

7. The means to get foreign employment of the most of the sample (85 percent) respondents were Manpower Agencies. Other went either through unregistered agents or personal initiative.
8. Majority of the foreign job seekers (83 percent) didn't have any skill and took unskilled labor jobs in industries.
9. The average cost paid for foreign employment by the respondents of the study area was Rs. 70 thousands. It ranges between Rs. 2 thousands minimum and to 1098 thousands maximum.
10. Sources of financing for foreign employment for 58 percent of the migrant workers was loan, 35 percent from family saving and 11 percent from poverty selling.
11. Major sector of employment for Nepalese workers were building construction (34 percent) and mechanical (20 percent).
12. The average stay duration of the respondents was 2.8 years. If we classify them caste wise, it ranges between 2.5 years of minimum (Sarki caste) and 3.5 years of maximum (Chhetri).

13. Average family member migrated to foreign countries are two members where maximum numbers of respondents family members five and minimum of one.
14. The respondents of this VDC want to go again to foreign employment because of the unemployment (61 percent) and conflict (7 percent). Among the total respondents (12 percent) of them have no plan to go to abroad again to foreign employment?
15. The workers earned more income in Gulf countries than Malaysia. It was average Rs. 12.32 thousand and Rs. 11.48 thousand per month of skilled workers which was Rs. 18.4 thousands income per month of skilled workers and 8.35 of unskilled workers. In type of the jobs the workers working in mechanical sector earns maximum income of Rs. 17.5 thousand per month and the working in the agriculture sector earns lowest income of Rs. 9.5 thousand per month.
16. Above 60 percent respondents used formal channels (banks, registered transfer agencies) to send remittance. In formal channels like hundi, relative, friends and bringing back by themselves were other channels of remittance transfer.
17. The larger amount of remittance income has been used for household's expenses (85 percent), loan repayment (77 percent), investment only (17 percent) and social spending (5 percent). Minimum part of remittance has been used into productive sector like as land purchase (12 percent), bank deposit (14 percent) and other small business and investment (10 percent). In this case, the respondents from Bharamin, Chhetri, Janajati and forward.

18. Among the returnees from foreign employment only 15 percent of the workers are using skill in abroad employment where as the rest 77 percent of the respondents have not benefited from that gain skill in foreign employment. It is because of lack of technology, lack of capital, lack of market and lack of positive social attitude etc.
19. The respondents of this VDC were not utilized their remittance caused by conflict and non-availability of sizable investment funds for investing in productive sector of the economy sector.
20. The respondents of this VDC said that remittances have increases their household economic and social indicators after returning from foreign employment. Around 81.25 percent respondents said that remittance have increased their economic status, 57.5 percent of the respondents said that remittance income have increased their standard of living, around 54 percent of the respondents social attitude have increased due to remittance income and around 57.3 percent of the respondents increased their skills. But around 4 percent respondents said that economic status has been same, 39 percent have remains same standard of living, 38.75 percent said that their social status have remain same and 33 percent said that remained same level of their skill after returning from the foreign employment.
21. The respondents of this VDC said that remittance have also done impact on their other indicators. It was said that around 81.28 percent respondents improved their conditions of housing, 73.75 percent responded improved their education of children, 62 percent improved their health of their family members, 60.34 percent

improved their clothing situation and 47.5 percent of the respondents have increased cash available with them. But around 25 percent respondents have worsened health of their family member and 23.75 percent of respondents have worsened cash available with them. And around 17 percent of the respondents have same level of housing, 23 percent respondents have same level of education of the children, 25 percent respondents have same level of their family members, 23 percent of the respondents have same level of clothing and 17 percent of respondents have same level of cash available with them.

As a summary, it can be concluded that the economic and social condition of all families who have involved in foreign employment have increased. It may be in both aspects i. e. economy as well as social surely there is positive change in the status of the families of the respondents due to remittance income. Therefore we can say that remittance income is playing vital role in reducing the poverty level of the study area.

5.2 Conclusions

Poverty is the major burning issue in the under development and developing nations in this present ere. Nepal being a small landlocked and agricultural country is suffering from a major problem of poverty. If one concentrates on the poverty situation of our country its magnitude is very large, people are not getting their minimum requirements. Due to the various factors like unemployment, increasing population, political instability and internal conflict. Many youths are lured to go abroad for employment Remittance income has been helping in the reduction of rural poverty but due to the lack of proper government policies remittance income is being used up in various unproductive sectors.

It is clearly shown that the national GDP growth rate is directly related to the various factors like total saving of the economy and total investment of the economy. On the other hand, saving is determined by the investment, without investment, the country

cannot get higher GDP growth rate. The investment in the country like Nepal is directly dependent on the remittance invested into the economy. Therefore we can say that the remittance is the major factors of development of country like Nepal. There is gap between saving and investment, thus utilization of remittance in investment is a great need of today e.g. development process etc, in the world economy, remittance plays vital and in the development countries if has its own value. Going further the economy of these countries has been gradually changing into remittance economy.

Nepal's door to international labor market opened after the restoration of democracy in 1990's and has already spread over more than hundred countries. Thus from all over the worlds Nepal is receiving the remittance money. But the Gulf or the Arabian countries are being the easiest destination for the Nepalese workers to get employment and earn money, the sustainability of the Nepalese workers to get employment and earn money. The sustainability of the Nepalese economy largely depend on the foreign and remittance; this is how remittance is helping in the growth of Nepalese economy.

It clear to all of us that unemployment is the main cause of poverty in any state and the unemployment. The major role for migration to the other places from their native place, in this study we also found that the main cause for the migration of the youths is unemployment. Most of the workers of the study area migration to those countries where they do not need any special qualification for the job to be taken, like India, Qatar, Malaysia, UAE, KSA and other gulf countries depends upon the economic condition of their family, and also the regular money income of the members of the family.

It is concluded that the economic and social condition of all families who have involved in foreign employment have increased. It may be in both aspects i.e. economy as well as social but surely there is positive change in the status of the families of the respondents due to remittance income. Therefore we can say that remittance is playing vital role in reducing the level of poverty in the study area.

In rural areas remittance is playing a great role in reducing the rural poverty. In the study area the level of poverty is reducing gradually than the previous times. The living

standard of the people has been raised up. Education status has been raised up and the people are now living a healthy life. The social status of the people has been raised up. In overall scenario the poverty level has been reduced and people are now living a higher living standard.

5.3 Recommendations/Suggestions

From the present study about the role of reduces rural poverty in Nepal, some recommendations are made as follows:-

1. Nepalese economy has received large amount of remittance but remittance are still being transferred though informal channels. Formal channels should be promoted. At list on formal institution must be established to facilitated transfer remittance in each destination.
2. Almost all the workers from the lower income group are migrated to India to work because of lack of money with were they earning very little amount of money comparing with the migrated workers to other Gulf countries and Malaysia. Thus, GON should provide loan to the poor people in the cheap interest rate who want to go to foreign employment.
3. Most of the respondents of this VDC have gone to foreign employment in unskilled condition. So, they cannot earn more income than skilled workers. So, the technical training institution should be established in rural areas and a person who wants to go to foreign employment, should be given training related to the work has to be done in abroad and also the language of the migration country before going to foreign employment.

4. Most of the respondents have not utilized their remittance and newly learnt skill at abroad when they come back home because of lack of technology, conflict problem, non-availability sizeable investment funds and lack of market etc. So, the policy should made to solve the conflict situation crate good environment and provided sufficient technology as well as market and the GON should play as the role of facilitator for all the investors and the workers.

5. Surely remittance income is playing very positive role to reduce rural poverty of the study area and also it is improving the social as well as economic indicators of the VDC but this is not satisfactory. Maximum parts of remittance income have been use in unproductive sectors like regular household expenditures, lone payment, house improvement and social spending etc. This doesn't give any return in the future. Thus, the policy should be made to give more information to the respondents own using their remittance income into productive sector like investment in shares, business etc. and should be given more opportunities to them in using their newly learnt skill after returning from the foreign employment.

6. The concept of economic diplomacy should be implemented from the government of Nepal to increase the demand of Nepalese labor in the foreign labor market.

7. The Bilateral agreement should be done from the ministry level with all the labor importing countries. Agreement done with UAE, Korea and Japan can be the best example of positive impact of agreement.

8. The labor desk should be established in the airports of the major labor migration countries to help the Nepalese labor in various problems.

9. The concept of labor attaché should be implemented in every embassy. So that, all the problem of migrated labors can be solved from the different desk.

10. Different incentives should be provided for the migrant workers by the government level as well as from the private sectors for encouraging the people to remit earned money through the formal channels.

Finally, this above case study of role of remittance to reduce rural poverty and the status of foreign job seekers of Barre VDC which is very important and 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 labor migration. But by this study, I am confident that it will be certainly beneficial to the people of Barre VDC and side by side for the people of other neighboring VDC of the entire country.

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APPENDIX-I

Questionnaire fom individuals:

1. General Information:-

a) Name of household head:-.....

b) Age:- Sex:- Caste:-

c) Education:- Occupation:-

d) Name of village:- Ward No.:-.....

e.. What is the source of Income of your family?

a) Agriculture b) Business c) Government Job c) Private job

d) Foreign employment f) others

f. What kind of fuel is most often used by your households for cooking?

Wood/Firewood 1

Cylinder gas 2

Bio-gas 3

Other4

g. If the any member of your household gets ill, where you first go for treatment?

- a) Lama/Dhami/Jhankri
- b) Health post/Govt. hospital
- c) Private clinic
- d) Ayurvedic treatment

h. What is the source of your drinking water?

- a) Piped water supply
- b) Well
- c) Covered well/hand pump
- d) Other sources

g. Household Structures by Age/sex.

Sex/Age	0-14	15-45	46-60	+60
Male				
Female				
Total				

2. To examine general poverty scenario of the study area.

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

- a) Telephone/ mobile phone
- b) Radio
- c) Electricity
- d) Cable TV
- e) Email/Internet

f) Refrigerator

B. Household Status

- a) Made with rod, Concrete and cement
- b) Made with stone and mud with tin roof
- c) Made with stone and mud and thatched roof

D. In which class do you belong looking at your economic conduction of family?

- a) Lower
- b) Medium-low
- c) Medium
- d) Higher

E. How much is your family monthly income?

- a) Less than 5,000
- b) 5,000 -10,000
- c) 10,000-30,000
- d) more than 30,000

F. What is the cause of going to abroad for employment by you on the basis of primary factor?

- a) Job not found in the country
- b) To pay family loan
- c) Conflict problems
- d) To increase the family economic status
- e) Internally desire to go to aboard
- f) Due to the friends and relatives
- g) Any other to be mentioned

3. To analyze the nature and extent of remittance income in study area.

A. Information while in abroad:-

- a) Time of stay due to agreement:

- b) Actual time of day:
- c) Monthly salary due to agreement:
- d) What type of job did you do?
- e) Which country gone?
- f) Did you change the job while in abroad?
- g) Did you get any new skills there?
- h) Did you take any training before going foreign?
- i) Did you plan to go to abroad again?
- j) Do you save your remittance?

B. How do you meet your pre-departure expenditure?

S.N.	Topic	Amount	Insert amount
1.	Form own income		
2.	Having loan from		
	a) Bank		
	b) Merchant		
	c) Relatives		
	d) Public situations		
3.	Friends, Parents		
4.	Selling various thing		
5.	Total		

C. In which way have you sent your earned money?

F. to be specific, what about change seen before you to abroad and after you returned back from abroad?

- a) In economic Condition
- b) In daily life spending
- c) In social status
- d) In skill development

APPENDIX-II



