

**IMPACTS OF REMITTANCE ON RURAL LIVELIHOOD:
A Case Study of Ward No. 1 and 2 of Bhimeshwor Municipality, Dolakha**

**A Thesis Submitted to
Central Department of Rural Development, Tribhuwan University
The faculty of Humanities and Social Sciences in
Partial Fulfillment of the Requirements for the
Degree of Master of Arts (M.A.)
in Rural Development**

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Declaration

I, hereby declare that the thesis entitled **IMPACTS OF REMITTANCE ON RURAL LIVELIHOOD: A Case Study of Ward No. 1 and 2 of Bhimeswor Municipality, Dolakha** submitted to the Central Department of Rural Development, Tribhuvan University is entirely my original work prepared under the guidance and supervision of my supervisor. I have made due acknowledgements to all ideas and information borrowed from different sources in the course of preparing this thesis. The results of this thesis have not been presented or submitted anywhere else for the award of any degree or for any other purposes. I assure that no part of this thesis has been published in any forms before.

.....
Sakchhyam Shrestha

Date: 28 August, 2016

RECOMMENDATION LETTER

This thesis entitled **IMPACTS OF REMITTANCE ON RURAL LIVELIHOOD: A Case Study of Ward No. 1 and 2 of Bhimeshwar Municipality, Dolakha** has been prepared by Mr. Sakchhyam Shrestha under my guidance and supervision for the partial fulfillment of the requirement for the Degree of Master of Arts in Rural Development. I hereby recommend this thesis for examination for the degree of Master of Arts on Rural Development.

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We certify that this thesis entitled **IMPACTS OF REMITTANCE ON RURAL LIVELIHOOD: A Case Study of Ward No. 1 and 2 of Bhimeswor Municipality, Dolakha** has been examined and found satisfactory of the requirements for the Degree of Master of Arts in Rural Development.

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SakchhyamShrestha

August, 2016

ABSTRACT

This study entitled “Impacts of Remittance on Rural Livelihood: A Case Study of Ward No. 1 & 2 of Bhimeshwor Municipality, Dolakha” was conducted with the objectives to analyze the pattern of use of remittance, assess the contribution of remittance in economic status of the people before and after remittance and evaluate challenges of productive use of remittance in the study area. This study is mainly based on the primary information and the data collected by using the questionnaire of household survey, checklist of field observation & schedule of key informant interview. As per need some of the relevant secondary data were also used to enrich this study. This study has used descriptive cum explorative research design because this study attempts to describe the situation of study area basically before and after in-flow of remittance.

Study has found that before going for foreign employment the sample populations were engaged in different sectors like agriculture, labor, job etc. Out of the total respondents, 29 percent was engaged in agriculture, 18 percent in business, 12 percent were labor, 15 percent in job and the rest were unemployed. As occupation in foreign countries most of them have been working as an industrial labor in foreign land. The figure shows that the workers working as household worker are only 6 percent. It is due to the lack of skills and education before foreign employment.

From the survey, it was found that the workers in foreign employment had an income between 41000 and 100000 per month. This was a lot more than what they used to have before foreign employment. The remitted amount was spent on different sectors like health, education, land, house, etc. Out of total surveyed 56 percent of the sample population gone for foreign employment was found married. After marriage, the workers were unable to feed the family in a proper way. There was comparatively more responsibility in a married man to unmarried. So, they chose foreign employment for the betterment of their family

No doubt, remittances contribute largely to the national economy. The remittances sent home by the migrants affect development at both the household and national levels. At the household level, remittances help to reduce poverty, improve standard of living and attain higher educational levels. At the macro level, remittances could be used for entrepreneurship and productive investment which in turn increases job opportunities and income of the people. At the

same time, remittance inflows help to augment foreign exchange reserves and improve the current account position. Despite these facts, many issues have been raised due to foreign employment. The various problems like lack of manpower, unproductive use of remittance, negative psychology on the children and other various social conflicts have been found due to foreign employment.

Foreign Employment has no longer solution to eradicate the problems like poverty, unemployment, and cannot root-out from the list of less-developing countries. Utilization of remittance income in productive sector has been a major concern. Major portion of remittance has been spent for consumption purpose and such consumption is attributed to imports which consequently has enriched trade deficit. Study has concluded that the foreign employment is not a permanent solution for development of Nepal.

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ABBREVIATIONS/ACRONYMS

ADB	-	Asian Development Bank
BS	-	BikramSambat
CBO	-	Community Based Organization
DDC	-	District Development Committee
FDI	-	Foreign Direct Investment
FGD	-	Focal Group Discussion
GDP	-	Gross Domestic Product
ICIMOD	-	International Centre for Integrated Mountain Development
IOM	-	International Organization for Migration
Mun.	-	Municipality
NGO	-	Non-Governmental Organization
NIDS	-	Nepal Institute of Development Studies
NLSS	-	Nepal Living Standards Survey
No.	-	Number
NRB	-	Nepal Rastra Bank
TUCL	-	Tribhuvan University Central Library
VDC	-	Village Development Committee