

IMPACT OF REMMITANCE ON RURAL LIVELIHOOD:

A Case Study of Lumde VDC, Ilam District, Nepal

A Thesis

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DECLARATION

I hereby declare that the work reported in this thesis **Impact of Remittance on Rural livelihood: A Case Study of lumde VDC, Ilam, Nepal** submitted to Office of the Dean, Faculty of Humanities, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the degree of Master of Arts (MA) under the supervision of **Lecturer Ramesh Neupane** of Central Department of Rural Development.

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LETTER OF RECOMMENDATION

The thesis entitled **Impact of Remittance on Rural livelihood: A Case Study of lumde VDC, Ilam, Nepal** has prepared by **Dhan Kumari Darlami** under my guidance and supervision. I hereby forward this thesis to the evaluation committee for final evaluation and approval.

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30 March 2017

APPROVAL LETTER

The thesis entitled **Impact of Remittance on Rural livelihood: A Case Study of lumde VDC, Ilam, Nepal** submitted by **Dhan Kumari Darlami** in partial fulfillment of the requirements for the Master's Degree (M.A.) in Rural Development has been evaluated and approved by the evaluation committee.

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This study entitled **Impact of Remittance on Rural Livelihood: A Case Study of lumde VDC Ilam, Nepal**, is carried out for the partial fulfillment of Mast's Degree in Rural Development from the central Department of Rural Development, Tribhuvan University, Kirtipur, Kathmandu, Nepal.

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ABSTRACT

Remittance economy is directly related to human resource and human resource is the wealth of Nation. This study is based on the Impact of Remittance in Rural Livelihood- A Case Study of Lumde VDC in Ilam District. The main objectives of the study are to analyze the situation inflows of remittance at household level, analyze the remittance use pattern in study area and to compare the socio economic status of the remittance recipients before and after receiving remittance.

The research was conducted under 'descriptive and explanatory research design'. It was used to fulfill the objectives of the study area. A total no. of households 122 among them there were 35 households were selected for purposive sampling. Both primary and secondary data were collected from different sources. Primary data were collected through structured questionnaire survey for before and after receiving remittance household. While secondary data were collected from, various published and unpublished information sources i.e. books, journals, annual reports and other official sources. Remittance incomes were received from Malaysia, Saudi, United Arabs Emirates Dubai, Qatar, Oman and India. The share of remittance received from abroad is the highest from Malaysia and Saudi (30 percent), Dubai and Qatar (14 percent) and other remaining countries hold only 2 percent they were Oman, Kuwait, Uk, Japan, India and USA.

Most of the people entered the foreign countries through agent (49 percent) which was highest due to inaccessibility to reach far away bigger cities but the agent were available excessively in the remote village. It was 20 percent through visa sent by relatives and direct contact with Manpower Company was 31 percent. Among the foreign employment, about 51 percent (highest percentile) earn income between the ranges of Rs. 30000 to 50000 per months. Similarly, 29 percent earned income Rs. 15000 to 30000 per month, 11 percent employee earned income Rs. more than 50000 per month, 9 percent employee earned less than 15000 per month, which was the lowest. Most of the remittance-receiving household remitted from IME (International Money Express) which was 77.14 percent as this was the

reliable means of sending and receiving money. The second popular means was finance and bank, which covers 14.28 percent of total remit income. Finally, the last was Hundi it holds 8.57 percent of total income. Respondents invest their remitted money in shop with the percent of 14.28 and 11.42 percent was utilized in dairy, Tailoring was of 8.57 percent in the same way, hotel occupy 14.28 percent, Tea industry, cardamom and buying land carried 8.57, 28.57 and 14.28 respectively. Maximum amount of remittance was used in cardamom production and earned good profit. Second most of remittance amount was invested in shop, hotel and buying land. Lastly, tailoring and tea industry figured out the lowest investment. The remained remittance were utilize for their basic needs and daily needs such as, food, clothes ,Transportation, medicine, education, Television ,mobile etc. Out of their total expenditure RS 178,000 amount spending on further investment in economic activity which is the highest amount of share comparing with other expenditure of sample household. Before remittance number of boys student were 62.5 percent and girls were 37.5 percent. However, it was 61.90 percent for boys and 38.09 percent for girls before and after remittance respectively. Number of girls' students increased after remittance.

Agricultural production before remittance was increase for 35.29 percent of respondents. It was decrease for 23.52 percent and as usual for 41.17 percent. After remittance, the agricultural production was 22.22 percent increase, 27.77 percent decrease and 50 percent as usual. After remittance, agricultural production was lowest due to less availability of working age groups in the village. Surveyed houses children's were attending boarding schools whereas before their parents were not engaged in foreign employment they were student of government schools. It is because of the negative thinking towards the teaching of government schools, the consciousness of their children's education, and because of improved economic condition.

ACRONYMS/ABBREVIATIONS

CARE	:	Co-operative for Assistance and Relief Everywhere
CBS:		Central Bureau of Statistics
CEDA	:	Central Department for Development Administrators
FY	:	Fiscal Year
GDP	:	Gross Domestic Product
HIV/AIDS	:	Human Immunodeficiency Virus/Acquired immunodeficiency Syndrome
IFAD	:	International Fund of Agriculture department
IME	:	International Money Express
IMF	:	International Money Fond
MOF	:	Ministry of Finance
NLSS	:	Nepal Living Standard Survey
NRB	:	Nepal Rastra Bank
ODA	:	Official Development Assistance
RLSA/PLA	:	Rapid and Participatory Livelihood Security Assessment
SLA	:	Sustainable Livelihood Approach
TU	:	Tribhuwan University
UAE	:	United Arab Emirates
UK	:	United Kingdom
US\$:	United States Dollar

USA : United States of America

WB : World Bank

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