

CHAPTER I

INTRODUCTION

1.1 Background of the study

1.1.1 Remittance

Remittances are money sent by migrants to their nation of origin. These are the individual savings of employees and families, which are used to pay for food, clothes, and other expenses in the home nation and which support the domestic economy. Remittances from nationals who work abroad are a significant source of much-needed funding for many poor countries.

Remittance and migration are interrelated to each other. Without the migration the remittance won't have its proper meaning. The Migration in general refers to geographical or spatial mobility between "one geographical unit and another." It involves a change of place of residence from the "place of origin" to the "place of destination". One who migrates is a migrant (CBS Nepal, 2011). More than two million prime-age (mostly male) Nepalese are working outside the country and the inflow of remittances accounts for 30% of the country's GDP (Ministries of Finance, 2014).

The total population of the foreign labor migrants it holds 60 % according to Fiscal year report 2010/11. The estimated remittance in FY 2011/12 and FY 2012/1 were Rs.26351.03 million and Rs.28934.09 respectively. The main destination of most of the people was the gulf country and Malaysia. Most of the foreign labor migrants are in major sectors like in Buildings constructions and mechanical companies. According to National Planning Commission (NPC)1998, the Nepal income levels was NRS 2 per day in 1976/77. With the introduction of foreign employment act in 2042 B.S (1985 A.D) by his majesty's government of Nepal there was the dramatically change remittance income. The people who migrate from one country to another country then it is called international migration and people migrating to one place to another within one country is called internal migration. The number of absence residing outside of Nepal is increasing every year.

Remittance is seen as a effective tools for positive changes in tamang community. Remittance has been a household economy in most of the households of Nepal and it has become the major source of income in our Nepalese society. We see a dramatically change and development in the community where there is the flow of remittance

economy. Due to the remittance income lots of households have uplift their standard of living. With the remittance economy the people are able to have their purchasing power. More over the remittance economy have a important role in development of our community in macro and micro level.

Remittance is usually defined as money sent from one place to another. It is sent often by a foreign worker to an individual or family in their country of origin. When we talk about remittance, migration always comes along with it. Migration phenomenon is not recent one to Nepalese villages. It has a long history and pattern which are rapidly increasing these days. State makes the policy on migration to collect tax from those people who migrate from hill to tarai or the foreign migrants. Earlier people used to migrate from hill to terai because tarai has fertile land and life chances. After malaria eradication in 1958, tarai becomes the first choice of the hill migrants. But now we can see the changing scenario of migration different then the historical pattern. People used to migrate to another country from Nepal, and in internal migration people used to migrate from rural to urban in search for facilities and job opportunities. Government of Nepal considered migration and remittance as significance resources and a powerful medium to reduce poverty, inequality and to have developed the economy of Nepal. Government also took migration and remittance as its primary task and adaptive upgrading system in this globalization period (Seddon, Gurung, Adhikari, 1998).

In search of jobs abroad, about 2.5 million young people have left Nepal. In recent years, remittances have emerged as one of the major international financial flows. According to Giuliano and Ruiz-Arranz (2009), worker remittances, which today total \$444 billion USD, have surpassed more conventional sources of funding like government assistance and private capital flows. This sum is similar to foreign direct investment (FDI) flows to developing countries and approximately three times as much as government aid; in many developing nations, remittance income accounts for more than 10% of GDP (World Bank, 2011). Labor may now migrate more easily between nations because to improved communication technology and greater global connectivity.

Nepal has a long history of sending people abroad to work, which began particularly after people began moving to Indian cities nearby. But, the trend has changed, and working abroad is now one of the most appealing possibilities for people who want to leave the nation. The argument for people's interest in foreign jobs, whether in a neighboring nation or abroad, is attributed to low domestic economy absorption capacity brought on by the weak performance of the manufacturing and non-manufacturing sectors, rapid population and labor force growth, persistent political instability, shifting attitudes of the populace toward their way of life, and others.

According to a 2002 NRB research, migrant workers in Nepal used their money mostly for debt repayment, buying homes, land, and jewelry, as well as for bank deposits (NRB, 2002). Another study by Thieme and Wiss (2005) done in western Nepal discovered that remittance-recipient households had higher levels of social capital, financial capital, children's education, and information relevant to migration. The investigation also revealed that migrants were found to be personally or informally transferring money home via the hundi system.

The majority of nations rely on migrant workers, who are those who have moved away from their country of origin or another country in search of job. There are migrant workers in almost every nation in the world. Migrants often lead challenging lives because they lack social networks, unions, and language proficiency in the nations where they labor. While some immigrant communities may prosper, others face the threat of subpar living and working conditions. The World Bank estimates that in 2021, the total amount of remittances reached \$630. For certain nations, remittances account for a sizable share of GDP. The total monetary or market worth of all the finished goods and services produced within a nation's boundaries during a certain time period is known as the gross domestic product (GDP).

Remittances have firmly become one of the stable sources of foreign cash for the Nepalese economy. Nepal received remittances worth NRs 233.0 billion (NRB, Quarterly Economic Bulletin) in the 2010–11 fiscal year, or 17.3% of its GDP. Due to the significant share of remittances, any decrease in remittances has the potential to disrupt the macroeconomic functioning of the economy, particularly in the external sector. According to the Central Bureau of Statistics (CBS), Nepal, 2.4 million people traveled overseas as migrant laborers, which is a sizable portion of the nation's 26.6 million overall population. Young people of working age have left a lot of rural Nepalese communities, transforming the country's economy from one dependent on agriculture to one centered on tourism.

The total private and public consumption, government expenditures, investments, increases in private inventories, paid-in building expenses, and the foreign balance of trade are all included in the computation of a nation's GDP.

The observation is that remittances would quickly fall after migrants settled and integrated at the destination in the long run, making remittances an unreliable source of external cash for families, regions, and nations. (Merkle, Zimmermann, and Ghosh, 2006)

According to economists, foreign investments support the growth of the domestic financial system. Remittances can be sent to banks and other financial institutions as well as through wire transfer companies. These money can assist people in paying for

the consumption of goods and services and be used to provide loans to businesses if they are saved rather than spent, depending on the country's restrictions on the movement of capital. To facilitate the transfer of remittances, some banks may even look to open branches abroad. Also, studies have revealed that immigrants who have just returned from working abroad are more likely to expand their enterprises.

They have observed how organizations are run in industrialized nations. Separating fact from fantasy when it comes to the economic impact of foreign workers can be challenging because immigration is frequently a contentious issue in domestic politics. Migrant workers send billions of dollars back to their home nations every year.

The Kavre district lies in Bagmati Provinces of central Nepal. It is one of the district of Bagmati Provinces with Dhulikhel as its district headquarters and covers an area of 1,396 km². It has good fertile land for agriculture. The site selection of the thesis is of ward no. 2 of Temal municipality which lies in kavre district. The municipality spans 89 square kilometres (34 sq mi) of area. Temal is divided into 9 wards with Pokhari Narayansthan declared the administrative center of the Temal municipality. Mostly the villagers are engaged with the foreign labor migration where the remittance has been a major income source of the households.

The major factor of the large demand of foreign labor is totally related with the unemployment, poverty, limited employment opportunities and low salaries (Karki, 2006). Total 70% of the educated manpower migrates for the employment and some returns back in home country where some remains abroad forever. If we compare the migrants and non migrants family we find the drastic differences in their living standard, purchasing power, savings. (NRB, 2006)

Children of migrant moms in Nepal saw mixed effects, with favorable effects on possibilities for school, health care, and lifestyle but negative effects on their children's psychology due to their mothers' extended separation. The ability to work, provide for the family, and have the freedom to make financial decisions, along with traveling to foreign countries to experience new things and see new places and interact with people from all over the world, gives migrants a sense of independence and confidence that they can pass on to their immediate family. (Bhadra, 2007)

New economic labor of migration model or perspective tries to explore migration as risk spreading factor of families or households. Family or household seems to be diversify their resources such as labor in order to minimize income risk, (stark and Levhari, 1982). Remittance provides income insurance for maintaining the livelihood structure of the marginal people. Remittance is not only perceived as household risk spreading mechanism in order to stabilize income but also as a strategy to overcome various market constraints. Remittances sent back to developing countries rose from

\$31.1 billion in 1990 to \$76.8 billion in 2000 to \$167.0 billion in 2005. It seems that remittance are more effective instrument for income redistribution, reduce poverty, inequalities and economic growth of the Nation Income,(De Haas & Plug 2006, Gamlen 2006).

Both at the macro and micro levels, remittances have strategic relevance. Remittances are an increasingly significant and comparatively stable source of foreign financing for nations experiencing economic and political turmoil, according to research at the macro level (Kapur, 2003).

Remittances are viewed as one of the safest and most dependable sources of foreign currency by these nations when compared to other capital flows like foreign direct investment and official development assistance. Remittances have transformed into a microeconomic miracle for the poor and underprivileged, giving them a new source of income and improving their standard of living. The remittance is thought to have a direct influence on the impoverished and, as a result, contributes significantly more to reducing poverty than other sources of outside funding. (de Hass,2007)

The amount, depth, and severity of poverty in the developing countries have dramatically decreased as a result of worldwide migration and remittances. International remittances from the north to the south hemisphere are thought to have directly or indirectly decreased poverty. The fact that households in low income nations get a sizable portion of their total household income via remittances can be used to explain this conclusion. Remittances have a significant impact on these very poor households' income status, which has a significant impact on poverty alleviation (Adams, 2004). According to this survey, migrant households have a mean income that is 17.3% more than non-migrant households. With the availability of remittances, household spending on food, education, clothes, and amusement all increased in their proportion. (Page and Adams , 2005)

Remittance is considered as a powerful tools or mechanism for the growth of our National economy. The remittance economy contributed 25% of gross domestic product (GDP) of Nepal. Now public debates between migration and development have emerged again and again that is, migrants or remittance may help to advance economic developments in the country of origin.

Remittance and migration can be seen as the strategy that touts remittance-led development as being at best naive. It means that migration alone cannot remove structural constraints to economic growth and greater democracy .It also emphasize that the need for many development strategies in which the potential benefits of migration are small part of larger plans to reduce inequality and improve economic infrastructure , social welfare and political governance. The potential role of remittance in

reconfiguring educational disparities among blacks and between social groups. The crucial role of remittance enhance well being of black children and in reducing educational disparities (Yao Lu and Treiman J. Donald).

1.1.2 Class

The inequality between individuals and groups is represented by class and stratification. In addition to the property, other criteria including age, gender, and area also contribute to stratification. The stratification is characterized as organized inequalities between various racial and ethnic groups of individuals. Class can be described as a sizable band of people who share common economic resources and have a significant impact on the kind of lifestyle they can lead. Aristocrats who owned the land and slaves who worked on it both existed in pre-industrial society. Additionally, in the Industrial civilization, there were both factory owners and employees. Class distinctions continue to be at the root of fundamental economic inequities in contemporary cultures, even while the traditional hold of class is unquestionably eroding in some aspects, particularly in terms of people's identities. Many contend that today's globalization and the liberalization of economic markets are contributing to an increase in the wealth gap and a "hardening" of class disparities.

Max Weber developed a three-part theory of stratification in which "class," "status," and "group power" interacted to create political power. According to Weber's theory, a person's class position is defined by their education and talents rather than by their connection to the means of production.

People are moving around the world more frequently, switching between different class systems more frequently, holding different positions in various locations, and changing the definitions of class. Social classes are also changing as rising economic insecurity weakens long-held beliefs. We are also altering how we want to be classified and perceived. A public discussion regarding the definition of class and the applicability of social class in the modern world was started. Contributors from the elite of the intellectual commentarial to celebrity comics started to re-engage with the significance of social class as an explanatory idea. But if class is as important as we now believe it to be, we need to understand how it works.(Dorling.Danny,2014)

1.2 Statement of the problem

According to the Central Bureau of Statistics(CBS) the per capita income of Nepal increased to US \$695 (FY2009/10) where it was US \$ 588 (FY 2008/09) and the increase in per capita income reason was the Remittance economy.The Census report from 2011 A.D shows that there were 7, 62,181people working abroad in total. The report further states that remittance is sent by all levels of Nepalese workers – skilled or unskilled. People migrate as a foreign labor migration as for the betterment of their

households or for the low household income status. The report of Economic survey (2010/11) shows the total remittance received was 2331.73 billion which was the total 40-50% of all foreign currency exchange.

As we see the remittance as a effective tool for the Nepal's GDP and many examples and proofs are there which shows remittance significant contribution on development. It has minimized the problems of unemployment and poverty. The remittance income has been an important factor for transforming the way of life style of the migrants family.

The impact of remittance can be seen as a remarkable on the GDP and GNP in both real and nominal term. In the micro level people living standards has been changed dramatically with the flow of remittance. Various studies, evidences and numeric data have proved that remittance has played significant role in class transformation of people.

Research questions

The research topic is 'Remittance and Class Transformation of Tamang Community of Temal -2, Chukha, Kavre 'as the research tries finding the class transformation by the remittance in micro level. The following questions have been formulated to highlight and find out the class transformation by the remittance economy. So the research tries to find the positive changes in the households of tamang community whose family income is remittance economy.

The research have tries to explore that how they perceive themselves and how others people see them, who belong in remittance economy.

1. How does the remittance contribute for the class upliftmen of the remittance earning migrants families?
2. What are the social statuses of remittance earning household in the study area?

1.3 Objectives of the study

The purpose of research is to discover answer to question through the application of scientific procedures. The remittance is the essential tool for the enhancing the life chances of the people.

Hence, the overall objective of this study is to find out the role of remittance on class transformation in study area.

1. To explore the contribution of remittance for the class upliftmen of the remittance earning migrants families.

2. To describe the social status of remittance earning household in the study area.

1.4 Significance of the study

Since, the study has been mainly focused on those communities, where the remittance income is the major sources of income to run the households. The targeted community is one of the areas where most of the peoples are engaged in foreign labor migration. The survey concentrates on households which are benefitted by remittance economy. Moreover this study shows how the remittances have its role in class transformation by providing different ways to uplift the living standards of the people. This research can also be useful for the concerned authority to make better policies and programs regarding the remittance.

The study is importance because it helps to figure the current situation of households. The study also significant to addresses the role of remittance in class transformation of the households in micro or macro level.

1.5 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. Thesecond chapter focuses on review of literature. The third chapter explains the researchmethodology of the study. The fourth chapters explain the data analysis and interpretation of the study area. The five chapters includes summary of the major findings, conclusions. At last references and appendix are presented.

LITERATURE REVIEW

The literature review is the important of any thesis paper as it base of the research paper and gives information related to the research topic. Review of literature is defined as in-depth systematic critical review of scholarly publication, unpublished scholarly print materials audio visual material and personal communications. The investigator carried out extensive review of literature on selected topics both research and non-research in order to get the maximum relevant information and to perform in a scientific way.

2.1 Theoretical Review

In the theoretical literature review there are mainly which holds the idea that remittance as an effective tool of the class transformation and another is pessimistic which says the remittance is not the effective measures for the class transformation, where it is only for the control of the poverty for certain periods of time but won't transform the class.

Marxist Theory:

Although the majority of individuals in modern nations are wealthier now than they were a few generations ago, wealth is still very heavily concentrated in a very small number of hands. A tiny group of people who are wealthy, powerful, and have the potential to pass on their privileges to the following generation make up the upper class. People who work in white-collar jobs like teachers, doctors, and service industry workers make up the majority of the middle class. The middle class today makes up the majority of the population in the majority of developed nations. People who work in manual or blue-collar jobs are considered to be members of the working class. Due to the reduction in manufacturing employment, the working class has dramatically decreased during the past century. A section of the population known as the underclass is located on the periphery of society and endures extreme disadvantage. (Giddens, Anthony, 2006)

Marxist theory is the philosophical idea based on Karl Marx. Marxism is also known as conflict theory. Where it says that society is based on conflict for the change and there is the conflict relationship between the rich and the poor in terms of mode of production.

According to Marxist theory, there are two main groups that make up the capitalist mode of production: the bourgeoisie, or the capitalists, who own the means of production, and the much larger proletariat (or working class), which is required to sell its own labor force in exchange for pay. It gives the term the capitalism which is the

society holding a few people who owns the factory and business and exploits the people working for them. Marx forms the theory of Marxism during the Industrial revolution. The work was very hard and the wage was very low. The owner doesn't want to pay the working class very high thus that's means more profit for the elite class. The industrial revaluation promotes capitalist way of thinking called capitalist ideology. It is also created two distinct classes of people. Marx also call them bourgeoisie and proletariat. The Marxism theory shows a system where the rich becomes richer and the poor becomes poorer. The Marxism theory views the capitalist society is based on a system that's holds inequality. It's called the conflict theory because there is conflict between bourgeoisie and proletariat.

Similarly the remittance and labor migration creates a kind of unfair relation between the sending and receiving country. The will be less wages and more working time for the working class. The Marxist theory views the remittance is creating a kind of dependency where the remittance economy is not the ultimate things for the development and prosperity. The theory suggests there is the conflict relation between the sending and receiving country.

Class and transformation

1) Class in Nepali society – G.bhusal

In the context of Nepal, no specific class is defined by government or official documents but some of political documents and communist leader has defined the nature of classes (Bhusal,2064 B.S). CPN-UML 9th convention political documents and Marxist leader Bhusal has defined 5 classes in the context of Nepal and they are as follows:-

- Bourgeoisie (Multinational company and owner who does not engage in production process and works as an agent and made a profit)
- National capitalist (who engaged in production and made a profit)
- Middle class (who directly involved in the production process in a small company owned by themselves)
- Worker class (who works in others company as a less skilled employee)
- Marginalize Worker class (who works as in others company as an unskilled worker)

Bhusal address that class is formed due to the Social relations and the social relations determines on the basis of mode of production.

2) Idea of class transformation – Ian carlos fitzpatric

In his research cardamom and class fitzpartic studies of mamankhe village which lies in eastern part of Nepal. It is village consist of Limbu and chhetri people where he finds the cultivation of cardamom have changes the class structure in different dimension. People have used the un cultivated land for the cardamom farming and had changed socio economically. The farmers and as well as potters have benefited by the cardamom farming. Before 1950 the cardamom farming the people used to go to Sikkim for the labor migration. The cash crop cardamom have changed the life standard of the people economically.

Globalization Theory:

Globalization refers to a process of getting a more interconnected world due to the interchange of ideas, goods, services and market due to the advanced development of science and technology, basically by the means of communication and transportation. Globalization is concerned with three aspects which are; economic, political, and cultural aspects respectively. In other terms, globalization helps many businesses expand outside their locality internationally.

The modern time is the age of globalization. Hence it is very important for everyone to know about it and understanding the international economy. There is an interchange of ideas and a free flow of goods and services around the globe. Such an idea of globalization is very popular and carries its own set of advantages and disadvantages. Globalization helps us to extend the ideas, goods, and services across national borders and helps [people to buy goods and services at low cost. It also helps to develop diplomatic relationships between countries and make the bond stronger.

Remittances have been a hot topic in discussions among development experts today, in part because their amount has been increasing exponentially in recent years. The discussion was revived specifically after the 1990s when it became clear that the dependency theory and structural perspectives on remittances, which predominated the 1970s and 1980s and maintained a negative view on remittances, had seen a decline. The dependency theorists believed that remittances never helped underdeveloped nations develop since international migration increases brain drain from those nations, depriving them of the human capital they sorely need to achieve their development goals.

Since there are exchanges of ideas, goods, and services, the developing countries can develop science and technology as they can obtain the information, skills, and knowledge from the developed countries. It also promotes foreign investment and free

trade. Gaining access to the international community will also lead to the improvement of the living standard of people. They can invest in foreign products/companies, gain knowledge from them, and can gain employment in foreign lands which uplifts the living standard of people.

Due to globalization, there will be more exports from developed countries and more imports for developing countries. This might cause an adverse impact on the national economy due to multinational companies taking profits from developing and least developed countries. There is also an open and free flow of goods and services across the globe. There are changes in livelihood pattern of people due to the globalization. For example: the use of timber for cooking food is now replaced by the cylinder gas. Remittance is also a part of globalization as globalization promotes free market, free mobility, trade of goods, etc. so the remittance also has changed the living pattern of the people as it has given them the purchasing power, optional choice and lifting the living standard of the people.

New Economics of Labor Migration Theory (NELM):

The NELM theory emergence in the 1980s, where the migration scholars largely divided into two main theoretical camps, viz. the neoclassical and historical-structural approaches to migration. Against this background, the NELM presented itself as a theoretical ‘third way’ between the two latter approaches, and purported to reconcile agency and structure in a way previously unachieved by either of them. While those pretensions gained a fair amount of acceptance and popularity, this paper argues that they are fundamentally misleading, and that the NELM is little more than a slightly more sophisticated avatar of the neoclassical approach to migration, whose fundamental weaknesses it has not, and cannot, shed. This paper further argues that, in so doing, the NELM effectively constitutes migration theory's own instance of economics imperialism, i.e. the attempt to advance the fundamental tenets of neoclassical economics (methodological individualism and the assumption of optimizing rationality) within the context of the study and interpretation of various social phenomena. In order to put forth these arguments, this paper provides a summary presentation of the standard neoclassical theory of migration, the historical-structural heterodoxy and the NELM; highlights why it is that the NELM should be regarded as a ‘reworked’ version of the neoclassical theoretical framework and discusses its inception in the context of the ‘information-theoretic revolution’ in economics; and argues for a new and improved ‘historical-structural synthesis’ as a more satisfactory alternative to both the NELM and the standard neoclassical theory.

The theory views migration as an economic strategy of a household. The household invests in the migration of one or several members to other destinations where the migrant can work and send economic remittances to the household. The household uses

migration as a strategy to overcome market restraints in the domestic economy. The NELM theory views the remittance an effective tool to overcome the poverty, uplift the living standard and give life chances to the people. The remittance economy will play a vital role in the development of the nation in a macro level and rising the standard of living of the household in micro level.

All the theories have got their different point of view regarding the impact of remittance economy. Some theories see the remittance as an effective tools for the development and prosperity in other hand some sees remittance as the temporary measures for the poverty. So, these theories can be classified in to the optimist's and pessimist's point of view as:-

The optimist's perspectives: This perspective sees remittance on the positive way where, functionalist theory and neo-classical theory is included. This perspective deals with the migrant and origin country are benefited from remittance and migration. In micro and macro level perspective it address the transfer of labor from poor to rich countries and flows of capital from rich to poor countries to decrease economic gaps between origin and destination countries. In one hand the sending countries get benefited by the sending the migrants who help them to raise the economy and reduce the poverty in other hand the receiving countries get fulfillment of the required manpower. In this way both the receiving and sending country have equal development chances.

The theory assumes that labor markets and economies move towards equilibrium in the long run through trade and remittance. It considers migrants as purely rational actors. Migrants move from societies where labor is abundant and wages are low, to societies where labor is scarce and wages are high. It creates equilibrium in both the sending country and receiving country. Where the remittance income is used for the household's level and in other hand the labor forces are engaged in the development sectors and uplifts the class of people.

Remittance has the potential to reduce income inequality, reduces poverty, raise the standard of living of recipients, human capital formation and development. Remittance economic can play significant role to enhance development aspect of the nation either in short run and in long run as well since remittance can play positive role to enhance human capital formation. (Roberts,2004).

Remittance is the effective tools for the development of any nations unless it has been invested in productive sectors. According to the data seven myth of Migration one of the points regarding the myth of remittance has been clarify. The remittance was blamed for creating dependency for the sending country. It was said that due to the dependency there will be no production and investment in the home country where slowly there rises the symptoms of underdevelopment. But Hein De Hass said that those are the myth where in reality the remittance is essential tool which leads to the

development. The remittance inflows the large number of the capital in the sending country. The capital is access in the hand of every people where people are able to uplift their living standard. As well as the huge number of capital is also good for the state where there will be investment and re-investment in different level of scales. Hein De Hass says to remittance is correlated with the development as with the inflow of remittance there also inflow of different scopes and aspects of the development. (Hass, 2005),

Nepali migrant workers sent back home \$8.1 billion in 2018, making it the 19th biggest beneficiary of funds sent by migrants around the World Bank. Five South Asian countries are in the top 20 list of biggest beneficiaries of remittances, with Nepal taking the fourth spot in the region. It is behind India (\$78.6 billion), Pakistan (\$21 billion) and Bangladesh (\$15.5 billion) but ahead of Sri Lanka (\$7.5 billion) in terms of remittances, according to the World Bank's Migration and Development Brief. The World Bank said that remittances to South Asia grew 12 percent to \$131 billion in 2018, outpacing the 6 percent growth in 2017. The report said that migrant workers and others sent home an estimated \$529 billion to low- and middle-income countries last year, up 9.6 percent from the year before, which had also been a record. Such money transfers should hit \$550 billion on 2019. (World Bank report, 2019)

Neo-classical view point considers migration and remittance as a tool of development and modernization. Migration optimist think that it leads to a North-south transfer of investment capital and it enhance people from traditional communities to liberal, rational and democratic ideas, knowledge and education. These perspective migrants are perceived as important agents of change, innovators and investor. It advocates that capital and knowledge transfer by migrant would help to enhance the development of a place of origins.

A number of Nepalese migrants working abroad has significantly contributed to the country's Gross National Product (GNP) and has also become an important source of foreign exchange earnings. Furthermore, remittance income has also significantly contributed to maintaining household consumption. Remittance income seems to reshape the household demands without any effect of the total income. Remittance recipient households tend to spend more on some investment categories, such as durable goods, health and education. The households receiving remittances tend to spend more on non-food goods (e.g., apparel and personal care items, religious and social functions, etc.), with investment in health and durable goods (e.g., kitchen appliances, jewelry, furniture, motorcycle, car, electronic goods, etc.).

The pessimist's perspectives: This perspective concerns about negative side and brain drain; after experiments with return migration policies focused on integration in receiving countries; migration largely out sight in development field. This theory

includes the perspective of world system theory. The theory emphasizes how social, economic, cultural and political structures constrain and direct the behavior of individuals in ways that do not generally create greater equilibrium, rather reinforce such disequilibria. They emphasize the role of states and businesses in shaping migration and they tend to see labor migration as providing a cheap, exploitable labor force. World systems theory sees migration as a natural consequence of economic globalization and market penetration across national boundaries. The world systems theory focuses on forces operating at an aggregated macro level. It sees the sending country as dependent on the receiving countries, though there is a flow of remittance but it does not contribute in development sectors. The receiving countries will be receiving the cheap labor forces with less wages in comparison to their work (Wallerstein, 1974)

Marxist and a dependency view of migration which talks about the exploitative relation of two countries to the place of origins and the place of destination. These pessimists view and argued that migration reinforces the problem of underdevelopment. The dependency theorist have pointed to the brain drain concept that massive outflow of the productive manpower from rural areas (Adams 1969). It also claimed that it is generally not the poorest people who migrate the most and it promotes an increase in inequality in communities of origins (Lipton, 1980).

The pessimist's theory views that the remittances were mainly spent on conspicuous consumption and "consumptive" investments and rarely invested in productive enterprises. This perspective does not see the chances of development in sending countries rather it addresses the concept of brain drain where it does not consider remittance income as an effective tool for development. This perspective sees the unequal development between sending and receiving countries. It sees the sending country as dependent on the receiving countries, though there is a flow of remittance but it does not contribute in development sectors. The receiving countries will be receiving the cheap labor forces with fewer wages in comparison to their work. The pessimist's perspective does not consider the remittance as a tool for poverty reduction. It says that remittance is not the permanent solution for poverty.

It seems that none of the theory of sociology clearly defines the positive aspects of remittance and its importance. But somehow few theories the importance of remittance can be seen. While comparing to different theory and perspective of remittance and migration this research matches with the optimist's perspectives.

The study has been studied in point of view of optimistic and the globalization theory. As the remittance is a part of globalization it makes the people closer to the market where the market gives them life chances to uplift their living standard. The remittance can be an effective tool for any development process and social change. Though the remittance the poor households can fulfill their basic needs and can get life chances.

2.2 Empirical Review

Empirical literature review is a summary of research that has been conducted in the past on a certain subject of interest. The purpose of the literature review is to discover the gaps in literature. In empirical review researcher select review from similar objectives or statement of the problems. In empirical review researcher select review from similar objectives or statement of the problems. In line with conceptual framework, the empirical strategy is to see impact of migration and remittance in ownership of business enterprise. Since the objective of the paper is to examine the nexus between labor migration, remittance and entrepreneurship taking ownership of enterprise as proxy of entrepreneurship.

The empirical literature review is more commonly called a systematic literature review and it examines past empirical studies to answer a particular research question. It is the study which includes textual study of the literature.

In the early years agriculture was the major source of national economy in Nepal. According to Nepal living standards Survey (NLSS) over 78% of active employed spend most of their times in agriculture as the agriculture played a major role. But gradually due to the lack of progressive transformation form agrarian to industrial economy the agriculture fails. The agriculture GDP has slow growth as compare to others sectors. According to Nepal Planning Commission (NPC) 1980 the 35% of the house hold income of the rural Nepal comes from non- farming earnings. In 1998-99 there was the public recognition by the government regarding the policy implications, flow of labor and return flow of remittance in the country. The census report of 1942 have not recorded the Nepali troops sent from Nepal in different fronts to assist the allied forces and may have been included only those who went foreign for livelihood. As there is a long history of foreign employment in India, there was the trend of joining the Indian Gorkha in Lahore city in Punjab. In today date people are still joining the soldiers in the Indian Army. Even the people go for the post like chowkidaes, hawaldars and work on Indian restaurant. The remittance received in any country is no in its actual form. All the remittance sent would not have the official registered data because it has sent through different illegal roots like hundi. The true figure of the remittance is said to be a Ice berg because we can see only the half figure of the Ice berg where its entire body is under the water, similarly the Ice berg we are unable to figure out the real figure of the Remittance sent or received because of the illegal transit of capital. Though the remittance has the dynamic contribution to the National GDP but it is totally difficult to monitor the transit of capital. Mostly it is low cost to go to India and high cost to go to other country as labor so, people go to their willing destination for work according to their bearing cost. As Nepal government gave most of the priority to the agriculture sector but we cannot skip out the dynamic role of Remittance for the contribution of National GDP and GNP. (Seddon, Gurung, Adhikari ,1998),

Based on the data of Nepal Living Standard Surveys, World Bank illustrates the way the size of the middle class has changed and expanded in Nepal over the last two decades. The that living standards of the Nepalese on average have improved but not sufficiently enough to retain the secure middle class resulting into the formation of a new vulnerable group lying between the poor and the middle classes. The middle class has expanded and consolidated in Nepal after the 1990s. The middle class is in struggling and expanding form. (Luintel, 2019)

Remittances were found to lower inequality at the macro level: the Gini coefficient based on an income distribution with counterfactual incomes for remittance-receiving households is higher than that based on the actual income distribution, suggesting that inequality would be higher in the absence of remittances, even taking behavioral responses into account. The remittances can not only reduce income inequality in the home country but could also help to some extent absorb shocks hitting the poorest. (Koczan, 2018)

Nepal is one of the least-economically-developed nations in the world. However, with recent international labor treaties, Nepal has been experiencing large outflows of migrants and hence, remittance inflows from abroad. According to World Bank figures, extreme poverty has declined from almost 70% to 25% in the last 15 years. There has been arriving of money directly to Nepalese households also there has been a large-scale state investment in social sectors and infrastructure. (World Bank report 2014). Migration and remittance report of Nepal has been featuring among the top remittance recipient countries. Concluded report by World Bank 2016 showed that in Nepal there was estimated USD 6.6 billion flows of remittances equivalent to 31.3 percent of the country's GDP. Nepal dependency on Foreign Labor migration as well as role of shared remittance in GDP of Nepal has been increased significantly. Remittance can contribute significantly to local, regional and national development in sending countries. Various studies, evidences and numeric data have proved that remittance has played significant role in minimizing the problem of unemployment and poverty. The impact of remittance can be seen as a remarkable on the GDP and GNP in both real and nominal term. (World Bank 2016).

Migration takes place when migrants earn less and has more risk like poverty, conflict, unstable government, so on. As the result people are engaged in foreign labor migration as they tries to rise up their living standard and quality of life by sending the cash amount from different channels which is called Remittance. The pull factors includes:- jobs opportunities, infrastructures facilities like educations/health/transport/communication, high paid salaries, etc and the Push factors includes:- Conflict, refugees moment, unstable government, lack of job opportunities, poor infrastructures, Here people make decision of migration in terms of pull and push

factors and sometimes the personal factor also determines the migration where the will and wish of the individual. (Ravenstein 1885).

Remittance has become one of the major contributors to minimize the problem of unemployment in Nepal since more than sixteen lakh Nepalese workers are working abroad formally, according to governmental publications. Ratio of remittance to GDP has mounted up and has reached near about 20 percent. The Main destination of Nepalese workers for foreign employment has been found to be Malaysia where 32.4% migrants are working and second destination has been found to be Qatar where 28.71 % migrant workers are working. It has been found that size of remittance inflow has been increasing in tremendous way in Nepal. The size was just 204.3 million Nepalese Rupees in the year 1974/75 and the Figure has been reached 231725.3 million Nepalese Rupees. Remittance sent by Nepalese migrant workers also plays significant role in enhancing GDP of Nepal. It has been found that 1 percent increase in remittance inflow is responsible to bring near about 0.006 percent increase in GDP. (Neupane, 2011)

In 1990 the concept of brain drain emerge with the viewpoint that foreign labor migration creates the level of dependency high as a result there will be no any investment and production in the sending country. All the active manpower will be in abroad which leads lack of active manpower in the sending country. As the result there will not be any development. But it is only a one way analysis as there can be positive aspects of the remittance in the receiving country.

In 2001 the concept of brain gain emerges where it was against the brain drain concept. It was the neo classical equilibrium perspective where it says the migration and development are correlated with each other. With the remittance will be invest in production by the sending country. The people will also bring the knowledge which they have learned in abroad and apply in their home country. By this the sending country will have different activities where they can uplift their level. (Bailey, 2010)

On the basis of data by Rastriya Banjya Bank on remittances shows that year after year the remittance amount is increasing as the figure explains as the remittance (in billions) received by Nepal is 65.54, 97.69, 100.14, 142.68, 209.70, 231.73 in the fiscal year of 2009/10, 10/11, 2011/12, 2012/13, 2014/15, 2016/17, 2017/2018 gradually.

The cash transfers on households and communities have brought attention to remittances as a development mechanism. Using household income and expenditure data for Mexico, expenditure patterns of remittance-receiving households are analyzed. Remittances are one of the important ways in which immigrants affect the people and communities within their respective sending countries. Remittance is a simply going directly to households as cash transfers. This analysis shows that households that receive remittances expend a higher share of their household budget on durable goods, healthcare, and housing, and less on food than their observationally equivalent

counterparts that receive no remittance income. The findings say that the remittances play an important role in the provision of healthcare, housing, or investment goods, it is possible that remittances may play a role in development of the economy. (Airola,2007)

As International migration and remittances play an important role in development as it helps in achieving the gains of globalization. We developed a significant and positive impact of remittances, migration and GDP per capita on poverty reduction. It is a significant channel through which wealth is transferred from rich countries to the poor nations. The findings support several empirical results on the positive and significant impact of Remittances and Migration on Poverty reduction. The Remittances also provides some necessary support for the effectiveness in increasing growth, development and poverty reduction in poor and developing countries. Migration from poor countries to developed countries is beneficial for both developing and developed countries as migration or labor mobility produces benefits for developing countries and it also generates the incentives for return to host nations. The Developed countries should have to relax and flexible policies for the mobility of skilled and unskilled labor force. The government of poor nations should enforce the World Trade Organization (WTO) for introducing a visa scheme for skilled and unskilled labors from poor countries to the developed economy. The policy makers should make such policies that may assist the poor workers to go abroad. It will not only help the poor families but also will help the developments of the country. (Siddique,2016)

A study in rural households was done in sub-district of Ko Kaeo in Thailand to find out the degree and contribution of remittance. The villages were experiencing both brain drain and manpower drain as a result of all the young working-age people leaving. Many of the migrants regularly send the money to support their families. In a rough figure the 2/3 of all the households in ko kaeo receive remittance income. The Northeastern region of Thailand is the poorest among the regions and many people live on a low income. This also has the positive effect of reducing household inequality in Ko Kaeo as described in section 5.5. The survey data shows that in many points the poverty as one of the reasons for receiving remittances. The findings from the study indicate that remittances improve food security since most households which receive at least 5000 baht per month (\$153) responded that they believe it will not be difficult to secure enough food. For households that receive less remittances, food security was a bigger problem as more households among those that receive less remittances. Here the households' poverty is reduced due to the remittance where people are able to afford more goods in comparing to the non remittance households. Here the class is determined by the flow of remittance in the household. (Nilsen,2014)

It is essential to understand that only meaningful utilization of remittance money can pave the way to the better prospects of the nation. The biggest contribution of remittances has been found to the welfare and improved livelihood of the receiving households in terms of basic needs, better health and education and to a smaller extent in terms of savings. The real GDP of the nation could be magnified in the long run with the better use of remittance. (Srivastava& Chaudary,2007).

In topic of Remittance and class transformation we can find many research reports but in Nepali context it is found very few researches conducted in remittance and its impact on class transformation. Despite of those research reports the study can be used to identify the growth, composition and trend of remittance in rural areas. In another part it can be useful to explore the impact of remittance in rural household. Based on the review of literature the studies identify the topic which need to be clarify so to be clear the study should be there regarding the impact of remittance in class transformation.

A literature review is an overview of the previously published works on a specific topic. The term can refer to a full scholarly paper or a section of a scholarly work such as a book, or an article.

2.3 Research Gap

In topic of “Remittance and Class Transformation” can be find in many research reports but in Nepali context it is found very few researches conducted in remittance and class transformation. This study is important because we mostly find article of remittance regarding poverty reduction, employment and changing livelihood but there are not any articles found related to remittance and class in micro level.

Despite of that, the study can be used to identify the growth, composition and trend of class transformation in rural areas. In another part it can be useful to explore the impact of remittance in rural household.

Based on the above mentioned review of literature the studies identify the following questions which need to be clarify so to be clear the study should be there regarding the role of remittance.

- a) What kind of transformation can be seen by the remittance?
- b) What is the role of remittance in class transformation in rural areas of Nepal?

CHAPTER III RESEARCH METHODOLOGY

3.1 Research Design

This study entitles ‘Remittance and class transformation of tamang community of temal-2. This is a micro level case study of the Temal Municipality of Kavre district. The study is both descriptive and explorative research design to fulfill the specific objectives of the study.

Descriptive researches describe current status of a phenomenon and sometimes draw valid conclusions based on the facts find out during the studies.

In the descriptive research is the identification of the characteristics, situations and frequencies. The descriptive research is the quantitative research for descriptive purposes the descriptive research design includes survey, observation and case study research methods.

The second research is the explorative researches which can be also called formulate research. In this research there is the uncovering of the hidden facts and phenomenon which are unknown. Due to le lack of references and the studies this explorative research is done where the major focus of the research is to get knowledge or the new ideas.

The research design is the plan and strategy to obtain the answers of the study. It has followed the tools like: - interview and structure questionnaire. The main objectives of the study are to focus on the remittance and its contribution on class transformation.

3.2 Rationale of the Site Selection

Kavre district lies in Bagmati Provinces of central Nepal. It is one of the district of Bagmati Provinces with Dhulikhel as its district headquarters and covers an area of 1,396 km². It has good fertile land for agriculture. The site selection of the thesis is of ward no. 2 of Temal municipality which lies in kavre district. The municipality spans 89 square kilometres (34 sq mi) of area. Temal is divided into 9 wards with Pokhari Narayansthan declared the administrative center of the Temal municipality. Mostly the villagers are engaged with the foreign labor migration where the remittance has been a major income source of the households.

For the objectives of this study Temal Municipality ward -2, of Kavre district. Most of the studies on remittance are conducted in national level or in a Macro level so the research is on remittance and class transformation in micro level as very few studies are there in related topic. The reasons behind the selection of the area are as follows:

- a) Many people of Temal Municipality of Kavre district are engaged on foreign labor migration and the rate of migrants is increasing year by year. So the study has been relevant and representative to find out the remittance and its impact on class transformation in context of Temal Municipality, Kavre.
- b) There had been changed in the income, profession, and living standard of migrant's households and its impact have been seen in the society
- c) Kavre district is my birth place so the areas of the study have been easier for collectof the information.

3.3 Nature and source of Data

The study has been based on the primary data and in qualitative forms. The data has been collected from the field study and some data from the secondary sources which was published before. Here the secondary data is also used to make the study more effective. The interview method is used in household survey to collect the information regarding the foreign labor migration, economic status of the individual's families who has been involved in foreign labor migration and using the remittance economy. On the other hand the secondary data has been obtained from the population census reports, local government like municipality and relevant literatures about foreign labor migration such as research, report, journals, and articles.

3.4 Universe and sample size of the study

The Temal municipality of kavre district is taken as the universe of the study. The temal municipality ward No.2 includes total 400households. Most of the households are engaged with the foreign labor migration. The sample size is purposing selection of 50 households which are involved in foreign labor migration. The household has been selected by purposive sampling method.

3.5 Data Collection (Tools and Techniques)

The required information as per the objectives of the study has been collected through the household survey where interview schedule of data collection method is used. The respondent of the study was the household, where the remittance is the main economy

source. The data collection is done by interview, observation, case study, and available secondary data. The questionnaire format is given in appendix-2.

3.5.1 Categorizations of the variables

The household has been categorized into low class, middle class and high class. The categorization houses in terms of classes vary on the indicators as:-

Household belong to Low class

- Household having land below 5 ropani land.
- Having yearly production below Rs.1,00,000.
- Have food only for sustain.
- With no savings.

Household belong to middle class

- Household having more than 5-10 ropani of land.
- Having yearly production more than Rs.1, 00,000.
- Having saving of food for 1 year, even after consuming.
- With yearly savings less than Rs.1, 00,000.

Household belong to high class

- Household having more than 10 ropani of land.
- Having yearly production more than Rs.2, 00,000.
- Having saving of food for more than 2 year, even after consuming.
- Having yearly saving more than of Rs. 1,00,000 .

The classes of households are classified in terms of the household income, savings and production.

3.5.2 Primary Data

i) Interview

Interview schedule is a set of questionnaire which is asked to the respondent and filled in self by the researcher. The interview was the structured interview with pre determined questions and standard technique of recording. It is also called directive interview where the pre arranged questions cannot be changed. There was the one to one structured interview done with the migrants and in their absence the house head of the migrant's family.

The interview have been based on a full set of questions on households characteristic, income, expenditure, employment, labor migration, remittance and so on.

The interview schedules have containing questions, concerning the remittance economy and its use. The questionnaire includes both the open and close questions. The cross checks, editing and indirect questions is done when the answers looked like unrealistic and irrelevant.

ii) Case study

A case study is a type of research technique used to learn more about a topic or activity. Case studies entail in-depth investigation of a certain topic to comprehend its operation and accomplishments. Case study is a research methodology, typically seen in social and life sciences. A case study has also been described as an intensive, systematic investigation of a single individual, group, community or some other unit in which the researcher examines in-depth data relating to several variables. To examine the fundamental principles of an occurrence in a real-life situation, they include a variety of qualitative and quantitative research methodologies. This method of research allows the researcher to take a complex and broad topic, or phenomenon, and narrow it down into a manageable research question. Among the 50 respondent there is case study done of two respondents none randomly. In the study the case study is done to see the class transformation in a clear way regarding its depth information.

3.5.3 Secondary data

Beside the primary data the other related data has been be collected for the secondary sources which can be official and unofficial. The relevant data has been the compile of publications of the national planning commission, Central Bureau of Statistic (CBS), Economic Report by (NRB), Annual publications of NRB and other journals, books of different research centers and concerning organization. In the study the secondary data are collected by the report and information of Temal Municipality and Temal Electricity Community Organization.

3.6 Data analysis

On the data analysis the collected data has been tabulated to meet the needs of the study. Data processing is done with the help of scientific calculator and computer. The gathered data and information has been analyzed using both descriptive way and statistical method like frequency, percentage and total numbers. The data are

calculated in terms of their percentages and frequencies. the data are arranged in terms of the descriptive analytical tool such as tables has been presented wherever necessary. Data has been presented in percentage form when required and table, graphs; diagram was used to meet the requirements of the study.

CHAPTER IV

REMITTANCE AND CLASS TRANSFORMATION

This chapter is related on analysis and interpretation of data collected during the study. It is one of the important chapters in research. The data are collected and then processed in response to the problem. The data collected are raw in nature. The 50 households who are related with the remittance economy are selected as the respondent from the tamang community of temal-2, chukha, kavre. The purpose of this study was to explore the Impact of remittance on class transformation peoples of tamang community.

The main objective of this research was to fulfilled with the outcome analysis of the data. The goal of this research was to look into the effects of remittance on class transformation of tamang people.

4.1 Contribution of Remittance

4.1.1 Age group of the Respondents

This age is one of the most important factors in demography and it makes difference in every studies. As respondents were the people engaged to foreign labor migration of the household. The data mention in the table below shows the description of age group of the people.

Table 1: Age group of the Respondents

S.N	Age Group	Frequency	Percentage (%)
1	20-29 yrs	13	26 %
2	30-39 yrs	30	60%
3	40& above	7	14%
		Total= 50	100%

Source: Field Survey, 2022

The table 1 shows that there is maximum 30 respondents who are between 30-39 yrs age group with 60%. 13 respondents are between 20-29 yrs age group with the 26% and 7 respondents with the 40 years and above.

4.1.2 Education level of the Respondents

Education is the main indicators for changing society and upgrading its economic and social status. Education plays a vital role in decision making process in the society and her own life also. Education plays a key role in the development of an individual. It is one of the major degrees to measure the socio-economic status of any community. Moreover, education is an essential need in youths' life. The below table depicts the status of education level of the respondents.

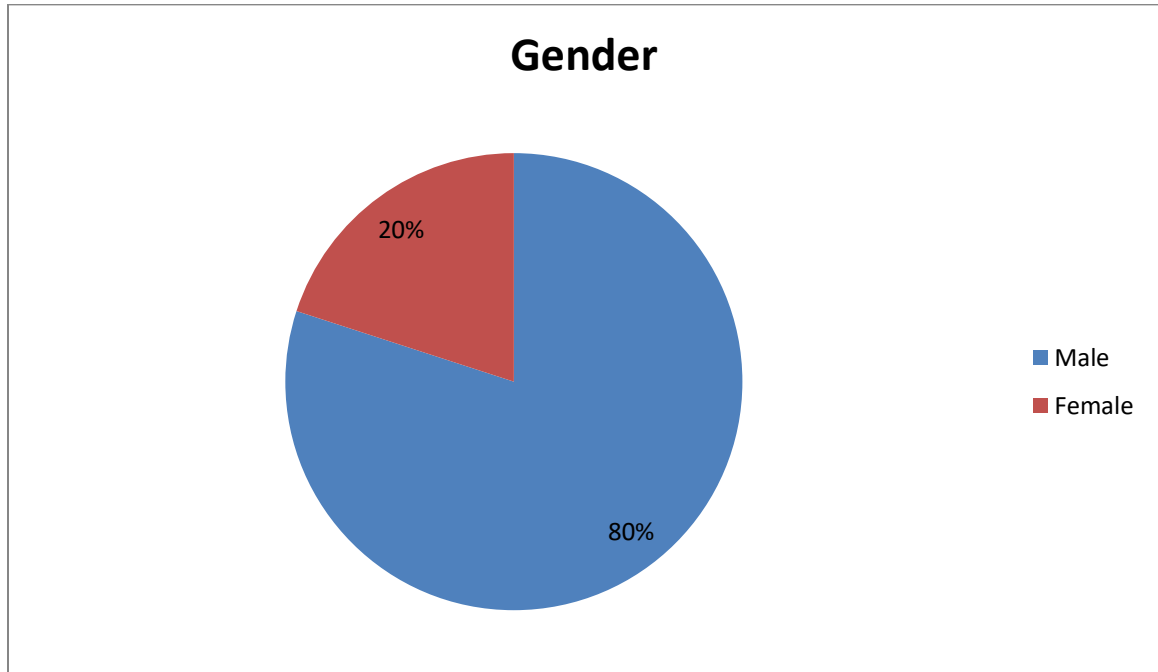
Table 2: Education level of the Respondents

S.N	Level of Education	Frequency (F)	Percentage (%)
1	SEE Level	26	52 %
2	+2	15	30 %
3	Bachelor	9	18 %
		Total = 50	100 %

Source: Field Survey, 2022

All the respondent people fall in different level of education. Here in the table 2 most of the migrants are only with low education level in comparing to the whole respondent. There are 26 respondents who have passed the SEE level with the 52% in total. There are 15 respondents who have passed the +2 level with the 30%. There are only 9 respondents who have passed their bachelor levels with 18%. The table shows that maximum numbers of the respondents have only passed their SEE level.

4.1.3 Gender of the Migrants



Pie chart 1:Source: Field Survey, 2022

In the pie chart 1the migrants in categorized in terms of their gender. In the table 4 we see the migration pattern is male dominated. Here there is 40 male respondents with 80% and 10 female respondent with 20S%.Here the data shows that still in the present time period the female are also involved in Foreign labor Migration and there are more male migrants in compare to the female.

4.1.4 Family Size of the Respondents

Table 3 : Family Size of the Respondents

S.N	Family Size	Frequency (F)	Percentage (%)
1	Small family (4 to 5 family members)	19 respondent	38%
2	Medium family (6 to 7 family members)	20 respondent	40%
3	Large family (Above 7members)	11 respondent	22 %
		Total = 50	100%

Source: Field Survey, 2022

In table 3 the Family size were classified into 3 categories. It shows majority of the total 20respondent falls in medium family size with (40%).19 respondents falls under the small family size with (38%) and 11 respondents falls under the large family with (22%). Here majority of the migrants are form medium family with 20respondents.

4.2 Social status of remittance earning families

4.2.1 Family kinship circle

In the family the family member earning the remittance has got more attention between the other family members as he/she is the bread winner of the family.

4.2.2 within community

Within the community the person has been recognize in the group after earning the remittance. The person is praised in groups and seen in very positive way and behaved well by the community.

4.2.3 political sphere

The political parties are also welcoming the remittance earning persons. They are invited to join the parties and also to the political events

4.2.4 social organization

Same person after earning the money or being engaged to foreign labor migration they have been totally treated differently by the social organization or social groups. They are warmly welcome in any social events and taken to more priority.

4.3Income source of the households before the remittance

Table 4:Income source of the householdsbefore remittance

S.N	Income source of the households before remittance	Frequency	Percentage (%)
1	Non- Professional Animal husbandry	40	80%
2	Professional Animal husbandry	10	20%
		Total= 50	100%

Source: Field survey:2022

In the table 4 households are only seen being involved in animal husbandry either professionally or non-professionally. Here the 10are involved in professional animal

husbandry which is 20 % and 40 of the households are involved in non-professional animal husbandry in total. The household have only one source of income that is animal husbandry before the remittance.

Table 5:Income source of the households after remittance

S.N	Income source of the households after remittance	Frequency	Percentage (%)
1	Professional Animal husbandry	14	28%
2	Agricultural farming	20	40%
3	Dairy farm	16	32%
		Total=50	100%

Source: Field Survey, 2022

In the table 5 all households are seen being involved in different sectors after the remittance. Though the remittance is also the major income source of household but there are also other dimensions of the income source in practice after the flow of remittance.

After the remittance the majority of household are seen being involves in agricultural farming which is 40%. Household are seen involved in dairy farming which is 32% and Professional animal husbandry has been increased to 14%. Before the remittance there were only animal husbandry as the income source of the household but the after the remittance there are household seen being involved in other sectors as spreading the dimension of the income source.

4.4 Size of household income in Rupees per month before the remittance

Table 6:Size of household income in Rupees before remittance

S.N	Size of household income in Rupees (per month)	Frequency	Percentage (%)
1	Less than Rs. 10,000	26	52
2	Rs.10,000-Rs.20,000	13	26
3	Rs.20,000-Rs.30,000	11	22
		Total=50	100%

Source: Field Survey, 2022

In the table 6 there is the household income before the remittance. Majority of the household income was less than 10,000 per month which is 52% in total. Only the 11 household income of between Rs.20,000-Rs.30,000 which is 22% in total.

Table 7:Size of household income in Rupees after remittance

S.N	Size of household income in Rupees (per month)	Frequency	Percentage (%)
1	Less than Rs. 50,000	12	24 %
2	Rs.50,000-Rs.70,000	16	32 %
3	More than Rs.70,000	22	44 %
		Total=50	100%

Source: Field Survey, 2022

In the table 7 there can be seen drastic difference in household income in comparison with table 8. With the flow of remittance the household income has also increased in number. The majority of the household income is more than Rs.70,000 which is 44 % in total with 22 household.

After comparing household income before and after the remittance the result can be drawn that the remittance has got a positive impact on the household income. The level of household income has been increased after the flow remittance economy.

4.5 Schooling of the children

Table 8:Schooling of the children before the remittance

S.N	Schooling of children	Frequency	Percentage
1	Government school	45	90%
2	Private school	5	10%
		Total=50 Household	Total=100 %

Source: Field Survey, 2022

In the table 8 status of schooling of children before the flow of remittance is given. The majority of the household can be seen sending their children to the government

school which is 90%.Only 5 household can afford to send their children to the private school which is 10 %.

Table 9:Schooling of the children after the remittance

S.N	Schooling of children	Frequency	Percentage
1	Government school	30	60%
2	Private school	20	40%
		Total=50 Household	Total_100 %

Source: Field Survey, 2022

In the table 11 the data of schooling after the flow of remittance is given. In comparison of schooling data before and after the remittance of the children there is totally change in the trend. The trend of sending the children to the private school has increased. The majority of the schooling of the children has also changed. People have started sending their children to the private school after the flow remittance income which is 40%. Before the flow of remittance there was only the 10 % of children send to private school. The schooling of the children shows that the remittance income has made the household able to send their children to the private schoolwhich is a positive change.

4.6 Country of destination.

Table 10:Country of destination.

S.N	Migrated Country	Households	Percentage (%)
1	Malaysia	7	14 %
2	Dubai	15	30 %
3	Saudi Arab	8	16 %
4	South Korea	5	10 %
5	Japan	10	20 %
6	Cyprus	5	10 %
		Total= 50 households	100%

Source: Field Survey, 2022

Here in the Table 10 we can see the Number of people involved in foreign labor migration with the percentage. The households are characterized in terms of migrated

country as for the foreign labor migration.15 households are seen migrated to Dubai which covers maximum 30%. Second highest is Japan with10 households with 20%. Less number of household are seen migrated to South Korea and Cyprus with 10 % each.

4.7 House structure before and after the remittance

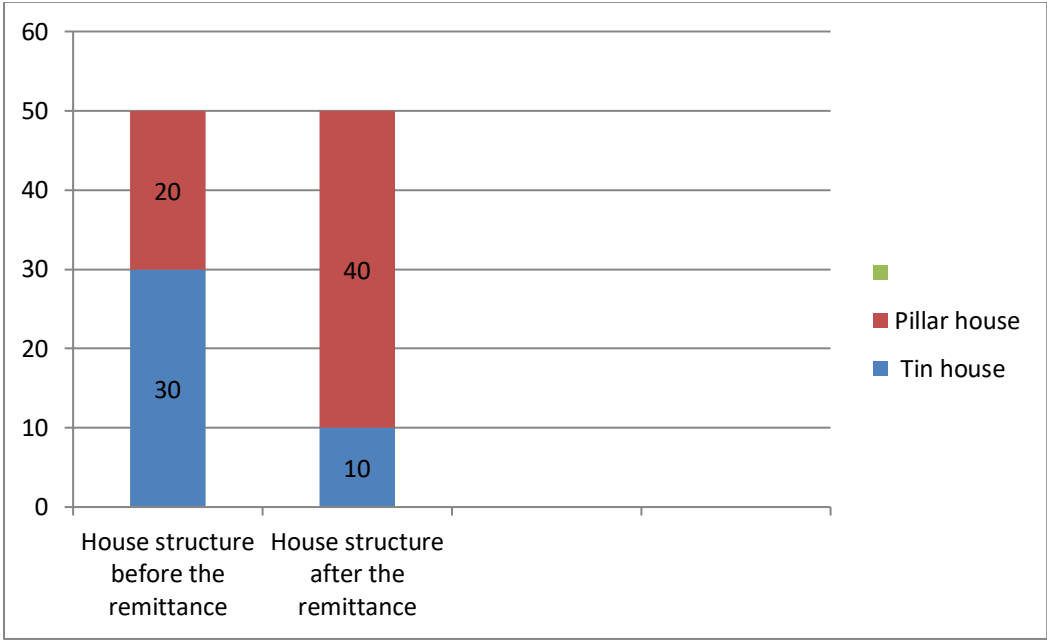


Figure 1 Source: Field Survey, 2022

In bar figure 1 the house structure before the remittance of has shown before and after the remittance. Before the remittance there are 20 household living in pillar house which is 40% and 30 household hare living tin house which is 60% in total. Before the remittance majority of the household are living on pillar house

After the flow of remittance income the people have started to make pillar house. After the remittance income there are 40 household who have got their pillar house which is 80%. There are still household with tin house structure which is 20 % in total. Comparing household structure before and after the remittance there is seen a positive change where there are more pillar house then before the remittance. We can point that the remittance has help to uplift the house structure in better condition giving them purchasing power.

4.8 Use of the remittance income

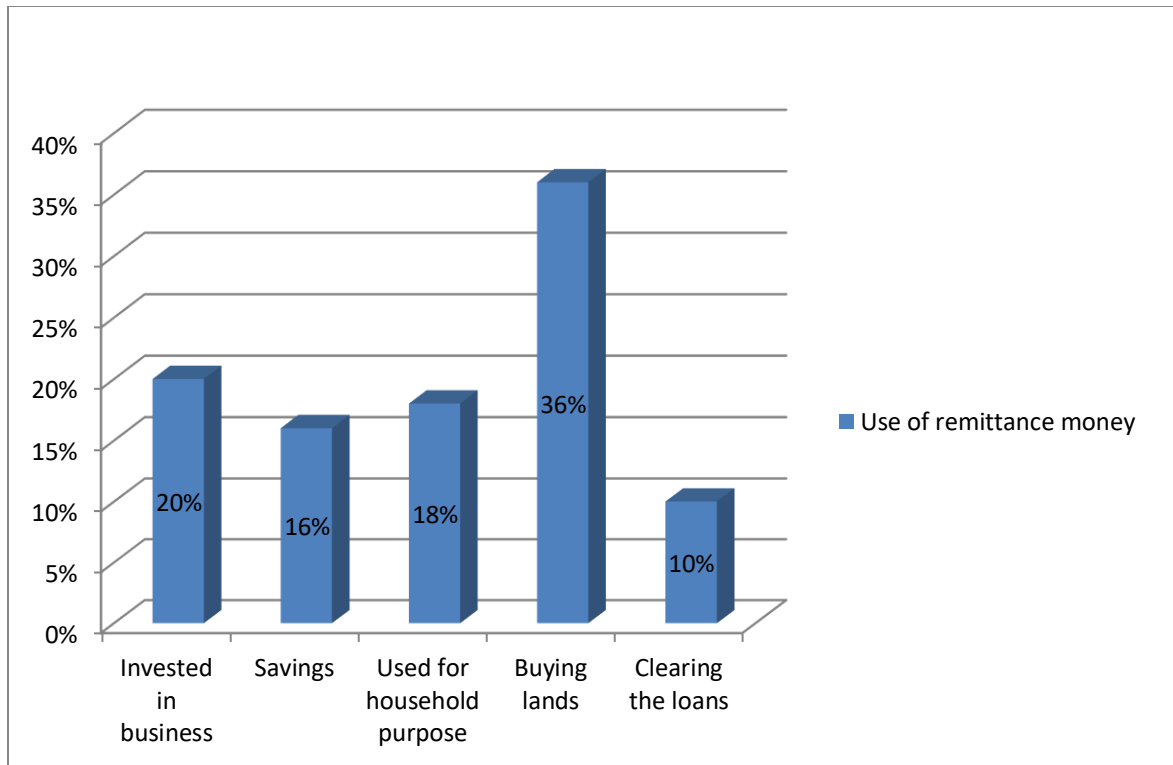


Figure 2 Source: Field Survey, 2022

Here in the figure 2 we can see how the household are using the remittance income in different areas. In majority the household have used the remittance income for buying lands which is 36%. Also the second priority households have invested their remittance income in business which is 20%. They have also used their income for household purpose which is 18%, saving which is 16% and used for clearing the loans which is 10%.

Here the result shows that the household are using their remittance income on productive sectors. They are uplifting their living standard gradually with the help of remittance income which show a positive change by the flow of remittance income.

4.9 Life Insurance of people before and after the remittance

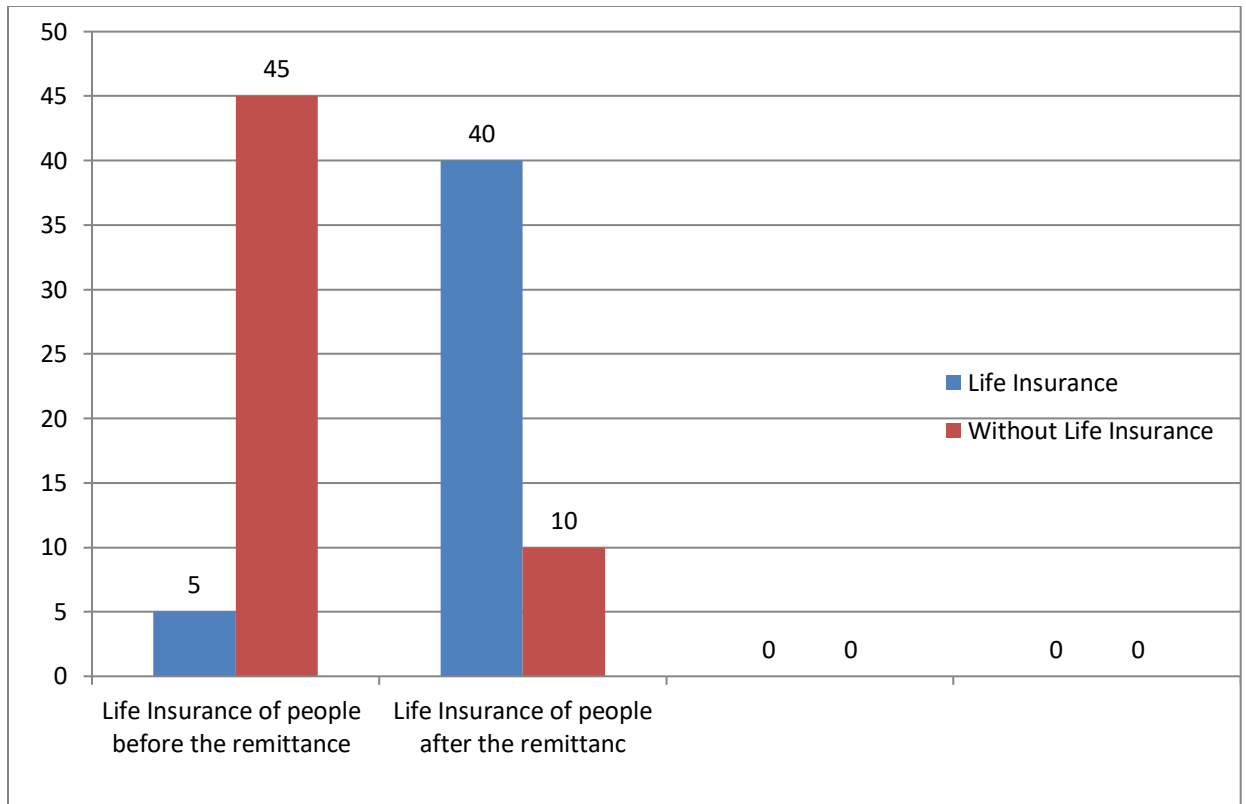


Figure 3 Source: Field Survey, 2022

Insurance are the factor of minimizing the crisis in the future to secure their livelihood. In the figure 3 we can see the data of life Insurance of people before and after the remittance. In the figure we can see there are 5 household who have done their life insurance before the remittance which is 10%. But there are seen 45 household are seen having any insurance before the flow of remittance which is 90%.

On the other side we can see the result of life insurance after the remittance which is almost changed. After the remittance there are 80% of household done their life insurance which can be seen as a positive change after the flow of remittance.

4.10 Occupation of the foreign labor migrants.

Table 11: Occupation of the foreign labor migrants

1	Job Title /Occupation	Frequency	Percentage %
2	Agriculture sector	5	10 %
3	Manufacture company	15	30 %
4	Security guard	12	24 %
5	Waiter	8	16%
6	Care giver	10	20 %
		Total= 50 households	100%

Source: Field Survey, 2022

Here in the Table 11 we can see the number of migrants working in different profession. Maximum respondents are working in manufacturing company which is 30 %. There are 5 respondents working in agriculture sector which is 10%, 12 respondents in security guard with 24%, respondent working as waiter which is 16% and 10 respondent working as care giver which is 20 %.

CHAPTER V

SUMMARY OF FINDINGS AND CONCLUSION

5.1 Summary of Findings

The main objective of the study is to gauge the role of remittance in class transformation in the study area. Moreover the study also tries to analyze the nature and extent of remittance income in the study area.

To fulfill the above stated objective of the present study the Tamang Community of Temal -2, Chukha, Kavre district was selected as the research study based on the topic "Remittance and Class Transformation of Tamang Community of Temal ".

This study is based on both descriptive as well as analytical research design. The study includes the non random household as the study area as the sample of the study. Quantitative and qualitative information 'were gathered from study area of Temal municipality of kavre through frequent field observation visits, focus group discussion, and interview with key informants as well. As the remittance is an effective measures for the reducing the poverty level. As in the present time many people are engaged in the foreign labor migration. More or less the remittance has impacted in individuals and household in micro level where it has impacted on district and state in macro level. The impact of remittance is seen in the study area as people have managed to get rid form poverty by utilizing the remittance economy in productive sector and empowering them self.

However, they have started to continue their children's education either joining in boarding or local government schools for better future. Comparatively, economic condition of the people is being improves gradually. The study found that most of the people used to have investing in productive sectors and saving of money for future use or planning.

It has only been possible due only to the remittance economy and its proper utilization. Due to increase in rate of foreign labor migration the remittance have rise its popularity in most of the areas of the country having massive flow of foreign economy. That economy has been beneficial for fighting against poverty and its vulnerable conditions.

In this study, there were 50 households taken as the sample size out of 400 households.

Here the data shows that female are less involved in Foreign labor Migration in compare to the Male. The Male migrants are the maximum size with 40 migrants and the Female migrants are only 10 in Number.

The schooling of the children for better future can also be seen in the study. The remittance income have made the household able to send their children to the private school and also started to send their children for schooling.

The household have maximum used the remittance on buying lands which is 36%. Also the second priority households have invested their remittance income in business which is 20%. They have also used their income for household purpose which is 18%, saving which is 16% and used for clearing the loans which is 10 %. The data shows that with the remittance income household have mostly used on productive sectors and in a long run it will uplift the poor livelihood of the people.

From the study, it is found that the remittance holds very high important in class transformation. In many casesthe study hasshown the positive impact of the remittance and most of the household have changed their poor status after the flow of remittance economy.

5.2 Conclusion

For many developing nations, remittance revenue is becoming one of the most important and consistent sources of foreign funding. Remittance has got the significant role in the micro level in individual and household level as well as it has important role on macro level development of the national economy and revenue.

Remittances are now as a substantial source of income for many people in nations where the people pay for their household expenses, healthcare, and children's education with the remittance income. People have also utilized the remittance income in the productive sectors like investing in land, opening their own business and being entrepreneur.

For many developing nations, remittance revenue is becoming one of the most important and consistent sources of foreign funding. It won't be false to say Nepal is a country made by remittance economy as Nepal is the 19th biggest country sending the funds by migrants around the world, according to a report by World Bank, 2018. However remittance has its important role for the developing country like Nepal. There was the rapid growth in labor migration in Nepal and along with the migration the flow of remittance was also in a parallel way.

The study showed that how the remittance income has been used as a tool for class transformation of Tamang Community of Temal -2, Chukha, Kavre. However, pre-setup research design, questionnaire and case study has helped to collect the study data. Household are involved in business sectors/ investment sectors where they are utilizing the remittance income in uplifting their poor living standard having a class transformation from lower class to the middle class in long run process.

The study shows different result that highlights class transformation. With the help of remittance people have uplifted their standard of living; the one who were unable to maintain their balance diet are now able to maintain their proper nutrition's, people have started to investing on productive sectors, they have bought their own house, they are now able to send their children to the private schools, etc.

Overall the remittance has played an important role in reducing the poverty line and changing the class. After the inflow of remittance in the households are able to transform their class from worker and marginalize class to middle class. Therefore from this study we can say that Remittance economy play a vital role in household where there is the positive impact in the household in enhancing purchasing capability making them more economically capable and class transformation

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Appendix-1 : Case study details

1. Case study of the Respondents-I

There was case study done of the two respondent during the study one male and one female,

The male respondent was 19 years old when he has gone to foreign labor migration in 2014. He went to South Korea through EPS system. At that time his earning was Rs. 1,20,000 per month. Within 2 years he was able to buy 4 aana land in bhaktapur. He has got his loan opportunity from Nabil Bank because Nabil Bank has loan offer to the special client who has been working in South Korea by EPS system. He bought the land in at rs.9 lakhs per aana and in total it was rs.36 lakhs. He returns back to Nepal after 5 years to finishing his working permit. Again he buys another 4 aana land in banepa in rs.50 lakhs and got marriage in 2019. Again he gave the CBT (Computer based test) in 2020 which are the test for the 2nd time work permit. This time he earns rs.2,50,000. per month. His wife gives birth to a daughter when he was abroad in 2021. His remittance income was helpful for proper delivery expenses and also for raising the child in a good environment with proper food and shelter. Though there was the proper care for the child but there was lacking of physical presence of the father which is required for the physiological growth for the child. After coming form abroad he sold his both the land with approx double market rate and buys 2 story house in pepsicola, bhaktapur with a price at rs.2,75,00,000 in 2022. Still he have 40 lakhs bank balance and want to be an entrepreneur after returning back to Nepal in 2024.

2. Case study of Respondent-II

The second case study was done of a female who have gone to Cyprus as a care giver in 2017. She was 25 years old when she first went abroad. She was already married and had 2 children before going abroad. She had 5 years old daughter and 2 year old son. After 3 months her husband shifted her children from village to Dhapasi in Kathmandu for better education facilities and opportunities. Her husband takes care to the children and works as a painter in day time.

She used to earn 500 Euros per months which are rs.70,000 NRP. She used to send 60,000 per month to her family. Now her daughter studies in grade 5 and her son studies in grade 2. Both of them are good in their studies. She used to come for a vacation in every 2 years. With the remittance income she is able to open a paint shop for her husband in Dhapasi, Kathmandu and also able to buy small portion of land in Dhulikhali at the price of 18 lakhs.

The poor and rich conditions are not absolute term. They are both relative to each other because a poor person in a village can be rich in another village in compare to the average income. In the study data there has been change in class, education structure, health status and living standard, occupation, etc. Due to the respondent capabilities after the remittance they have got their social recognition from the community where in the past they were not socially recognized. The respondents have now felt of being wealthy after the utilization of remittance income in uplifting their living standard and changing their class form poor to rich.

Appendix-2

Questionnaires

1) General Questions:-

Place of Interview Date of Interview: - .../.../...

Name of the household head

Household main Occupation.....

Caste Name of the village/ Tole

.....

2) Family members Size

- a) 1-2 members
- b) 3-4 members
- c) 4-5 members
- d) 5-6 members
- e) Above 6 members

3) Occupational Status

- a) Agriculture
- b) Non- agriculture

4) What is the main source of income to run your family?

- a) Business
- b) Government jobs
- c) Private jobs
- d) Foreign employment
- e) Others.

5) Schooling to the children

Schooling of children	Freuency
No Schooling	
Government school	
Private school	

- 6) Size of Land holding (in ropani)
- a) Below 2
 - b) 2-5
 - c) 5-10
 - d) 10-15
 - e) 15-20
 - f) Above 20
- 7) Size of household income in Rupees per month
- a) Less than Rs. 10,000
 - b) Rs.10,000-Rs.20,000
 - c) Rs.20,000-Rs.30,000
- 8) Household status
- a) Made of tin and thatched roof
 - b) Made of tile and thatched roof
 - c) Made of dry grass and thatched roof
- 9) balance diet intake before and after the remittance

10)

Balance diet Status before remittance	Tick mark
Extremely hard	
Neutral	
Proper diet	

Balance diet Status after remittance	Tick mark
Extremely hard	
Neutral	
Proper diet	

11) Household status by Age

Sex	0-14 years	15-45 years	46-60 years
Male			
Female			

12) Education status of the migrant

Sex	Illiterate	Literate	Up to SEE pass	Well educated (intermediate & above)

13) Balance diet status

Balance diet status of households	Frequency
Extremely hard	
Neutral	
Proper diet	

14) Number of migrated people from the family

- i) One
- ii) Two
- iii) Three above
- a) Name
- i) Age
- ii) Sex.....
- iii) Qualification.....
- iv) Marital Status
- v) Migratedcountry

15) Information regarding the foreign employment

- a) Age of leaving the country
- b) Time of returning back from abroad.....
- c) Duration of staying in abroad

16) Ownership of the house

- a) Self owned
- b) Shelter on other house
- c) Rent

- 17) Have you done life insurance status before or after the remittance?
- 18) How the remittance money is being used?
- a) Invested in productive work
 - b) Savings
 - c) Used to run household
 - d) Buying lands
 - e) Clearing loans
- 19) From which source you collected the money to go abroad?
- a) Take lone merchant or banks
 - b) Take help form friends and relatives
 - c) By selling various things.
 - d) others
- 20) Form which channel you send the money?
- a) Brought money with you
 - b) From money transfer institute
 - c) Form relatives and friends
 - d) Others
- 21) What things to be made for the remittance income more productive?
- 22) Does the remittance economy have been helpful for the household?
- 23) Which was the country you choose for foreign labor migration and why?
- 24) What was the reason to go abroad?
- 25) How many cattle's are there before and after the remittance
- 26) What was your life insurance status before and after the remittance?
- 27) Did you face any changes while returning to the home country?
- 28) Do you think the remittance income have any positive impact on the household?
- 29) Did you any developmental changes in your village due to the inflow of remittance?

- 30) Do you have faced problem in basic need before going abroad?
- 31) Have you find any changes in your household standard of living after the flow of remittance.