

DISTRIBUTIONS OF REMITTANCE: A SURVEY STUDY OF PATU VILLAGE OF  
BARDIBAS MUNICIPALITY, MAHOTTARI

A Thesis

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By

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January, 2019

## DECLARATION

I hereby declare that the thesis entitled **“Distribution of Remittance: A Survey Study of Patu Village of Bardibas Municipality Mahottari”** submitted to the Central Department of Rural Development, Tribhuvan University, is entirely my original work prepared under the guidance and super vision of my supervisor. I have made due acknowledgements to all ideas and information borrowed from different sources in course of preparing this thesis. The results/findings of this thesis have not been submitted anywhere else for the award of any degree or for any other purposes. I assure that no part of the content of this thesis has been published in any form before.

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30th December, 2018

## LETTER OF RECOMMENDATION

The thesis entitled “**Distribution of Remittance: A Survey Study of Patu Village of Bardibas Municipality Mahottari**” has been prepared by **Ram Narayan Paudel** under my guidance and super vision. I hereby forward this thesis to the evaluation committee for final evaluation and approval.

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## APPROVAL LETTER

The thesis entitled “**Distribution of Remittance: A Survey Study of Patu Village of Bardibas Municipality Mahottari**” submitted by Mr. Ram Narayan Paudel in partial fulfilment of the requirements for the Degree of Master in Arts (MA) in Rural Development has been approved by the evaluation committee.

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## ABSTRACT

Remittance simply means transfer of money by a foreign worker to an individual/family member in their own home country. Remittance thus has played significant role in the process of micro and macroeconomic development of Nepal. In this background, empirically, this study entitled “Distribution of Remittance: Survey Study of Patu Village of Bardibas Municipality” tried to analyze remittance from microeconomic perspective. In so doing, this study developed some of the specific research objectives such as to examine socio-economic status of the remittance receiving householders, to assess educational and professional status of the remitters and to analyse distributions of remittances in household economy.

Methodologically, this study applied quantitative approach and survey research strategy. Required data/information were collected by applying household survey and key informant interview techniques in which survey questionnaires and interview guidelines were used as tools of the study. More specifically, survey questionnaires were filled up by 170 remittance receiving households selected by applying multistage sampling method. And interviews were conducted by six participants (i.e. key informants) selected purposively.

Responding to the first objective, the study found that majorities 80 percent respondents have irrigated land but only 20 percent have food sufficiency. Similarly, 57.07 percent respondents are married male but only 20 percent are married female. And 57.06 percent respondents are living with nuclear family and 75.29 percent respondents are receiving remittance from single person. Likewise, most 27.06 percent remitters are working in Qatar and most 50 percent respondents expressed that unemployment is the major cause for foreign employment. Addressing to the second objective, the study found that most 45.88 percent remitters have completed lower secondary level education whereas only 12.94 percent mostly belong to Brahmin/Chhetri community completed Bachelor. Majorities 88 percent remitters completed vocational skills and earning more than those of unskilled. Similarly, 64.27 percent respondents are enrolling their children in private schools and changing their medical services in which traditional healing system is dramatically decreased from 34.11 percent to 8.23 percent. Explaining to the third objective, the study found that most 44 percent remitters earn NRs 35,000 to 45,000 monthly. And 38.24 percent are using banking service while sending remittance in which 31.74 percent remitters are sending quarterly, 8.82 percent monthly and least 6 percent are not yet sending. Likewise, most 28.82 percent respondents used remittance to build house, 34.84 percent are investing in commercial farming, and 21.17 percent are investing in micro entrepreneurship. Similarly, 38.82 percent respondents are also providing donations (philanthropy) in community/social levels and most 41.17 percent respondents are expensing NRs > 40,000 monthly.

All in all, this study comes up with the conclusion that remittance in particular help to improve living standard of the remittance receiving households. Even investing trend of remittance in commercial farming, local business, micro entrepreneurship and philanthropy also have been increasing. Therefore, findings of the study can be applied equally in knowledge level, practical level and policy level as well.

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**ABBREVIATIONS AND ACRONYMS**

AD	:	Antonio Domino
ADB	:	Agricultural Development Bank/ Nepal
APP	:	Agriculture Perspective Plan
CBS	:	Central Bureau of Statistics
DC	:	Development Cooperative
DCC	:	District Coordination Committee
FAO	:	Food and Agriculture Organization
FY	:	Fiscal Year
GDP	:	Gross Domestic Product
HDI	:	Human Development Index
HE	:	Hector
ICS	:	International Cooperative Society
INGO	:	International Non-Governmental Organizations
LTR	:	Literate
MOF	:	ministry of finance
NDDP	:	National Dairy Development Board
NGO	:	Non Government Organization
NPC	:	National Planning Commission
PC	:	Percent
SQ	:	Square kilometer
TU	:	Tribhuvan University
UN	:	United Nations
US	:	United States
USDA	:	United States Development of Agriculture
VDC	:	Village Development Committee
WTO	:	World Trade Organization
WWW	:	World Wide We

## CHAPTER I INTRODUCTION

### **1.1 Background of the study**

Remittance is basically foreign exchange, which is remitted by people who are living abroad to their own countries. Remittance can also refer to the accounting concept of a monetary payment transferred by a customer to a business. Remittance is generally defined as workers compensation, income or money either in cash or cheque or kind send from the international labor market to the home (migrant sending country). Remittance is monies (duty) transferred from one individual to another. International remittances are transfers of the funds by foreign workers (remitters) who are living and working in foreign countries especially in the developed countries.

The International Monetary Fund (IMF) separates remittances into three categories; Workers remittances from workers who have lived abroad for more than one year. It is recorded under the headings 'Current Transfers' in the current account of the balance of payments. The wages salaries and other compensation received by border, seasonal and other workers, who have lived abroad less than a year are recorded under the 'income' subcategory of the current account. Migrant Transfers are reported under the capital transfers in the capital account (IMF, 2018).

The above definition does not include transfers through informal channels such as remittances send through friends, family members, Hundi or remittances send in kind such as jewelry and other consumer goods. Although the headings migrant remittances goes only to the workers who lived abroad more than one year but other heading captures the extent of workers' remittances better than the data reported under the headings of workers' remittances alone. For example, in the Philippines remittances send by the seasonal workers through the banking system exceed the remittances from the workers' remittances (Nepal Rastra Bank [NRB], 2017).

Remittances have been playing a very significant role for the overall economic development of the country. Money sent home by migrants competes with international aid as one of the largest financial inflows to developing countries. Workers' remittances are a significant part of international capital flows, especially with regard to labour-exporting countries. According to the World Bank, in 2018 overall global remittance

grew 10% to US\$689 billion, including US\$528 billion to developing countries. Overall global remittance is expected to grow 3.7% to US\$ 715 billion in 2019, including US\$549 billion to developing nations. Due to its large diasporas and overseas expats population, India is the top receiver of remittance with US\$80 billion in 2018, Other top recipients in 2018 were US\$67 billion to China, US\$34 billion each to Philippines and Mexico, US\$26 billion to Egypt.

In case of Nepal, remittances also have been reducing poverty levels especially in rural Nepal. Like in the other countries of the world, a large portion of remittance has been utilized in Nepal for consumption purposes, purchase of real estate and house, paying off the loan, purchase of jewelry and as bank deposits (NRB, 2002). Central Banks record official flows of remittances as part of their Balance of Payment Statistics, which are then reported to the IMF. Depending on the exact definition adopted, remittances are usually calculated as the combined value of “workers' remittances” and “labour income” or “compensation of employees” for migrants working abroad for either more or less than one year. Besides this remittances reflect the monetary dimension in the complex web of linkages that exists between migrant Diasporas and their home countries.

NRB (2014) has mentioned about the role of remittance which shows the fact that remittance has been a substantial source of foreign currency income in Nepal, its pivotal role in development is determined how the recipient households use it. If the country is not self-reliant for the domestically produced goods, a large portion of its spending on consumption may soar up the import. This can lead to a sharp rise in trade deficit over the long run and country can entangle in a remittance-import trap. The paper develops the long-run and short-run relationship between remittance and import and also remittance and trade deficit nexuses by using co integration technique. The error correction model (ECM) shows the positive relationship of remittance into the import and trade deficit in the long run. This implies that the remittance income seem to have spent mostly on imported goods either for daily consumption or luxury and durable items, which is accelerating import and ultimately inducing trade deficit to rise. Furthermore, the empirical evidence suggests that remittance does not have a direct impact on export.

According to UN World Migration Report (2018) Indian diaspora is world's largest, with slightly more than 15.6 million people from India living overseas

have become the second largest capital flow behind foreign direct investment (FDI) and ahead of Overseas Development Assistance (ODA) to developing countries. According to the World Bank's study overall stagnated. But the remittances from the US nearly doubled driven by the economic boom (Pant, 2005).

For developing countries remittances are also relatively more important by contributing 66.2 percent of FDI inflows and 250.0 percent of net official finance. In 2004 remittances were larger than both official and private flows in 36 developing countries. The United States and the Saudi Arabia are the largest sources of workers' remittances with \$ 31.4 billion and \$ 15.9 billion payments of remittances respectively in 2004. The other top sources of remittance are Germany, Belgium and Switzerland. Until the mid 1990's, Saudi Arabia was the largest sources of remittance from Saudi Arabia have also remittances constituted 1.5 percent of GDP and 5.1 percent of imports to this group of countries in 2004

Remittance thus has increased significantly and became major sources of income for developing countries. The topic of remittances has come a popular one in the international financial community in recent years as both in rate volume of remittance. Remittance inflows have increased exponentially in most of countries in the world (World Bank, 2010). In case of Nepal, foreign Employment is associated with mostly in the form of labor migration. The term labor migration refers to the temporary of the unskilled or semi-skilled work force to foreign countries. Due to lack of employment opportunities in the country thousands of economically actives especially young people have left the country for abroad.

Migrants make up about 3 percent of the world's population that has been growing by 3 percent annually since the 1990s, up from 2.4 percent in the 1970s. Remittances sent by the migrants have also, increased from a mere US\$3 billion in 1975 and US\$114 billion in 2003 to US\$316 billion in 2008. Remittances have surpassed official development aid and now represent approximately two-thirds of all foreign direct investment accounting for an estimated 1.9 percent of GDP of developing countries (Gurung, 2011). The demographic deficit and consequent demand for migration labor in developed and destination countries, growing disparity in wealth income human security, human rights and demographic trend across countries are all exerting upward



pressure on migration. Every year millions of young men and women enter the force in developing where job are not created fast enough to absorb them. Now new technology also allows more people to acquire

Contribution of remittances in national economy is increasing marvellously in one hand. On other hand, there is little understanding of how this remittance has been used at the household level. There is little attention in research on this issue of utilization of remittances at the household and community levels. However it is relevant to dig out the fact that, to what extent the remittance can be utilized in productive sectors for transforming the livelihood of migrants' family (Khatri, 2017).

Remittances are playing an increasingly large role in the household economy receiving remittance. It has also contributed to economic growth of the country. Roughly 30 percent of Nepal's GDP comes in the form of remittances, money sent home by Nepalese working abroad. Every day, around 1,000 Nepalese board flights for countries in the Gulf, North Africa and Asia; others go overland to India. They find jobs, most often, in construction or the services sector. And then, many send money home. In this background this study tried to analyze distribution pattern of remittance by selected remittance receiving households living around Patu village of Bardibas Municipality of Mahottari District.

## **1.2 Statement of the Problem**

Nepal is one of the world's least developed countries in south Asia. About 85% of the population depends on subsistence agriculture. Lacks of modern technique on agricultural, the production has been not sufficient for the consumptions. Coping with great disparities of caste, gender and geographical condition, poverty, unemployment, declining natural resources and more recently poor employment opportunities are the major reasons of the labor migration. The growing numbers of domestic and international remitters who secure work and send back remittances back home have a profound effect on socio-economic, demographic and political issues in Nepal.

Information is lacking in each and every step for potential labor migrants. Most of them are not aware where they are going, what work they have to do, the actual cost they need to spend to go for work and other social and cultural information about the country of destination. As a result, there are numerous realistic stories of the suffering of

Nepalese migrant workers abroad. It is believed that Nepalese workers are accepted in east and south Asia as well as gulf countries only because they are cheap and they do whatever job given. Most of the migrants are educated from middle and lower middle class families who go abroad with the hope of earning much within a short period. A large number of workers work illegally. Statistics show that the remittance sent by the migrant workers is nearly one hundred billion each year and the amount of remittance has kept great importance to the national economy. However, the distributions pattern of remittance by the remittance receiving households is still problematic. Large portion of remittance is expensing in unproductive sectors. Remittance has been spending to purchase daily household necessities, purchasing real estate and house, paying off the loan and purchasing of jewelry (NRB, 2002) rather than investing in productive sector of the economy. This can lead to a sharp rise in trade deficit over the long run (NRB, 2014). All in all, remittance is not yet investing in productive sector by remittance receiving households of Patu village that is surmounting problem of this study.

### **1.3 Rationale of the Study**

Bardibas municipality is situated in Mahottari District, Janakpur zone of south-eastern Nepal. It is directly connected to two Highways i.e. Mahendra Highway which is extended from east to west of Nepal and Bisheshwor Prasad Highway which is Connected from Dhulikhel to Bardibas itself. Bardibas is an halt for those who want to proceed towards north Sindhuli Gadhi, or south Aurahi, Gaushala, Jaleshwar Ramnagar, west Birgunj, east Janakpur. Thereby, Bardibas is one of the most famous for commercial hub and religious place to visits. Many people visit this place to not only to see beauty of nature, not only to buying and selling goods but also to visit temples here. In Bardibas, there are many government and public schools, technical schools, hospitals, colleges, banks co-operatives, shopping complex which are rapidly increasing day by day.

Majority of the people are relied on agricultures, animal husbandry for their livelihood. But they are not able to fulfil food demand from agriculture product. Due to the insufficient food production they are dependent on alternatives activities for livelihood. Micro enterprises, income from ex-army pension and remittance from foreign countries has contributed to the livelihood. Especially, young people from this area have gone for foreign employment in gulf countries and have been increasing day by day.

Remittance sent back from foreign countries has been an important economic source of family and it changed their livelihood. In this situation, this study tried to analyze distribution patterns of remittance by the remittance receiving households as federal local government has been trying to utilize and mobilize the local resources in productive sectors.

#### **1.4 Objectives of Study**

The general objective of this study was to analyze distribution pattern of remittance by the selected remittance receiving households. And below are the some of the specific objectives that paved the ways to address general objective of the study.

- To examine the socio-economic status of the remittance receiving households.
- To assess the educational and professional status of the remitters.
- To analyze the distribution of remittance in household earning and expenditure.

#### **1.5 Hypothesis Testing**

Descriptive study design was adopted for this study because it describes and interprets the conditions or relationships that exist, opinions that are held, processes that are going on, effects that are evident, or trend that are developing. The descriptive hypotheses are given as below:

- Local youths who are working in developed and middle income countries are sending comparatively more remittance than other working in Gulf and India.
- Workers having basic education and occupational skills are getting better job options than those having lacks of education and occupational skills.
- Foreign workers are supporting and offering job opportunities to the local youths.
- Skilled workers are planning to invest remittance in rural entrepreneurship.
- Role model farmers are investing remittance in commercial farming.
- Remittance is investing for building road, electricity networking and educational institutions.

#### **1.6 Significance of the Study**

Labour migration is emerging as a new phenomenon in Nepal. It has great consequences for the country both at national and at local level, labor migration can be known as major livelihood strategies of rural area. Most of the migrants go foreign to

improve their lives and lives of their family to learn new skills, to gain new experiences, to find better jobs and to flee insecurity and disaster. Nepal today is well recognized as the country of origin for labor migrants mainly to the gulf cooperation council and Malaysia. Ministry of labor and transport management in Nepal estimate that there are 3 million people currently under foreign employment every day. The relation of workers remittance to GDP has registered as 23 percent of the Nepali economy (Ministry of Labor and Employment Department, 2018). The government of Nepal recognizes the importance of labor migration to Nepal and has formulated policies to facilitate and regularize the migration.

The global phenomenon of labor migration has given rise two contradictory policies, police perspective about the desirability of flows and their consequences for economic development. Discussions usually focus on two aspects of the consequences of migration, the labor force implications and the role of remittances at both the macro and micro levels. A remittance that enters the country has become increasingly important for Nepal's economy. It is important that the remittances funds be used wisely so that both country and people can benefit. This study will seek a variety of aspects of migration such as who and what kinds of migrants in terms of education, sex, age and why they migrated to, migration destination and under what conditions they are migrating. Similarly, the study will try to understand what changes accrue after migration. What kinds of remittance are receiving family from migrants and where they use? All these problems of study area are addressed on this research.

### **1.7 Delimitation of the Study**

Due to couple of constraints (i.e. time and money), the researcher delimited this study in the following ways:

- Patu village ward number 03 is selected for the research study. That is why the present research study could not cover entire area of Bardibas Municipality.
- Thus, this research study was based upon limited information that was collected through 170 sample number or respondents.
- They study has more focused on educational status of the remitters and distribution pattern of remittance by the remittance receiving households.

- The researching issues are interpreted through migration theory, human capital formation theory and rural transformation theory.

### **1.8 Organization of the Study**

This thesis report has been divided into six chapters. The first chapter dealt with the introduction including background of the study, statement of the problems, rationale of the study, objectives of the study, hypothesis testing, significance of the study, delimitation of the study and organization of the study. Historical review, theoretical, policy and empirical literature reviews and conceptual framework related to remittance are included in the chapter two. The chapter three has described the research method applied in this study. The Chapter four has included introduction of the study area. The chapter five has presented analysis and interpretation of data collected from the selected respondents. Finally, the chapter six has included discussion of findings, conclusions, implications, suggestions and future direction of the study.

## **CHAPTER II**

### **REVIEW OF LITERATURE**

This chapter dealt on literature review works while preparing thesis. In so doing, all the review works are presented in different sub heading such as historical review, theoretical review, policy review, empirical review and conceptual framework of the study.

#### **2.1 Historical Review**

Human migration started with the movement of people from one place to another with the intention of settling temporarily or permanently in the new location. Typically such movements occur over long distances and from one country or region to another. Migration can be voluntary or involuntary. Involuntary migration includes the slave trade, trafficking in human beings and ethnic cleansing. When the pace of migration had accelerated since the 18th century already (including the involuntary slave trade), it would increase further in the 19th century. Manning distinguishes three major types of migration: labor migration, refugee migrations, and urbanization. Millions of agricultural workers left the countryside and moved to the cities causing unprecedented levels of urbanization. This phenomenon began in Britain in the late 18th century and spread around the world and continues to this day in many areas

In the context of South Asia, after 1820s, employment in the vast public as well as private sectors of India has always been one of the major sources of financial support for families throughout Nepal. This possibility of foreign employment served as a source of hope for the mostly uneducated and unskilled young workers in Nepal at a time when the country's public and especially private sectors were highly underdeveloped. Although employment opportunities markedly increased during the last two decades in Nepal, these increases have not kept up with a massive increase in job-seekers especially aided by a combination of rapid population growth, sluggish economic growth and limited agricultural potential. At the same time, conflict in the period 1996-2006 also pulled out-migration, especially to India. A study done by UNFPA in 2006 looked at 74 low and middle income developing countries and found that there is statistically significant correlation between remittances and decline in poverty.

Migrant workers' remittance income has emerged as one of the most important components even in the Nepalese economy, influencing not only household consumption and investment patterns (Tuladhar, Sapkota & Adhikari, 2014). Nepal is one of the highest recipients of remittances (percentage of GDP) in the world (Sapkota, 2013). In this connection, Nepal has a long history of foreign employment with remittance playing an important role in the livelihood of many people. Nepalese have been migrating to India since the late 18th century. Nath (2006) reveals that Nepalese started to migrate to north east India from the 1820s, and continue to do so. Because of oppressive land and labour policies in the combination with population pressure resulted economic hardships in many villages and households which led to both temporary and permanent migration to other areas of Nepal and abroad (Shrestha, 1985).

It is noted that 10 percent increase in the share of remittance in a country's GDP can lead to a 1.2 percent reduction in poverty. Moreover, 10 percent increase of migrant flow from the sending country will lead to 1.6 percent decline in the share of people living on less than \$1 per day. The economic survey of 2011/12 reports that 19, 64,383 people were out of the country for foreign employment. In this scenario 2, 94,094 people were taken approval for foreign employment in 2010/11 and 4, 53,543 were in 2012/13. Similarly, current macroeconomic situation of Nepal reported that 5, 12,887 people were taken final approval for foreign employment in the year 2014/15 (Department of Foreign Employment, 2014/15.)

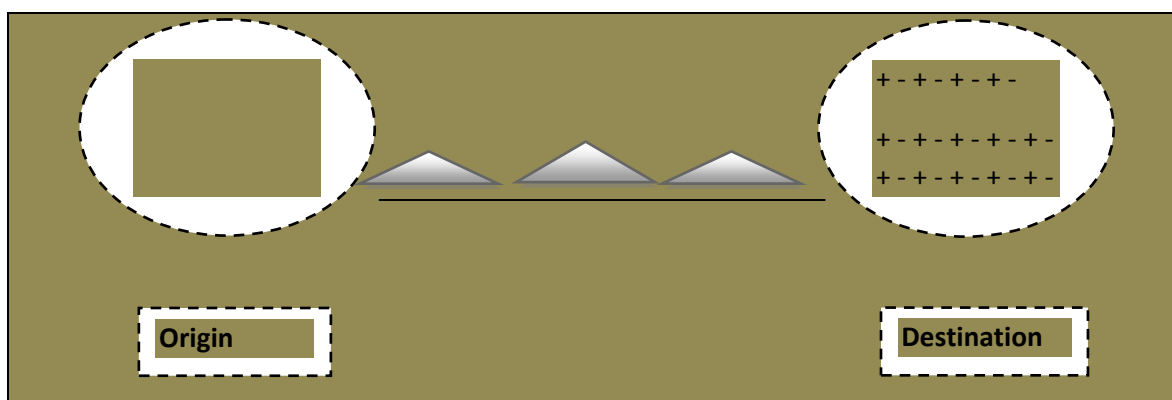
## **2.2 Theoretical Review**

Theoretical review on any researching issue is crucial process of social research. For understanding researching issue theoretically, the researcher interpreted data through different theoretical gazes such as Lee's push-pull theory, theory of human capital formation and theory of rural transformation.

### **2.2.1 Lee's Push-Pull Theory**

According to migration law of Lee's, motivations for migration by considering how the relationship between two points (origin and destination) are affected by push and pull factors. Push factors exist at the point of origin and act to trigger emigration; these include the lack of economic opportunities, religious or political persecution, hazardous environmental conditions, and so on. Pull factors exist at the destination and include the

availability of jobs, religious or political freedom, and the perception of a relatively benign environment. Pushes and pulls are complementary that is, migration can only occur if the reason to emigrate (the push) is remedied by the corresponding pull at an attainable destination. In the context of labor migration, push factors are often characterized by the lack of job opportunities in sending areas or countries, and pull factors are the economic opportunities presented in receiving areas or countries.



(Based on Lee, 1966).

**Figure 1. Push and Pull Factors (positive and negative)**

The visual diagram summarized Lee's (1966) push-pull theory in graphic form. It shows possible migration between a place of origin and a place of destination, with positive and negative signs signify pull and push factors, respectively. The high demand of labor in industrialized and developed nations in the East Asian, Middle East and Gulf nations are the main pull factors for it. It can be claimed that the dearth of employment opportunity at home, unstable political and security situation, low wage level, lack of agricultural development in rural areas, scantiness of basic services needed for survival, liberal government policies and demonstration effect are main push factors responsible for exodus of Nepalese skilled and unskilled labor force. Note that both the origin and destination have pushes and pulls, reflecting the reality that any migrant must consider both the positives of staying and the negatives of moving, as well as their converses. The logic of the push-pull theory is that if the plusses (pulls) at the destination outweigh the plusses of staying at the origin then migration is likely to occur (Lekhi, 2008).



### **2.2.1 Theory of Human Capital Formation**

Human capital is the fundamental source of economic growth. It is a source of both increased productivity and technological advancement. In fact, the major difference between the developed and developing countries is the rate of progress in human capital. The underdeveloped countries need human capital to staff new and expanding government services to introduce new systems of land use and new methods of agriculture, to develop new means of communication to carry forward industrialization and to build the education system. As underdeveloped countries around the world make investments in human persons, they aim to increase their programming skills, social abilities, ideals, and health (Saif, 2010).

The total capacity of the people that represents the form of wealth is a human capital. This, as a resource, can be directed to achieve the individual or national goal. As described by George Pascharopoulos, who talks about return on educational investment, the human resources contributes to build the important basis for national wealth by accumulating capitals, building socio-economic and political organization (Psacharopoulos & Woodhall, 1997). The human capital formation is a process of investing on people through education or trainings (Abeysinghe, 2012). From the above ideas, it can be said that the human capital is an essential determinant of economic growth of any country. According to the Schultz, the basic components of the human capital formation are the ability (acquired through any means or innate), qualifications (acquired through formal or informal education) and skills (acquired through experience or training (Schultz, 1987). Moreover, he highlighted that the human competence at work is seen as a specific set of attributes such as knowledge and skills used to execute a particular task. Thus, agreeing with the idea of Schultz, working in industrial and developed countries by Nepali youths is a source of human capital formation and return of such expenditure can be seen in the form of enhanced labor productivity which is more than the cost of it.

At the same time, according to Amartya Sen (2000), an Indian economist, the human capital theory can be analyzed from human capability approach that has intrinsic value for the well-being of people; an indirect role in influencing social change; and an indirect role in influencing economic output (Sen, 2000). In education system human

capital theory sees the technical relationship between inputs and outputs from the in/formal learning and training. The idea reveals a fixed technical relationship between inputs and outputs, as expressed in the form of a production function afterwards. This theoretical review gave an idea to observe the foreign employment and remittance as an input and out relationship in informal and non-formal education in the course of human capital development.

### **2.2.3 Theory of Rural Transformation**

Rural transformation agenda is about improving overall quality of life of people in the rural areas. Rural transformation thus concerned with improving the well-being of rural people through enhancing their productive capacities, expanding their choices in life and implementing pro-poor non discriminatory public policies. The major theoretical idea of rural transformation is all about creating community wealth, increasing inclusive leadership and greater family self-sufficiency (Richardson & London, 2007). Education has been seen as a means of developing capabilities, promoting employment potentials, and ultimately reducing poverty of people in the rural communities (Sharma, 2014). This theory is more relevant in Nepalese context where still most of the people are living in rural context and involving in different livelihood practices for transforming their life and livelihoods.

### **2.3 Policy Review**

National Planning Commission (NPC), the apex body that frames the country's development plans and policies, has endorsed the concept note on 14th Periodic Plan based on which strategies, policies and programmes would be devised to provide to the government's plan of attaining sustainable development goals (SDGs) and transforming Nepal into a middle-income economy by 2030. NPC is implementing a new three-year plan considered as short- to medium- term development strategy. This is the 14th time government is coming up with periodic plan, based on which annual budget and other development policies, plans, programs and strategies are prepared. The upcoming periodic plan will basically aim to support the government in achieving all the SDGs by 2030 and help Nepal emerge as a middle-income country by that time by embracing the spirit of a welfare state.

The New constitution of Nepal provides 22 exclusive powers to the provinces and local levels. According to Schedule-8 of the new constitution, local bodies will have powers to deploy town police, own cooperative institutions, operate FM radio, and collect local taxes including wealth tax, house rent tax, land and building registration fees, motor vehicle tax, service charges, tourism fees, advertisement tax, business tax, land revenue tax and others. Policies are needed to encourage the use of remittances to promote longer-term growth and income security. Nepal needs to further devise policies that send more remittances through official rather than unofficial mechanisms; increase the levels of remittances by encouraging migrants to hold their savings in financial assets in the country rather than holding them abroad (or spending their savings on consumer goods); encourage migrants to become investor in productive assets in the country.

According to Foreign employment policy 2068 major policies related to foreign employment are as follows:

- To identify and promote employment opportunities at international market.
- To develop skilled human resources having competitive capacity for maximize benefits from foreign employment.
- To create employment process simple/transparent, reliable/organized and safe.
- To address concerns of female workers on labor market and ensure their rights in overall migration cycle.
- To ensure good governance on foreign employment management.
- To mobilize local, national and international resources for foreign employment management and also promote collaborative efforts through increasing sectoral partnership.
- To mobilize remittance on human development and productive sector as much as possible.

Similarly, National Employment policy 2071 also developed policy mentioned below:

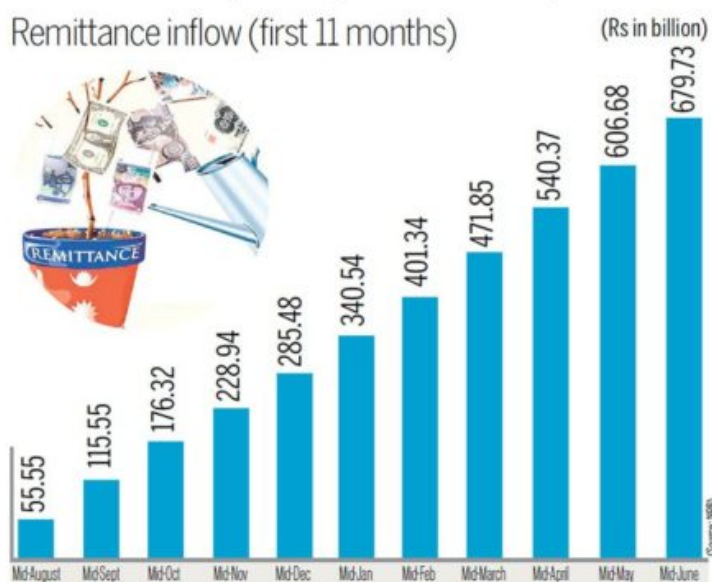
- A provision will be introduced in which workers and foreign employment agents will have to sign a contract regarding remuneration and other perquisites in the presence of the department concerned.

- The agencies concerned will be restructured to extend foreign employment services down to the local level.
- International conventions that ensure the rights of immigrant workers will gradually be ratified and partnership will be entered into with international community to safeguard workers' rights.
- Awareness programs will be conducted to disseminate information about opportunities in the destination countries as well as the risks related to migration.
- By accepting foreign employment as an intermediate strategy, workers aspiring to go for overseas employment will be imparted suitable training and skills. Policy-level and institutional improvement activities will be carried out to ensure safe foreign employment, whereas provision will be made for mandatory training so that those aspiring to go abroad for work can have easy access to such training programs.
- Nepalese missions abroad will be mobilized to ensure decent, safe, profitable and credible foreign employment promotion.
- Labor agreements will be signed with destination countries for the security and welfare of Nepalese migrant workers.
- Programs will be conducted to provide skill-oriented training as demanded by foreign employers, to manage credit facility for overseas employment and to strengthen the monitoring system.
- The youth belonging to Dalit, indigenous nationalities, Madhesi, Muslim and marginalized communities from backward regions will be provided with opportunities for foreign employment.
- Stress will be laid on ensuring safe and decent foreign employment for women.
- The remittance system will be made more simple and easy and investment of remittances in productive sectors, with appropriate plans and programs, will be encouraged. For this, a policy on mobilization of remittance.

#### **2.4 Empirical Review**

Nepal Rastra Bank (NRB) report 2017/18 reported that remittance of Nepal is increased in the first eleven months of FY 2017-18. In its latest Macroeconomic Report, NRB said the country's remittance earnings saw a 7.3 percent rise to Rs 679.73 billion in

the first eleven months of the fiscal year (See in figure 2). The rise in remittances was observed despite a decline in number of Nepali migrant workers moving abroad for jobs and is majorly attributed to the rise of Dollar against Nepali Rupees.



**Figure 2. Remittance Inflow in First Eleven Months (NRB Fiscal Year, 2117/18).**

NRB (2016) has conducted a field survey of 320 households from 16 selected districts to explore the saving and investment of remittance receiving households. The study has analyzed the data obtained from the field survey using single equation logic and OLS model. The study has shown that foreign employment has contributed in reducing unemployment rate and has worked as safety valve for Nepalese society. 4.38 million Workers have gone for foreign employment from 1994 to 2016, i.e. the ratio of international labour migrants to Nepal's total population is 15.4%. The average annual remittance send by Nepalese workers working abroad is 5 lakh 32 thousand Nepalese rupees. The survey result also showed that 90.9% of remittance is coming through official channel. The study revealed that out of total remittance receiving households, 18.8% are completely dependent on remittance for their daily expenditure. Out of the total remittance income received, households have used 25.3% to pay back the loan, 23.9% for food and clothes, and 9.7% for education and health, 3% for social activities, 1.1% on productive use and 28% on saving. Also, 132.6% of the remittance receiving

households save money from remittance income and 48.8% of those households save the money in order to buy land and buildings. The remittance receiving households were found to opt for more leisure than work.

Aryal (2016) has conducted a study on "Role of Remittance in Changing Socio Economic Status of People: A Case Study of Khaliban VDC of Palpa District". The general objectives of the study are to find out the various socio-economic impacts of the remittance on rural livelihood on society. The specific objectives are to examine the socio-economic status of foreign Employee to examine the present status of remittance in the study area, to analyze the role of remittance in changing socio-economic status and to explore the challenges of remittance for its productive use. This Study has limited in 46 households.

Dhungana and Pandit (2014) have tried to explore the impact of remittance on social and economic status at the household level. With 147 households with at least one member being a migrant in Lekhnath Municipality of Kaski District using various descriptive and inferential statistics the study found that the remittance in a household is significantly associated with other socio-economic variables. Overseas remittances have brought qualitative changes in children's education and health status, an improvement in the economics status of the migrant households and the involvement of the households in the community development activities. The study concluded that remittances have brought positive change in overall socio-economic status of migrants households.

Dahal (2014) has studied the impact of remittances on economic growth in Nepal by assessing the effects of remittances on financial development, productivity, international trade and human capital accumulation. Based on the secondary data of 15 year period from 1996/96 to 2010/11 the study finds that the increasing inflow of remittances in Nepal have a positive association with financial development and human capital accumulation, but a negative association with international trade. Similarly it found remittances to have a positive association with entrepreneurship and negative association with manufacturing. Overall, the study indicated a mixed impact of remittance inflow on economic growth in Nepal.

The UNCTAD and World Bank Report (2015) analyzed top 5 remittances receiving countries in 2015 as % of GDP. Remittances have contributed 41.7% GDP of

Tajkistan's economic and 30.3% GDP in Kyrgyz Republic's economic. The remittances have contributed 29.3% GDP in the Nepal's economic. Similarly, the contribution of remittances in GDP of Tonga and Moldova are 27.9% and 26.2% economic of the countries (See detail in table 1).

**Table 1. Remittance Receiving Countries in 2015 as % of GDP**

<b>S.N.</b>	<b>Countries</b>	<b>Remittance as % GDP</b>
1.	Tajkistan	41.7
2.	Kyrgyz Republic	30.3
3.	Nepal	29.2
4.	Tonga	27.9
5.	Moldova	26.2

(UNCTAD, 2015; World Bank, 2015).

A study conducted by Ebeke in 2012, highlighted skeptical view points on remittance and highlighted adverse effect of remittance in national economy. The research is found to be very rigorous that spent about a decade (1997-2006) to get the findings from large sample chosen from 86 developing countries. The test hypothesis claimed that remittance does not do better as thought by most of the people. Remittance brings public moral hazard by detaching state and public and it also brings house hold moral hazard because people stop working but they prefer to migrate. Another study conducted by Sharma, 2006 came with the conclusion that remittance can have both positive and negative impact to increase GDP as well as to grow Nepalese economy. In his study he has used the simple OLS model to assess the impact of remittance in GDP.

Lahdhiri and Hammas (2012) have established a link between remittance and growth. The study has empirically shown that remittances have a significant and positive contribution to economic growth in the Middle East and North Africa (MENA) region. An increase in remittances led to an increase in the annual growth rate of GDP. The study concluded that the developing countries of the MENA region can improve their economic performance by investing remittance income in the traditional growth resources, such as investment in physical capital, human capital and trade. Remittance also helped in exploiting external capital flows such as FDI and official development assistance. The

study suggested that the system of remittance transfers was a fragile and not effective, although the impact of remittances was positive and significant for these countries.

Gurung (2011) also explained issues, challenges and opportunities of remittance in Nepalese context. This study applied survey methods in which 3,200 remittance receiving households were surveyed in the period May-September 2009. This study highlighted that the number of Nepali workers were 2.1 million and their key destinations are India, the Gulf countries, and Malaysia, with notable numbers in other developed countries such as Australia, Japan, the United Kingdom, and the United States. India is estimated to have 867,000 Nepali migrant workers, 41 percent of the total working overseas, and the Gulf countries another 810,000 (38 percent). Malaysia is said to have 245,000 (12%), while 186,000 (8.7%) are in the other developed countries mentioned above. Oft-quoted numbers of migrants in India range between 1.5-3 million. The differences between the NMS survey and other estimates may be explained in part by the seasonal return of many migrants to Nepal – as this survey was carried out at the peak of Nepali farming season (May-June), when many migrants who normally reside in India were back working on farms at home.

Javid, Arif and Qayyum (2010) have conducted a study mainly focusing on the importance of worker's remittances inflow and its implication for economic growth and poverty reduction in Pakistan. By using the Autoregressive Distributed Lag (ARDL) approach the authors have analysed the impact of remittances inflow on economic growth and poverty. The study found that remittances affect economic growth positively and significantly and thus remittances had a strong and statistically significant impact on poverty reduction and growth in Pakistan. The study found that in the long run, the remittance inflow could lead to sustainable growth and welfare improvement and up gradation of poor households as the impacts of remittances broaden and enlarge over time. So the government should formulate the policy that enhances the amount of remittances by reducing the transaction cost of transferring the remittances through formal channel.

Shrestha (2008) has analyzed the contribution of foreign employment and remittances to Nepalese economy. He concluded that remittances sent by the migrant worker are an effective tool for poverty reduction. Through foreign employment is boon

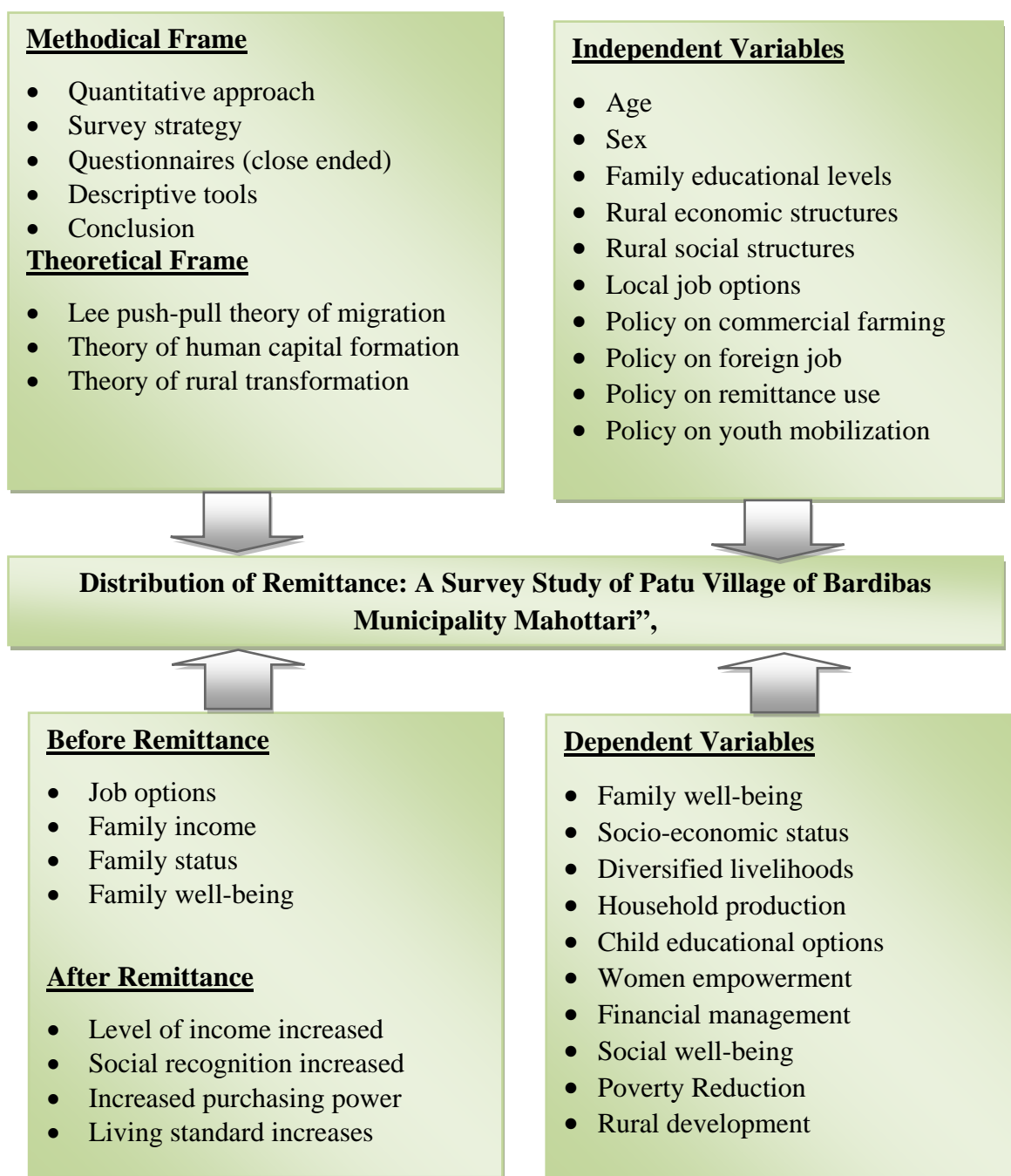


to the economy, the facilities are inadequate to back up the increasing trend of migration. The government should play a productive role to promote foreign employment by inducting and adhering to policy of economic diplomacy.

From the above empirical review, the researcher understood that most of the study highlighted macro economic analysis. Even in Nepalese context, the entire researcher highlighted contributions of remittance in household economy. Owing to that the researcher found some gaps in empirical literatures. It is inevitable to conduct study that focus on microeconomic analysis in general and analyze distribution pattern of remittance in particular. Even from the stand point theoretical point of view, the researcher also worked in South Korea for three years. After returning back to own village, the researcher became curious enough to analyze distribution of remittance in family income and expenditure.

## **2.5 Conceptual Framework of the Study**

The conceptual framework guided researcher during whole research process. Through this framework researcher conceptualized researching process in a correct way. Even readers also can get a conceptual idea from this framework. The methodological frame (at left) shows the hierarchy of overall research methodology from ontological view to the point of conclusion. The middle parts (in the boxes) enlisted the independent and dependent variables and before after measurement variables. This supported researcher to see the distributions of remittance in household income and expenditure. The overall researching phenomena have been explained and interpreted with the support of some theoretical aspects viz. push and pull factors of migration, human capital formation and rural transformation theory as shown in figure below:



**Figure 3. Conceptual Framework of the Study**

## **CHAPTER III RESEARCH METHODOLOGY**

This chapter presented about research methodology in general and research methods in particular. More so, this chapter included research design, the field and rationale, nature and sources of data, sampling and population, data collection techniques and tools, methods of data analysis and ethical consideration as well.

### **3.1 Research Design**

Research design provides guidelines to the researcher to get answers of the research objectives. Different research designs can be used to conduct research in social sciences. The type of research design depends on the nature and objectives of the study. This study has been designed under quantitative approach and survey study methodology. The essence of survey method is 'questioning individuals on a topic/s and then describing the responses'. Out of the various forms of survey, the researcher applied specialized survey that covers distributions of remittance and its impact on rural transformation as major subjects in the field of study (UN, 2007).

More specifically, the study applied sample survey method to collection the data from a large group of population to reduce the cost implication to go for the census. The information collected from the samples has been used to make inferences about the population as a whole. Survey research design describes the nature and features of existing conditions, identify standards against which existing conditions can be compared and determining the relationships that exist between septic events (Cohen, Menon & Morission, 2007).

### **3.2 The Field and Rationale**

Purposively, Patu village of Bardibas Municipality has been selected as a field of the study. There were two rationales behind selecting Patu as a field of the study. Firstly, the study is conducted with self effort of the researcher just for partial fulfilment of Master Degree in Rural Development. This indicates that the researcher went through constraints of time and money. Secondly, the field belong to birthplace of researcher himself. Owing to that researcher aimed to contribute a body of knowledge related to remittance to the local government that help to make affirmative planning in local level.

### 3.3 Nature and Sources of Data

#### 3.3.1 Primary Data Collection

Primary data and information have been collected by using household survey questionnaire. The questionnaire included both open and closed types of questions. Researcher also conducted key informant interview while generating narrative information as well.

#### 3.3.2 Secondary data Collection

Besides, primary data the relevant secondary data were taken from publication of national planning commission secretariat, central bureau of statistic (CBS), budget speech of government, economy survey, and annual publication of Nepal Rastra Bank, Books, Report, and Magazine etc.

#### 3.4 Sampling and Population

Sample as mentioned in, best and Khan (2004) is a small proportion of population selected for observation and analysis of data information. This study was basically grounded on primary data collection. According to Municipality profile there are all total 1487 households of Patu village were theoretical population of the study. Out of that 395 remittance receiving households were regarded as sample population of the study. Out of total sample population, 170 remittance receiving households were selected as sample numbers for this study which is generated with 95percent confidence level and 5 percent marginal error (See in Appendix D) by using sample size determination formula<sup>1</sup> (Krejcie & Morgan, 1970). The sampling technique was applied for collecting reliable data by using multi stage sampling methods (See detail in table 2).

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$$^1 \text{*Sample size (n)} = \frac{\chi^2 * N * (1-P)^2}{ME^2(N-1) + (\chi^2 * P * (1-P))}$$

**Where,**

n = required sample size

$\chi^2$  = Chi square (Value\* 3.841 for 5percent confidence level with 1 degree of freedom)

N = Population size

ME = Desired Marginal error (expressed as a proportion)

P = Probability of success (0.5 value for unknown population)

Q= (1-P, i.e. 0.5 value for unknown population)

**Table 2. Sampling Procedure**

<b>Stages</b>	<b>Reasons</b>	<b>Number</b>	<b>Remarks</b>
First	Total number of remittance receiving household in Malika Rural Municipality	2994	Theoretical population
Second	Total number of remittance receiving households in Bima village (selected purposively)	378	Sample Population
Third	Random sample generated from the below mentioned formula	170	Sample number

(Village Level Profile, 2017 and Analyzed by the Researcher).

### 3.5 Data Collection Techniques and Tools

Data collection technique allows researcher to systematically collect data/information about the study of researching issues. There are many different ways to collect data/information. Among them required data of this study has been collected through following techniques.

#### 3.5.1 Household Survey

The household survey is the dominant technique for collecting data from 170 selected remittance receiving households. Survey questions has been designed in the circumstances of individual and household information in which the demography, composition of the household, social and economic condition, number and age of all household numbers has been included (See in Appendix A).

#### 3.5.2 Key Informant Interview

The primary information also has been collected from key informants using the semi-structured interview guidelines. The key informants interview have been conducted with selected key individuals (see in table 3). The informants were interviewed on the basis of interview guideline (see in Appendix B).

**Table 3. Name of the Key Informants**

<b>S. N.</b>	<b>Name of the participants</b>	<b>Portfolio</b>
1.	Krishan Maya Gautam	Deputy Mayor
2.	Rajan Prasad Dhungana	Wada President
3.	JunuThapa	Women Member
4.	PrameshorKarki	Successful entrepreneur
5.	Krishna Bhandari	Social Activist
6.	KabitaBudhathoki	Local Teacher

(RRA, 2018).

### **3.6 Methods of Data Analysis and Interpretation**

Collected data and information have been analyzed and interpreted by applying illustrative and descriptive methods. However, the researcher has also drawn insights from description, analysis and interpretation of the data (Yin, 2014). Descriptions of data helped researcher to understand the meaning of the data that was drew from questionnaires. Analysis of data helped researcher to understand underlying meanings of obtained data. Finally, interpretation of data helped researcher to understand researching issues form theoretical perspectives.

### **3.7 Ethical Consideration**

Research without ethical consideration is worthless. The term ethics are the norms of standards for conduct which distinguished between acceptable and unacceptable behaviours. For maintaining ethical consideration in the study, researcher reflected upon the issue of privacy and consent to ignore any kind of biasness (Creswell, 2012). Thereby, the researcher followed different codes of conduct during study period that are given bellow:

- The purpose of the study has been explained to the respondents and key persond (i.e. local development stakeholders and intellectuals).
- Honesty, integrity, objectivity, carefulness have been considered by researcher at the field.
- Confidentiality is the matter of secrecy and anonymity also has been ensured.
- No biases have been done based on any culture, religions, occupation and other
- Simple and sweet language have been used for communicating this study and environment of trust
- Sensitive issues and personal matters have not been asked before any good relationship established with the respondent.

## CHAPTER IV

### INTRODUCTION OF THE STUDY AREA

#### 4.1 Mahottari District: At a Glance

Mahottari is a part of Province Number 2, is one of the seventy-seven districts of Nepal. The headquarter of the district is located in with Jaleshwar, a neighbouring historical town named Janakpur. The district covers an area of 1,002 km<sup>2</sup> and had a population of 553,481 in 2001 and 627,580 in 2011. The name Jaleshwar means the 'God in Water'. One can find a famous temple of Lord Shivain Water there. Jaleshwar lies at a few kilometres distance from the Nepal-India border and has a majority Maithili population. It is bordered to the west by the Sarlahi district, to the east by Dhanusha district, to the north Sindhuli district, and to the south by Bihar State of India. People believe that Mahottari district's name was come from a Mahodari priest who had dug a pond in five bigaha lands and kept the pond name Mahodari. Later that pond name was taken to keep the district name Mahottari.

**Table 4. Profile of Mahottari District**

S. N.	Particulars	Status
1	Total Area	1002 km <sup>2</sup>
2	Total Population as of 2001	5,53,481
3	Total population of 2011	6,27,580
4	Male	311,016
5	Female	316,564
6	Population Growth in percent	1.34
7	Nos. of Household	111,316
8	Average Household Size	5.64
9	Population Density per sq. km.	630
10	District Literacy Rate in percent	46.44%
11	Language Maithili	80 %
12	Language Nepali	7.2 %
13	Language Others	5.5 %
14	Head Quarter	Jaleshwar

(Nepal District Profile, CBS, 2011).

#### **4.2 Bardibas Municipality: At a Glance**

Bardibas is a former village development committee (VDC) in Mahottari District in the Janakpur Zone of south-eastern Nepal. It was merged with Gauribas, Kisan Nagar and Maisthan VDCs while restructuring Bardibas Municipality. It is directly connected to two Highways i.e Mahendra Highway which is extended from east to west of Nepal and BP Highway which is Connected from Dhulikhel to Bardibas itself. Bardibas is an halt for those who want to proceed towards north Sindhuli Gadhi, or south Aurahi, Gaushala, Jaleshwar Ramnagar, west Birgunj, east Janakpur. The Geographical position of Bardibas municipality is Latitude: 26 degrees 54'6.84 "to 27 degree 08 '46.9 0" and Longitude: 85 degrees 47 '42.67' to 85 degree 56 '42.9 7'.

Bardibas Municipality is adjoined with Mithila Municipality of Dhanusha district and Bhangha Municipality of Mahottari districts at east. Sarlahi and Mahottari border, Banke Khola, and Gaishala Municipality at west. Kamalmai Municipality of Sindhuli district at north and Aurahi Municipality and Bhangaha Municipality of Mahottari district at south direction. The climate of the district is subtropical with an altitude range of 136m to 774m above the sea level. Total area of the Municipality consists 315.57 square kilometres with around 27 kilometres length and 15 kilometres width.

Southern VDCs of Mahottari Aurahi, Gaushala, RamGopalpur's people And in other countries, from the Indian region, people used to transport wood from Chure area and stay the night the place near Kameshwarnath Mahadev temple and near the pond now the pokhari is situated at ward No. 2 of Bardibas Municipality. At that time Gorugada used as a means of riding the wood. The people and the oxen were also kept in the middle of the pond for rest In the Maithili language, the name oxen is ' used to be 'Barad" later the word changed and become Bardibas. Some people belief that 'Bardibas' has been established some of the soldiers returning home from India, while living in this place they put off uniform (Bardi) and stay the night (bash) due to the that fact its name was kept "Bardibas". Famous place of Bardibas are as below:



- NamunaMasaharBasti
- PanchadhuraMaisthan Temple
- Kalapani Picnic Resort
- Bardibas Market
- Tuteshor Temple

According to Nepal census 2011, the total population of Bardibas Municipality is 64,721 where 31810 male and 32911 female. Bardibas Municipality has covered 315.57 square kilometre area and the density is 205.1 per square kilometer. Budur Kumar Karki is Mayor of this municipality and deputy Mayor is Krishna Maya Gautam. The land field site's area In Bardibas municipality is 0.0144 square kilometer. According to Nepal census 2011, percentage of literate people is 62.12%. To promote local culture, Bardibas has three FMs station named "Samuyadik Radio Bardibas 94 MHZ, Sungabha 107 MHZ and Radio Darpan. There is one newspaper published from Bardibas. Out of total wards of this Municipality; 1, 2, 3, 5, 6 and 14 wards are main hinterlands for marketing services. This Municipality is also popular among international and national tourism market. During visits most of the guests stay in Gautam Hotel, Binayak Hotel and Hotel Pawan Mithila.

#### **4.3 Patu Village: At a Glance**

Among the 14 wards of Bardibas Municipality, Patu village is located in ward number 3 and there are 6321 total population and 1487 total households. The village is major hinterland of Bardibas Municipality from where maximum people have gone for foreign employment. The community of the study area is heterogeneous in terms of caste/ethnic, occupational background and religious backgrounds. Different populated in the study area, (Mahottari Development Team). Majorities of the local people are depended on agriculture and animal husbandry based occupations for their livelihood.

Even though, they are not able to fulfil food demand from agriculture product. Due to the insufficient food production they are dependent on alternatives activities for livelihood. Micro enterprises, income from ex-army pension and remittance from foreign countries has contributed to the livelihood. Especially, young people from this area have gone for labor migration in gulf countries and have been increasing day by day. Remittance sent back from foreign countries has been an important economic source of

family and it changed their livelihood. In this sense, the researcher was interested to select this area, in order to see the prospect of international labor migration, to find out causes behind labor migration and what changes have been brought from the foreign employment on concern family. The below tables shows profile picture of Patu village.

**Table 5. Population Compositions**

<b>Household</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>
1487	6321	2937	3384
Percentage	100	46.46	53.54

**(Municipality Profile, 2018).**

The above table 3 shows that 1487 household are living in Patu village. Out of 6321 total population there are 2937 male (46.46%) and 3384 female (53.54%).

**Table 6. Cast/ Ethnicity Groups**

<b>Caste/Ethnicity</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>	<b>Percentage</b>
All Caste	6321	2937	3384	100 %
Chhetri	1875	867	1008	29.66 %
Brahman	880	410	470	13.92 %
Magar	1013	467	546	16.03 %
Majhi	462	230	232	7.31 %
Tamanag	393	175	218	6.22 %
Others	1698	788	910	26.86 %

**(Municipality Profile, 2018).**

The above table shows the information about cast and ethnicity composition of the village. Chhetri are dominant caste group that is 29.66 percent. Second highest population in this area is Magar. Magars total population is 1013 which is 16.03 percent. Third highest population is Brahman. Brahman caste's population is 880 which is 13.92 percent. Similarly in this area Majhi and Tamang's population is 462 and 392 respectively which is 7.31 and 6.22 percent. In this area, there are many cast/ethnicity which are kept in others groups. The population of others cast\ ethnicity are 1698 which is 26.86 percent. In others cast group, there are 788 male populations and 910 female.

**Table 7. Occupation of Study Area**

<b>Occupation</b>	<b>Household</b>	<b>Percentage</b>
Agriculture	505	33.96 %
Government Job	315	21.18 %
Business	325	21.85 %
Daily Wages	120	8.07 %
Foreign Employee	135	9.08 %
Tradition Occupation	42	2.82 %
Others	45	3.03 %

**(Municipality Profile, 2018).**

The above table 5 shows that the occupation of study area. The main occupation of this area is agriculture. Many people involve in agricultural sector. Agriculture is the origin occupation of this area. Among the 1487 households, 505 household are involved in agriculture which is 33.96 percent. 315 household's family members are in government job which is 21.18 percent. Doing business household is 325 which is 21.85 percent. Similarly involve in daily wages, foreign employment and traditional occupation are 120 , 135 and 42 population which is 8.07, 9.08 and 2.82 percent respectively. In this area, beside the listed groups there are some others people who are doing different occupation which are listed in others group. In other group there are 45 household which 3.03 percent out of the total is

## **CHAPTER V**

### **DATA ANALYSIS AND INTERPRETATION**

This chapter dealt on analysis and interpretations of quantitative and qualitative data and information. In doing so, different sub heading like; socio-demographic and economic features of selected remittance receiving households, education and profession status of the remitters living in foreign countries and distributions patterns of remittance earning and expensing by remittance receiving households have been developed while presenting data and information as well.

#### **5.1 Socio Demographic and Economic Features of Households**

This section tried to explain about socio-demographic characteristics of the respondents that have been improving due to remittance. Literature also says that migrant workers' remittance has emerged as one of the most important components even in the Nepalese economy that is influencing household consumption and investment pattern (Adhikari, 2014). Socio-demographic and economic features of the remittance receiving households have been explained based on study variables such as settlement pattern, land holding, age, sex, occupation and marital status of the respondents.

##### **5.1.1 Settlement Pattern**

The community of Patu village is semi scattered type where the people of various caste and ethnic groups are living with mutual relationships. Most of the houses are one to two storied and closed to each other especially in the Brahmin, Chhetri, Magar and Tamang caste groups. The structures of houses are made up of mud, bamboo wood, and rod roofs with aluminium sheets and cemented tyal and some houses are cemented. Maximum households are located nearby cow/buffalo shed to keep their livestock. The dominant castes groups of the community are Brahmin and Chhetri.

##### **5.1.2 Marital Status**

Most of the migrant workers are married and working in foreign countries more than one year. Their earning hence categorized under current transfer (IMF, 2018). In this respect, out of total respondents, married respondents are found higher than the unmarried one that has presented in below table.

**Table 8. Marital Status of the Respondents**

<b>Marital Status</b>	<b>Number of Households</b>	<b>Percentage</b>
Unmarried	62	36.47 %
Married	97	57.06 %
Widow	11	6.47 %
<b>Total</b>	<b>170</b>	<b>100 %</b>

(Field Survey, 2018).

The above table shows the information about marital status of the respondents. The fact indicates that 57.06% respondents are found married and remaining 36.47% found unmarried. Similarly, 6.47% of the respondents are found widow. Due to the more responsibility than unmarried respondents, married respondents are serious and must compel to go foreign employment. During the interaction, one of the participants' shared that most of the foreign employees are married people. Married people have more responsible than unmarried and they need to earn money for improving their family livelihoods (K. Bhandari, Sunday 11th November 2018, [KII]).

### 5.1.3 Sex Structure of Household Head

Gender is the range of characteristics pertaining to, and differentiating between, masculinity and femininity. Gender constructions thus plays vital role while playing economic role in the family economy. The sex structure of remitters has been presented in below table.

**Table 9. Sex Structure**

<b>Sex</b>	<b>Number of Households</b>	<b>Percentage</b>
Male	136	80 %
Female	34	20%
<b>Total</b>	<b>170</b>	<b>100 %</b>

(Field Survey, 2018).

The above table depicts information about sex status of the respondents. Out of the total remittance receiving households 80 percent are male headed and only 20% percent are female headed. This fact indicates that most of the remittance receivers are male because main responsibilities of family are taken by male people due to patriarchal mindset of the society. Even during interview, one of the participants shared that maximum remitters are also male as compare to female (R. P. Dhungana, 17th November, 2018, [KII]).

### 5.1.4 Family Structure

Family structure plays an important role in various aspects of household economy. However, due to modernization effects, the number of nuclear family system has been increased significantly. But the family structure also determines extend of land fragmentation of a family. Below table presented the family structure of the remittance receiving households.

**Table 10. Family Structure of the Respondents**

<b>Types of Family</b>	<b>Number of Households</b>	<b>Percentage</b>
Nuclear	97	57.06 %
Joint	73	42.94 %
<b>Total</b>	<b>170</b>	<b>100 %</b>

(Field Survey, 2018).

The above table highlighted that majority of the population is living as nuclear type. Out of the total, 57.06 percent of the households are living with nuclear family system and 42.94 percent with joint family system. In a nuclear family people feel free and no burden so nowadays numbers of nuclear family is increasing rapidly. While taking interview, one of the participants reveals that the remitters' family structure has changed. After the remittance people want to stay in nuclear family than joint family. Nuclear family is popular now. In nuclear family people feel free and no burden of parents so the numbers of nuclear family is increasing (P. Karki, 10th November, 2018, [KII]).

### 5.1.5 Crops Production by Sampled Household

The family occupation of majorities' households is agriculture based. Thereby, remittance receiving households are also producing different varieties of food grains. Most of the farmers grow the paddy, maize, wheat and others. The table below represents the annual crops production by sampled household.

**Table 11. Crops Production Pattern of the Respondents**

<b>S.N.</b>	<b>Types of Land</b>	<b>Production (Quintals)</b>	<b>Percentage</b>
1	Paddy	887	63 %
2	Maize	223	17 %
3	Wheat	208	15 %
4	Others	70	5 %
	<b>Total</b>	<b>1393</b>	<b>100 %</b>

(Field Survey, 2018).

The above table shows the information about crops production by the sampled household. The share of paddy production is higher than other crops. The annual paddy production is 1393 quintals which is 63 percent of total crops production. The production of maize is 17 percent wheat is 15 percent and the production of others item is 5 percent. It might be reason that remittance has been also investing in agriculture sector (Adhikari, 2014). During the interaction, one of the participants' shared that some of the remittance receiving households are investing their earning to buy farm land and modern inputs and technology for agriculture development. That is why agriculture production pattern of this village in increasing. Even some of the youths are also planning to start agro based farm after returning from foreign countries (J.Thapa, Friday 16th November 2018, [KII]).

### 5.1.6 Age Structure of the Respondents

The age structure of a population is the distribution of people among various ages. It is a useful tool for social scientists, public health and health care experts, policy analysts, and policy-makers; because it illustrates population trends like rates of births and deaths. These are important to understand because they have a host of social and economic implications in society, like understanding the resources that must be allocated for childcare, schooling, and healthcare, and the familial and greater social implications of whether there are more children or elderly in society. Age status of the selected respondents has been presented in below table.

**Table 12. Age Group of the Respondents**

S.N	Age Group	Number of Households	Percentage
1	18-25 years	34	20 %
2	25-30 years	48	28.24 %
3	30-35 years	38	22.35 %
4	35-40 years	29	17.06 %
5	Above 40 years	21	12.35 %
	<b>Total</b>	<b>170</b>	<b>100 %</b>

(Field Survey, 2018).

The above table illustrates about age distribution of the respondents. The highest numbers of the foreign employee are between the ages of 25-30 years with 28.24 percent. The age between 30-35 years constitutes 22.35 percent of the total remittance receiver, between the ages 35-40 years constitutes 17.06 percent of the total migrants, and at last

12.35 percent of the respondents are between the ages of above 40 years. The highest number of the remittance receiver is of the age group above 40 years because they are the mostly active in household responsibility to be a family member. So from the above age grouping we can say that remittance receiver from 25-30 years ages are mostly responsible for taking care of their family and become more mature to think about their children's future and their responsibility to be a family member. During the interaction, one of the participants shared that maximum number of remittance receiving households head age group falls in between 25 to 30 years as they are living with nuclear family system (K.M. Gautam, Sunday 18th November, 2018, [KII]).

### **5.1.7 Number of Family Members Going Abroad**

In this recent decade, Nepalese parents only give the birth one or two children. In a rare case three or four too. Nowadays the family members are getting small. So the parents give permission to only one child to go abroad. Different numbers of family members of the sample households have gone abroad as shown in below table.

**Table 13. Family Member Going Abroad**

<b>Member</b>	<b>Number of Households</b>	<b>Percent</b>
1	128	75.29 %
2	30	17.65 %
3	12	7.06 %
<b>Total</b>	<b>170</b>	<b>100 %</b>

**(Field Survey, 2018).**

The above table presented information about number of family members involving in foreign employment. The fact indicates that majorities' 75.29 percent family have 1 member, 17.65 percent were 2 members and 7.06 percent were 3 members working in foreign countries. Nowadays parents give permission to one child to go abroad but they think others children stay Nepal or near them. Nowadays maximum parents have one or two children only so the going abroad one members of family percent is more others. During the interview, one of the participants expressed that maximum foreign employee have been working in gulf countries especially in Qatar and Dubai. In this country the demand of the workers is high and easy process of immigration (K. Budhathoki, Thursday 15th November, 2018, [KII]).



### 5.1.8 Status of Remittance

A foreign worker is a person who works in a country other than the one of which he or she is a citizen. Some foreign workers are using a guest worker program in a country with more preferred job prospects than their home country. Foreign workers are often either sent or invited to work outside their home country, or have acquired a job before they left their home country, whereas migrant workers often leave their home country without having a specific job at hand.

### 5.1.9 Destination Country of Remitters

In the process of migration, destination is another important and crucial factor. The destination is that country where migrant workers go for the work. The destination countries of the labor emigrants of the study area are shown in following table.

**Table 14. Destination Countries**

<b>Countries</b>	<b>Number of Households</b>	<b>Percent</b>
Dubai	40	23.53
Qatar	46	27.06
Malaysia	24	14.12
Other Gulf Countries	36	21.17
South Korea	10	5.88
Others (/Us/Europe/Australia)	14	8.24
<b>Total</b>	<b>170</b>	<b>100</b>

(Field Survey, 2018).

The above table depicts information on destination countries of the remitters. Highest proportion 27.06 percent remitters are working in Qatar, 8.24 percent are working in developed countries and 5.88 percent are working in South Korea. The high demand of labor in industrialized and developed nations in the East Asian, Middle East and Gulf nations are the main pull factors to the job seekers manpower (Lee, 1966). While taking interview, one of the participants reveals that the main cause of the foreign employment is unemployment. Indebtedness, lack of facilities, family and social conflict are also major cause to go abroad. Due to the unemployment the youngsters must have to leave their home country (P. Karki, Saturday 10th November, 2018, [KII]).

### 5.1.10 Causes of Foreign Employment of the Study Area

There are various causes for going abroad for employment in the Nepalese context. Some major causes are miserable living standard, insufficiency of food, cloth and lower quality of housing, insecurity and unemployment, landlessness and ineffective education system. Literature also says that lack of employment opportunity at village, unstable political and security situation, low wage level, lack of agricultural development in rural areas are some of the push factors for foreign employment (Lee, 1966). In this situation, below table also explain possible causes of foreign employment as well.

**Table 15. Causes of Foreign Employment**

<b>Causes</b>	<b>Number of Households</b>	<b>Percent</b>
Indebtedness	31	18.24 %
Family conflicts	14	8.24 %
Social conflicts	12	7.06 %
Unemployment	85	50 %
Lack of facilities	28	16.47 %
<b>Total</b>	<b>170</b>	<b>100 %</b>

(Field Survey, 2018).

The above table presented information about causes of foreign employment. The fact indicates that most 50 percent youth are going abroad due to the unemployment in the Municipality whereas 7.06 percent left village due to social conflict, 16.47 percent found going out due to lack of facilities and 8.24 percent youth were found gone outside the country due to the family conflict and 18.24 percent went out because of indebtedness. So, the majority of the youth of Municipality is going abroad due to unemployment and minority due to social conflicts. In my study area there is lack of basic facilities like: computer, Latest accessories, furniture or other equipment etc. Unemployment is the major cause for leaving own home country by the remitters.

### 5.1.11 Present Status of Remittance

Remittances contribute largely to the national economy. The remittances sent home by the migrants affect development at both the household and national levels. At the household level, remittances help to reduce poverty, improve standard of living and attain higher educational levels. At the macro level, remittances could be used for entrepreneurship and productive investment which in turn increases job opportunities and

income of the people as at present contributions of remittance to GDP has registered as 23 percent of the Nepali economy (Ministry of Labor and Employment Department, 2018). During the interaction, one of the participants revealed that most of the foreign employees are un- skilled and working as a labour with minimal salary basis. However there is a high demand of skilled labour (J.Thapa, Friday 16th November 2018, [KII]).

### 5.1.12 Land Holding by Sampled Household

The land holding by the livestock farmer into the study area is divided into three parts khet (i.e. irrigated agriculture land), pakho bari (i.e. non irrigated land) and pasture land. Below table presented information about land holding patterns of the respondents.

**Table 16. Land Holding Status of the Respondents**

S.N.	Types of Land	Area (Kaththa)	Percentage
1	Bari	850	39.32 %
2	Khet	978	44.09 %
3	Pakho	390	17.59 %
	<b>Total</b>	<b>2218</b>	<b>100.00 %</b>

(Field Survey, 2018).

The above table shows the share of Khet to total land is 44.09 percent. The share of Bari and Pakho are 39.32 percent and 17.59 percent respectively. In this Patu village, maximum lands are in plane area and in slope area. People mostly cultivate the paddy and wheat in khet. It is easy to watering the plants. So the area of Khet is more than others.

## 5.2 Education and Profession Status of the Remitters

### 5.2.1 Educational Aspect

Education is the most important part of mankind that nourished human capability. Human capital theory can be analyzed from human capability approach that has intrinsic value for the well-being of people; an indirect role in influencing social change; and an indirect role in influencing economic output (Sen, 2000). Thereby, it is clear that education and training status of the remitters directly related to his or her working efficiency and earning. The study also found that more educated youths are working in developed countries and earning comparatively more than those of working in Gulf countries. Below table thus explain about educational status of the remitters working in foreign countries.

**Table 17. Educational Level of Respondents**

<b>Caste</b>	<b>Under SLC</b>	<b>SEE</b>	<b>Bachelor+</b>	<b>Total Numbers</b>	<b>%</b>
Bahun	11	19	11	41	24.11
Chhetri	13	17	8	38	22.35
Magar	18	9	2	29	17.06
Tamanag	11	8		19	11.18
Majhi	17	12		27	15.88
Others	8	7	1	16	9.41
<b>Total</b>	<b>78</b>	<b>72</b>	<b>22</b>	<b>170</b>	<b>100 %</b>
<b>Percentage</b>	<b>45.88</b>	<b>42.35</b>	<b>12.94</b>	<b>100 %</b>	

(Field Survey, 2018).

The table shows that Brahmins are highly educated than others. The following table and figure shows the educational level of respondents of the study area. It seems that all the respondents are educated. Similarly SLC/+2 passed were 42.35 percent, under SLC 45.88 percent and bachelor and above literate respondents were 12.94 percent. The highest percent of respondent were under SLC 28.57 percent are literate and 32.85 percent are under SLC 18.58 percent of respondent were found to be of Intermediate level. Slowly and gradually, the literary rate is increasing. Among the out of the total respondents Bahun and Chhetri cast are more educated. Local people are proving quality parenting to their children as they understood about transformative role of education.

### 5.2.2 Skill of Foreign Employee

The foreign countries demand the workers for their need. Some country demands the unskilled labour but some country demand the skilled manpower. It depends on their government policy and need. Below table shows the various skills of foreign employee working in the destination country.

**Table 18. Skill of Foreign Employee**

<b>Member</b>	<b>Number of Households</b>	<b>Percent</b>
Hotel/Restaurant Training	35	20.59 %
Security Guard	39	22.94%
Un/Semi- Skill	49	28.82%
Driving	20	11.74%
Computer	6	3.52 %
Others	21	12.35%
<b>Total</b>	<b>170</b>	<b>100%</b>

(Field Survey, 2018).

The above table shows the information on skills of the remitters. Data shows that 20.59 percent have completed hotel and restaurant training, 22.94 percent have completed security guard training, 28.82 percent migrant are unskilled, 11.74 have completed driving training, 3.52 percent have completed computer and remaining 12.35 percent have others. So, the majority of the respondents have hotel training and minority have computer training because the most of the foreign employees are working in hotel and restaurant and less is working in office. There is high demand of unskilled and semi-skilled labor while not much demand of highly skilled manpower, Highly skilled manpower further have opportunities in the country

### 5.2.3 Relationship with the Foreign Employee

Relationship most often refers to interpersonal, a strong, deep, or close association or acquaintance between two or more people. Below table shows the information about interpersonal relationships between and among remitters and members of remittance receiving households as well.

**Table 19. Relationship with the Foreign Employee**

<b>Relation</b>	<b>Number of Households</b>	<b>Percent</b>
Father	45	26.47 %
Mother	25	14.70 %
Wife/husband	38	22.35 %
Brother/Sister	18	10.59 %
Son/ Daughter	29	17.06 %
Relatives	15	8.82 %
<b>Total</b>	<b>170</b>	<b>%</b>

(Field Survey, 2018).

The above table shows about family relationships of the remitters. The remitters have strong and bold relation with father. Father is the guardian of the family members so the most of the remitters always interact with the father while taking bold decision. The data shows that the relation with father is 26.47 percent while the relation with wife/husband is 22.35 percent. Similarly the relation between mother and son/daughter are 14.70 and 17.06 respectively.

### 5.2.4 Change in Education of the Study Area

Education empowers the human being; it increases the status of living. Education provides people with the knowledge and skills to contribute and take

benefits from development efforts. Education is a key indicator of human development. It has a positive role in the success of life. Primary education is a principle mechanism of fulfilling the minimum learning needs of the people needed for effective participation in the economic, social, political and civil activities. In this respect, below table shows changing educational status of the children of respondent's households after receiving remittance.

**Table 20. Educational Status**

Type of School the Children of the HHs Go	Before		After	
	Number of Households	Percent	Number of Households	Percent
Government School	120	70.58	60	35.29
Private School	50	29.41	110	64.70
<b>Total</b>	<b>170</b>	<b>100</b>	<b>170</b>	<b>100</b>

(Field Survey, 2018).

The above table shows that, the educational status of children of the households of remittance users before and after. Before going abroad the majority of the respondents are government schools is 70.58 percent, and minority is private schools is 29.41 percent. After the remittance the children going to private English medium school and community school increased. The child from the household receiving remittance going to Government school has decrease where 64.70 percent children going to private school and 35.29 percent children are going to government school. This fact also indicates that education has been seen as a means of developing capabilities, promoting employment potentials, and ultimately reducing poverty of people in the rural communities (Sharma, 2014). During the interaction, one of the participants expressed that after receiving the remittance the parents have been enrolling their children in English Boarding Schools that is offering quality education (P. Karki, Saturday 10th November, 2018, [KII]).

### **5.2.5 Change in Use of Health Facilities in the Study Area**

Health check-up is necessary from the conception to everyday life. Due to the lack of awareness, poor economic condition, lack of facilities, etc. most of the persons don't go to check-up their health regularly. There were some changes in their life related to health status. The status of health check-up is presented at follows.

**Table 21. Distribution of Respondents Changing Health Status**

<b>Health Institution</b>	<b>Before</b>	<b>Percent</b>	<b>After</b>	<b>Percent</b>
Health Post/Medical	77	45.29	71	41.76
Hospital	35	20.58	85	50
Dhami/Jhakri	58	34.11	14	8.23
<b>Total</b>	<b>170</b>	<b>100</b>	<b>170</b>	<b>100</b>

**(Field Survey, 2018).**

The above table illustrates that, the distribution of respondents changing health status. Before the receiving remittance 45.29 percent went health post or medical clinic, 20.58 percent went in hospital and 34.11 percent used to cure with traditional Dhami/Jhakri. After the remittance receiving and improving family economy 41.76 percent were went in health post and 50 percent went in hospital. The numbers of households practiced traditional healing methods dramatically declined from 34.11 percent to 8.23 percent. So, the study finds that the there were little change in health status of foreign employees households. During the interaction, one of the participants argued that helalth service facilities have been changed. Remittance receiving family members are preferred to visit hospital for regular medical check up however before that most of them compelled to visit Dhami/ Jhakri (R.P. Dhungana, Saturday 17<sup>th</sup> November, 2018, [KII]).

### **5.3 Distribution of Remittance in Household Economy**

#### **5.3.1 Present Monthly Salary of Migrants**

Income is one of the most important factors to assess economic wellbeing of any family economy. Based on economic wellbeing any household members decide to expense their earning. No doubt, due to earning from remittance, at present family economy of the study are has been increasing. Most of the local youths have been migrating from the village for improving their livelihoods. Literature also says that scantiness of basic services needed for survival, liberal government policies and demonstration effect are main push factors responsible for exodus of skilled and unskilled labor force in international labor market (Lee, 1966). Even in Nepalese context, youths are compelling to involve in agricultural occupation proving seasonal employment. Thereby, local youths are also migrating from the village with earning purpose.

**Table 22. Income of Labor Migrants**

Monthly Income (NPR)	Migrant Workers	
	Number of Households	Percent
Below 15,000/-	0	0
15,000- 25,000	15	8.82 %
25,000 – 35,000	29	17.06 %
35,000- 45,000	75	44.11 %
Above 45,000	51	30 %
<b>Total</b>	<b>170</b>	<b>100 %</b>

(Field Survey, 2018).

The above table shows that, among the labor migrants, 8.82 percent have a monthly salary of NRs 15,000- 25, 000, 17.06 percent have 25,000 to 35,000 salaries, 44.11 percent have 35,000 to 45,000 salary and 30 percent have above 45,000 salaries. The scale of salary is NRs 45,000 so the many workers are received around this. Due to the increase of salary, Nepalese workers also get relief and they can send the big amount as a remittance. Sometimes, Nepal government talks to related countries minister to increase the salary of Nepali workers. During the interaction, one of the participants revealed that by working in difficult and dangerous work local youths are hardly earning 40,000 per month. We understood Nepalese youths are getting significantly minimum salary as compare to other remitters working in same job (K. Bhandari, Sunday 11th November 2018, [KII]).

### **5.3.2 Medium of Remittance**

Most of the people do not know the formal process of foreign employment. Some youths are cheated by the brokers. In the process of foreign employment, some people do not have any ideas for going abroad. So they have to depend on brokers. Some time, the broker demand pre-payment from emigrant and deceive amount. The brokers deceive them in different ways. In this case, people are compelled to go abroad depending on assurance of salary, type of work, facilities as provided by the brokers without taking full information. In this regard, the medium of sending remittance have been presented in below table.



**Table 23. Medium of Remittance**

<b>Medium</b>	<b>Number of Households</b>	<b>Percent</b>
Bank	40	23.53 %
IME/Prabhu Money / Western money	65	38.24 %
Hundi	55	32.35 %
Relatives	10	5.88 %
<b>Total</b>	<b>170</b>	<b>100 %</b>

**(Field Survey, 2018).**

The above table highlighted that the 23.53 percent household receive money through bank, 38.24 percent through IME, 32.25 percent receive through Hundi services and 5.88 percent family receive through relatives. It shows most of the migrants depend on IME services. IME is an excellent money transfer and it is easy to received money as well as quick customer service. The establishment of banking services has eased remittance facilities. Yet unavailability of easy banking channel, lack of knowledge leads to transaction via illegal means. During the interaction, one of the participants shared that most of the remitters send the remittance through IME. Some of the people do not know the formal process and send the unofficial channel. In official channel, there are bank too but due the more facilities of remittances company people select the IME (R. P. Dhungana, Saturday 17th November, 2018, [KII]).

### **5.3.3 Duration of Sending Remittance**

Remittances can generate a positive effect on the economy thorough various channels such as savings, investment, growth, consumption, and income distribution. These inflows can also contribute to stability by lowering the probability of current account reversals. Since they are a cheap and stable source of foreign currencies, remittances are likely to stem investor panic when international reserves are taking a downward trend or external debt is rising. At the community level, remittances create multiplier effects in the domestic economy, producing employment opportunities and spurring new economic and social infrastructure and services, especially where effective structures and institutions have been set up to pool and direct remittances. The below table shows the information about duration of sending remittance.

**Table 24. Duration of Remittance Sending**

<b>S.N.</b>	<b>Duration</b>	<b>Number of Households</b>	<b>Percent</b>
1.	Yearly	15	8.82
2.	In six month	44	25.88
3.	Quarterly	54	31.74
4.	Monthly	25	14.70
4.	Not Regular	21	12.35
5.	Not receiving	11	6.47
	<b>Total</b>	<b>170</b>	<b>100.00</b>

(Field Survey, 2018).

The above table shows that 8.82 percent households receive money yearly, 25.88 percent receive in six months, and 31.74 percent households receive remittances quarterly, 14.70 percent households receives monthly, 12.35 percent household doesn't receive regularly and 6.47 percent does not receive any amount. So, the study demonstrates that the majority of respondents send money quarterly and minority proportion not receiving due to the lack of time, not sending regularly salary in time and language problem of the members working abroad.

#### **5.3.4 Amount of Remittance Receiving**

Remittances can contribute significantly to local, regional and national economic development in migrant-sending countries and also play an instrumental role in reducing poverty as they flow mainly to poor and marginalized families. In many instances, remittances form a significant percentage of total household income, acting as a substitute for earned income lost to unemployment, illness, retirement, emigration, falling wages and crop failure, among others, and ultimately protect poor families against the erosion of what are already basic household assets. The below table presented information about amount of remittance receiving by the households.

**Table 25. Amount of Remittance**

<b>S.N.</b>	<b>Amount of Remittance (NPR)</b>	<b>Number of Households</b>	<b>Percent</b>
1	Below 15,000/-	0	0
2	15,000- 25,000	12	7.05
3	25,000 – 35,000	20	11.76
4	35,000- 45,000	72	42.35
5	Above 45,000	66	38.42
	<b>Total</b>	<b>170</b>	<b>100</b>

(Field Survey, 2018).

The above table makes clearer that 7.05 percent households receive 15 to 25 thousands NRs monthly, 11.76 percent receive 25 to 35 thousands, 42.35 percent get 35 to 45 thousands and 38.42 percent above 45 thousands monthly when calculated the average. The majority of migrants send money above 40 thousands and minority send 15 to 25 thousands because the most of the migrant's salary is above 45 thousands. This indicates that due to remittance rural economy of the study area has been increasing annually. And this has contributing to transform rural life and livelihood. The theoretical ideas of rural transformation are creating community wealth, increasing inclusive leadership and greater family self-sufficiency (Richardson & London, 2007). Even local elected members are planning to make affirmative policy to utilize remittance in productive sector of the economy for rural transformation.

### **5.3.5 Distributions of Remittance**

Small proportion of remittances are utilized to establish small businesses, improve agricultural practices, or on other forms of productive sector of the economy. Literature also says that large portion of remittance has been utilized in Nepal for consumption purposes, purchase of real estate and house, paying off the loan, purchase of jewelry and as bank deposits (NRB, 2002). However, consumption' items such as health and education should be understood as investment in human capital. As an example, in both the short and long run, investment in education denotes an improvement of the educational infrastructure of the labor exporting economy.

Migrants, in combination with high productive physical capital, yield returns that are normally much higher than they would have been if the migrants were employed in their home country. The migrants' family members, who stay behind in their home country, enjoy a higher standard of living through the migrants' savings. Hence, expenditure on consumption and housing produces indirect multiplier effects, which encourage investment and output in related industries. Thus, making a distinction between the productive and unproductive remittances seems quite blur, and both contribute to livelihoods and development, with productive uses contributing more. This concluding subheading thus tried to explain distribution pattern of remittance by the remittance receiving households.

**Table 26. Distributions of Remittance in Household Expenses**

S.N.	Use of Remittance	Number of Households	Percent
1.	Daily Consumption	44	25.88
2.	Build or Renovate House	49	28.82
3.	Pay Loan	22	12.94
4.	Education/Marriage/	20	11.76
5.	To Buy Land	24	14.11
6.	Medical Treatment	11	6.47
	<b>Total</b>	<b>170</b>	<b>100</b>

(Field Survey, 2018).

The above table highlighted information about distributions of remittance in household economy. The fact indicates that most 43.5 percent households use money for daily consumption, 14.25 percent used to build or renovate house, 16.5 percent paid loan, 13.5 percent use for education of children /marriage/ buy gold, 6.75 used to buy land and remaining 4.5 percent used for medical treatment. So the majority is of expenditure is on consumption and minority is medical treatment. Here some households are solely dependent on the foreign employee for fulfilment of basic needs, they consume the daily good and services through remittance money so the remittance money used in consumption. During the interaction, one of the participants shared that most of the remittances are used in build or renovate the house as well as also used in daily consumption and to buy land assets. He further expressed that very minimal portion of remittance has been investing for entrepreneurship development in the village (K.M. Gautam, Sunday 18th November, 2018, [KII]). The below table also presented information about distributions of remittance in small scale entrepreneurship.

**Table 27. Distributions of Remittance in Entrepreneurship Development**

Category		Number of Households	Percent
Valid	Yes	36	21.17
	No	42	24.70
	On plan	66	38.82
	Total	144	84.70
	No response	26	15.29
<b>Total</b>		<b>170</b>	<b>100.0</b>

(Field Survey, 2018).

The above table depicts information on investing remittance in productive sector of the economy especially for entrepreneurship development. From the data fact it is

found that out of total response 144, only 38.82% remittance receiving households are investing some portion of remittance in small scale enterprises, local business and 38.82% are also planning to invest remittance in such activities. This data indicate that the trend of investing remittance in entrepreneurship development has been increasing that is relevant to dig out that in what extent the remittance is utilized in productive sector of the family economy (Khatri, 2017).

**Table 28. Distributions of Remittance in Philanthropy**

Category		Number of Households	Percent
Valid	Yes	66	38.82
	No	65	38.23
	On plan	23	13.52
	Total	154	90.58
Missing	System*	16	9.41
<b>Total</b>		<b>170</b>	<b>100.0</b>

(Field Survey, 2018).

The above table illustrates information about distribution of remittance in social sector due to philanthropic purpose. The fact indicates that out of total response, 38.82% remittance receiving households have donated some portion of remittance to the mother group, youth club. And remaining 13.52% households are also planning to provide donation in their own community and social levels. This fact indicates that due to improving family livelihood and economy most of the remittance receiving households are intended to donate some portion of remittance even in social levels.

### **5.3.6 Economic Aspects in the Use of Remittance**

In the study area, remittance receiving households' members are becoming sophisticated and enjoying with luxuries life standard with urban standard. They are purchasing modern furniture, gas, stoves, television electricity and vehicles. The living standards of the households have changed dramatically after the involvement of their family members in the foreign employment. However, luxuries living standard and economic life of the remittance receiving households are negatively correlated as family members are not involving in productive sector. Even in the study area some of the remittances receiving households are not engaging in agriculture sector and they are purchasing all the fooding items from local market. Literature also says that remittance

increase domestic household hazard as all the daily necessities of the family members comes from local market not form their own farmland (Ebeke, 2012).

### 5.3.7 Housing Condition of the Study Area

In Nepalese culture, housing condition unpack economic and social status of any family members. Because of that majorities of the remittance receiving households have been expensing large portion of remittance for improving their housing conditions. The housing conditions of the respondents have been shown in below table.

**Table 29. Housing Condition**

Types of House	Before		After	
	Number	Percent	Number	Percent
Pakki	22	12.94	58	34.11
Wooden House	93	54.71	35	20.58
Ardha-Pakki	55	32.35	65	38.13
Tahara	0	0	12	8.24
<b>Total</b>	<b>170</b>	<b>100.0</b>	<b>170</b>	<b>100</b>

(Field Survey, 2018).

The above table shows that, 34.11 percent respondents have built cemented housing structure that was 12.94 percent before remittance receiving. Similarly, 38.13 percent respondents have built typical house made by stone and mud with aluminium roof. This shows that high income family preferred to build cemented house with modern architecture styles. Remittance income also served to build new houses and renovate houses after the earthquake. Literature also says that large portion of remittance has been utilized to purchase of real estate and house, paying off the loan, purchase of jewelry (NRB, 2002). While taking interview, one of the participants shared that the housing condition of the village has been changed since couple of decades especially after increment of family earning. It has totally replacing the typical housing condition that is not good in my understanding as family earning is not investing for commercial farming and rural entrepreneurship development (J.Thapa, Friday 16th November 2018, [KII]).

### 5.3.8 Change in Facilities of the Study Area

Remittances generate a positive effect on the economy thorough various channels such as savings, investment, growth, consumption, and income distribution. These inflows can also contribute to stability by lowering the probability of current account reversals. Since they are a cheap and stable source of foreign currencies, remittances are

likely to stem investor panic when international reserves are taking a downward trend or external debt is rising. At the community level, remittances create multiplier effects in the domestic economy, producing employment opportunities and spurring new economic and social infrastructure and services, especially where effective structures and institutions have been set up to pool and direct remittances. Below table shows the household facilities of the remittance receiving households.

**Table 30. Changes in Facilities**

Particulars	Number of Households Using the Service	
	Before	After
Motorcycle	19	75
TV / Radio	86	165
Mobile/ Camera	125	170
Furniture	120	170
Solar / Refrigerator	5	51
LPG/Bio Gas	6	115
Computer	15	128
Washing Machine	2	35
Others	3	18

**(Field Survey, 2018).**

The above table shows that 75 respondents have motorcycle at present whilst it was with 19 respondents only. Likewise, 135 respondents have TV/Radio at present that was with 86 respondents only. Similarly, the using patter of mobile/ camera and Furniture were changed. 5 households were used solar in past and nowadays most 51 families have been suing solar photovoltaic. The number of household family using LPG and bio gas has increased very significantly from 6 to 115 households. Families using computer has also increased. While taking interview, one of the participants revealed that remitters' household life have been become sophisticated. Maximum remitters' household members have smart phone, laptop, camera, motorcycle etc (K. Bhandari, Sunday 11th November 2018, [KII]).

### **5.3.9 Change in Economic Status of Households**

Beyond doubt, remittance is contributed to improve living standard of the remittance receiving households. It has helped to reduce the poverty level and enhanced income of the poor especially those in rural areas. These social concerns must be addressed to minimize the ill effects of out migration. The following table shows that the

remittance helped to improve economic status of the remittance receiving households in various ways.

**Table 31. Changing Economic Status of the Respondents**

<b>Households' Assets Changes</b>	<b>Number</b>	<b>Percent</b>
Buying land property, domestic animals	45	26.47
Buying furniture, gold and clothes	79	46.48
Opening bank account	46	27.06
<b>Total</b>	<b>170</b>	<b>100 %</b>

(Field Survey, 2018).

The above table shows that remittance has been used to buy physical assets like; land property, furniture, gold and clothes. The findings indicate that remittance has improved the economic status of the remittance receiving households. However, some of the remittances receiving households also are facing some kind of social costs. During the interview, one of the participants shared that due to the remittance even poor family have improved their living condition. They have successfully bought land, furniture and others physical assets. They have now bank account and saving some portion of their family earning and planning to invest in micro entrepreneurship development (K.M. Gautam, Sunday 18th November, 2018, [KII]).

### **5.3.10 Changing Household Income**

Remittance includes both cash and noncash items that flow through normal channels, such as via electronic wire, or through informal channels, such as money or goods carried across borders. The comparisons of household income were explained in below table.

**Table 32. Changing Hold Incomes (Per Month)**

<b>Amount (NRs)</b>	<b>Number of Households</b>			
	<b>Before</b>	<b>Percent</b>	<b>After</b>	<b>Percent</b>
Below10000	87	51.17	-	-
10000-20000	42	24.70	16	9.42
20000-30000	29	17.06	69	40.58
30000-40000	7	4.11	39	22.94
Above 40000	5	2.94	46	27.06
<b>Total</b>	<b>170</b>	<b>100 %</b>	<b>170</b>	<b>100</b>

(Field Survey, 2018).



The above table depicts that family monthly income has been changed after receiving remittance. Before remittance 51.17 percent household earned <NRs 10,000, 24.70 percent household earned in between 10,000-20,000, 17.06 percent earned between 20,000-30,000, 4.11 percent household earned ranging from 30,000-40,000 and above 40,000. However, after remittance 27.06 percent household earned around 40,000 and 22.94 percent earned ranging from 30, 000-40,000. The finding indicates that the trend of increasing family earning is changing due to remittance. During interview, one of the participants argued that family earning of the remittance receiving household have been mounting annually. Now what is need is to mobilize their earning in commercial farming and rural entrepreneurship development that can create employment opportunities to the local youths and generate rural economy in more sustainable manner (K. Budhathoki, Thursday 15th November, 2018, [KII]).

### 5.3.11 Other Sources of Income

The members of sampled households are engaged in various occupations such as service, business, wage labour and commercial farming. Thereby, the family income has share of different earning sectors including remittance. The compositions of family earning have been presented in below table.

**Table 33. Other Sources of Income of Sampled Household**

S. N.	Sources	HHs	Annual Income	% share in Total annual Income
1	Government Service	23	245,000	24.97 %
2	Business	25	295,000	30.07%
3	Daily Wage earners	53	197,000	20.08 %
4	Livestock	37	1 57,000	16.01 %
5	Others (fruit)	32	87,000	8.86 %
8	<b>Total</b>	<b>170</b>	<b>981,000</b>	<b>100 %</b>

(Field Survey, 2018).

The above table shows that along with earning from remittance, some members of 23 households are also engaged in government service and earning 24.97 percent of total monthly income. Similarly, some members of 37 household are engaged in livestock farming and earning 16.01 percent of total monthly income. The share of monthly income of business, wage and others are 30.07, 20.08 and 8.86 percent respectively. Due to the

high rate of unemployment, many people do not get job regularly. Like agricultural and daily wages field only few people get job and others must stay without doing anything.

### 5.3.12 Change in Household Expenditure

No doubt, there is a positive correlation between amount of remittance and expenditure. More earning from remittance simply means more expenditure in household economy. Since remittances are a source of income among many sources of family earning this does not mean that it is using in productive sector of the economy in any suspect. Below table shows that information about expenditure pattern of household before and after remittance as well.

**Table 34. Household Expenditure (Monthly)**

Expenditure (NPR)	Number of Households			
	Before	Percent	After	Percent
Below 10000	70	41.17	-	-
10000-20000	47	27.64	15	8.83
20000-30000	43	25.29	37	21.76
30000-40000	7	4.11	48	28.24
Above 40000	3	1.76	70	41.17
<b>Total</b>	<b>170</b>	<b>100</b>	<b>170</b>	<b>100</b>

(Field Survey, 2018).

The above table shows that household expenditure has been increased drastically after receiving remittance by the selected respondents. Before remittance, 41.17 percent households expensed <NRs 10,000, 27.64 percent expensed ranging from 10,000-20,000 and 25.29 percent spent in between 20,000-30,000. But after remittance receiving 8.83 percent households spent in between 10,000-20,000, 21.76 percent spent in between 20,000-30,000 and 41.17 percent household expensed >40000 monthly. This clearly shows that the remittance has been utilized mostly for consumption purposes (NRB, 2002). During interaction, one of the participants shared that after getting the remittance the family member's daily expenditure is rapidly increased. The problem is most of them are spending remittances in unproductive sectors especially for buying clothes, jewellery and cosmetic items (K. Budhathoki, Thursday 15th November, 2018, [KII]).

## CHAPTER VI

### DISCUSSIONS OF FINDINGS CONCLUSIONS AND IMPLICATIONS

This concluding chapter dealt about the gist of the study. More specifically sub headings such as discussions of findings, conclusions, implications and future directions have been presented in this chapter.

#### 6.1 Discussion of Findings

##### 6.1.1 Socio-economic Status of the Respondents (Objective: I)

- The settlement patterns of remittances receiving households are compact.
- Majorities (57.07%) of the household head are married and 36.47% are unmarried.
- Majorities (80%) of the household heads are male whereas 20% are female.
- Majorities (57.06%) of the respondents are living with nuclear family system.
- Majorities (63%) of the respondents are producing paddy from their farmland.
- Most (28.24%) of the remitters' age falls in between 25 to 30 years.
- Majorities (75.29%) of the respondents are receiving remittance from single person.
- Most (27.06%) of the remitters are working in Qatar due to easy visa process.
- Most (50%) of the respondents expressed that due to unemployment their family members have been working in Gulf countries.
- Most (44.09 %) of the respondents have irrigated land for farming purpose.

Based on above summary of findings, the study argues that remittance becoming popular strategy for the transforming rural livelihood. However, it is possible due to liberal government policies on foreign employment that attracted to the skilled and unskilled labor force in international labor market (Lee, 1966). Majorities of the respondents also argued that poor employment options in the village, low wage level in subsistence farming system, poor family food insufficiency and poor family income situations compelled local youths to involve in foreign employment. Due to poor family economy most of the youths are working in Gulf countries having easy visa process in minimal investment. Remittance based family economy has also changing family livelihoods into nuclear family system. Out of many reasons, modernization effect has been playing determinant role in this regard. Majorities of the remitters are sending their

earning to their housewife who are detaching from agriculture based livelihoods. Very few remittance receiving households are investing their earning in commercial farming. That is the reason behind why majorities of the respondents have food insufficiency though they have irrigated plain farming land. Even villagers are living in compact settlement with good networking of marketing and transportation facilities as well as good networking of road accessibility. At present, local development stakeholders are planning to utilize vocational knowledge and skill of the local youths in their own locality. In so doing, remittance also can be invested in productive sector of the economy rather than expensing for consumption purposes (NRB, 2002). More so, local youths are also becoming human capital not only for their family economy but also for rural economy of the Municipality. They are thus directly influencing social change and indirectly influencing economic output of the country (Sen, 2000).

#### **6.1.2 Education and Profession Status of the Remitters (Objective: II)**

- Most 45.88 percent of the remitters from the entire ethnic group have completed lower secondary education whereas 12.94 percent completed bachelor level.
- Most 24.1 percent of the educated remitters are belonging to Brahmin ethnic group.
- Educational status of Tamang, Majhi, Magar caste groups found poor.
- Majorities 88 percent of the remitters completed some kind of vocational skills before involving in foreign employment.
- Majorities 64.27 percent of the respondents are enrolling their children in English Boarding school due to increment of family income.
- Most 34.11 percent of the respondents believed on traditional healing system that is decreased into 8.23 percent due to remittance.

Based on above summary of findings, this study highlight that educated and semi skilful youths are migrating from the village. The study area is located around strategic location nearby highways and also located nearby Kathmandu valley. Majorities of the local youths have good relationship with those senior youths working in national and international labour market. And due to social networking, local educated and skilful youths are involving in foreign employment especially in Gulf countries. The high demand of labor in industrialized and developed nations in the East Asian, Middle East and Gulf nations are the main pull factors for foreign employment (Lee, 1966). Majorities

of their earnings are categorized under income sub category (who work less than six months) and current transfer (who works for more than one year) as well (IMF, 2018). The majority of the respondents have also completed trade specific trainings related to food and beverage, computer; escape folder and driving before involving in foreign employment. Along with formal education they are also acquiring non formal education/training that is developing their capabilities and promoting employment opportunities equally in national and international job markets (Sharma, 2014).

The remittance has also changed the child educational services. Remittance receiving household members are enrolling their children in English Boarding Schools and proving quality parenting. This indicates that with quality education, future generations of the study area will also become human capital for the Municipality. Hence, acquired formal and informal knowledge and skills will equally benefits to the educated and skilled youths themselves, society and national as well (Sen, 2000).

### **6.1.3 Distribution of Remittance (Objective: III)**

- Most 44 percent of the respondents' monthly earning from remittance found in between NRs 35,000 to 45,000.
- Most 38.24 percent of the respondents are receiving remittance through International money exchange services whereas only 5.88% are receiving through their relatives.
- Married foreign employees have been sending comparatively more to the family members than those of unmarried.
- Most 31.74 percent of the respondents are receiving remittance in quarterly basis whereas only 8.82 percent are receiving in monthly basis.
- Least 6 percent of the respondents are not yet receiving any amount of remittance.
- Most 28.82 percent of the respondents used remittance to build/renovate their house.
- Only 21.17 percent of the respondents are investing some portion of remittance in entrepreneurship development.
- Similarly, 38 percent of the respondents are also planning to invest remittance in entrepreneurship development.
- Most 38.82 percent of the respondents are also providing some kind of donation in social levels and 13.52 percent are also planning to provide such donation amount.

- Most 34.11 percent of the respondents have built modern cemented house with earning from remittance.
- Most 40.58 percent of the respondents' monthly family income falls in between 20,000 to 30,000.
- Most 30.30 percent respondents are engaged in business along with agriculture.
- Most 34.84 percent respondents also investing remittance in commercial farming.
- Most 80 percent remittance receiving households have no food sufficiency.
- Most 41.17 percent of the respondents have been expensing NRs >40,000 monthly.

Based on above mentioned summary of findings, this study explain that remittance has transforming the living standard of the remittance receiving households. Even some remittance receiving households are solely dependent on remittance to fulfil their daily necessities and other services. Large portion of remittance has been utilized for consumption purposes, paying off the loan and purchase of jewellery and utensils (NRB, 2002). Remittance also has increased monthly earning and expenditure pattern of the remittance receiving households. It has also contributed to increase purchasing capacity of the family members. From sceptical point of view, remittance also has making members of remittance receiving households more passive who are not involving in production and distributions sectors. And becoming sophisticated and living with luxuries life that adversely affect to national economy (Ebeke, 2012). However, flow of remittance helped to establish banking services in the Municipality that has been mounting economic and marketing activities in the local hinterlands. Remittance has not only influencing to the household consumption but also influencing to the investment patterns (Adhikari, 2014).

Since decade, remittance receiving households are also investing in commercial farming and micro entrepreneurship development. It is a bitter fact that Nepalese economy is largely based on traditional system of agriculture. In this situation, investing remittance in agro based entrepreneurship development will help to increase production and transform rural scene. Rural transformation agenda is about improving the well-being of rural people through enhancing their productive capacities, expanding their choices in life as well. The theoretical ideas of rural transformation are creating community wealth, increasing inclusive leadership and greater family self-sufficiency (Richardson &

London, 2007). In this regard, by investing in productive sector of the economy, remittance may definitely foster rural transformation activities in the study area. That will create job opportunities to the local youth and that will generate rural economy. For that purpose, what are needed is utilization and mobilization of skilful youths and their earning in commercial farming and micro entrepreneurship development.

## **6.2 Conclusions**

This study comes up with the conclusions that remittance has been distributing equally in productive and non productive sector of the household economy. Even though family earning including remittance has been mostly using with domestic purpose such as for buying land property, restructuring housing condition, children education, health care, entertainment etc. Moreover, in one hand, remittance income has been becoming one of the major sources for improving family earning and livelihoods. Similarly, in another hand, in the process of foreign employment, local youths are completing some kind of vocational trainings and becoming skilful human capital for the local government. Some of the youths are also planning to invest their earning and utilize their work place knowledge in their own village. No doubt, local government mechanism also has motivating and encouraging skilful youths for becoming entrepreneurs in their own locality. They are also making affirmative policy in order to utilize remittance in commercial farming and rural entrepreneurship development.

The study thus concludes that remittance has been equally contributing to the household and social levels. The trend of foreign employment is increasing annually. Local youths are also working in developed countries that motivating young generation to become skilful and competent. Similarly, remittance is also expensing for providing some philanthropy to the villagers. Remittance also has empowering women as women are also involving in foreign employment. Married youths are involving in foreign employment due to their family responsibility. They are not only sending remittance but also improving their family livelihood, socio-economic status in the society and providing quality parenting to their children. All in all, it can be concluded that the family economy of the remittance receiving households have been increased dramatically. This has in fact, multiplier effects on rural economy. It has reducing rural poverty, resulting better access to health care, child education and transforming rural community and society

### **6.3 Implications**

A finding of the study is equally implacable to the readers, novice researcher, policy makers and local development planners. In this respect, for making reader friendly, possible implications of the study has been categorized under sub heading such as knowledge level, practical level and policy level implications.

#### **6.3.1 Knowledge Level**

- From this study readers can know about general profiles of Patu village, Bardibas Municipality and Mahottari District.
- Readers can appraise socio-economic status of the remittance receiving households.
- Readers can appraise formal and non-formal educational status of the youths involving in foreign employment.
- Readers can understand how remittance receiving households are distributing family earning equally in productive and non productive sector of the family economy.
- Readers can understand how researching issues can be interpreted theoretically. In so doing, readers can also interpret impact of remittance form migration, human capital formation and rural transformation theories.
- Readers can get insights about survey research design and sampling determination.
- Readers can get insights about blending narrative information with quantitative data.
- Finally, readers can understand in/direct role of remittance in household economy.

#### **6.3.2 Practical Level**

- The knowledge generate from this study can be practically use by remittance receiving households, elected government as well as local development stakeholders.
- Remittance receiving household head members can motivate local youths to become skilful before involving in foreign employment.
- Local development stakeholders can offer vocational and trade related skill development trainings to the local youths willing to involve in foreign employment.
- Local development stakeholders can alert remittance receiving households about skeptical view point of remittance.
- Local government mechanism can serve appreciative letters to those youths involving in micro entrepreneurship development after returning from foreign employment.



- Local government mechanism can offer financial management training to the remittance receiving households for productive use of remittance.
- English medium class can be run in public/community schools that can help to attract local children and reduce financing in child education.
- Local government mechanism can design and implement projects that can utilize remittance and mobilize skilled youths for rural transformation process.

### **6.3.3 Policy Level**

- Local government mechanism must develop and implement affirmative policy related to productive use of remittance at local level.
- There must be supportive and cooperative policies for the youths who are involving in micro entrepreneurship development after returning from foreign employment.
- Of course government policy is favoring to the youth seeking foreign job options but policy priority must be given to send Nepalese youths in developed countries.
- Quota must be given to educated/skilled but poor youths while sending youths in developed countries like; South Korea, Israel, Japan etc.
- For addressing skeptical arguments on remittance related to household hazard, affirmative policy must be develop/implement equally by federal governments.

### **6.4 Future Directions**

Empirically, this study has been conducted in ward level of the Municipality. For more reliability, other study can cover whole locality of the Municipality while addressing similar researching issues. This study could not cover information from remitters; hence other study can make remitters as sample respondents. Methodologically, this study applied trend survey research design and analyze quantitative dominant data. Other researcher can apply qualitative information dominant research strategies such as phenomenology, ethnography, narrative inquiry and case study. Even the title of the study also can be changed into perceptions of remitters on remittance based livelihood, social cost of foreign employment.

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## APPENDICES

### Appendix A: Household Survey Questionnaire

#### DISTRIBUTIONS OF REMITTANCE: A SURVEY STUDY OF PATU VILLAGE OF BARDIBAS MUNICIPALITY, MAHOTTARI

Questionnaire

Name of Data collector:

Question No:

#### 1. Details of the Respondent:

Name	Age	Education	Religion	Language	Marital Status

#### 2. Details of the family members involved in Foreign employment :

Name	Age	Education	Religion	Language	Marital Status

#### 3. In which country your family members have gone for foreign employment and when?

Name of Country	Date	Time (Year)	Level of income	Amount of Remittance NRs. M/Y

4. What are the sources of income of your family? Before going foreign employment?

Source	Estimated Income NRs (Yearly)
Agriculture and animal husbandry	
Job and Service	
Business	
Pension	
Daily wages (skill or unskilled)	
Others(Specify).....	

5. How many Acre / Kaththa of land do you have for farming purpose?

Types of land	Area (hal)
Khet (Rice productive area)	
Pakho Bari (Maize, Mille productive area)	

6. How Many Muris/Man of crop do you produce annually?

SN	Crops	Annual Production (in Muri)
1	Rice	
2	Maize	
3	Millet	

SN	Crops	Annual Production (in Muri)
4	Wheat	
5	Mustard	
6	Others	

7. How many months your family can be fed from the production?

3 Month       6 Month       9 Month       12 Month

8. Do you sell your agricultural products?

Yes       No

9. If yes, how much do you earn in cash?

Annual NRS..

10. What types of occupation they do before going foreign employment?

Agricultural  Animal husbandry

Job and Service  Business

Pension  Daily wages (Skill or unskilled)

11. What is your educational background?

Under S.L.C  +2/ intermediate

Bachelour  Master\ PhD

12. Why do you go to foreign county?

Employment  Higher Education

Visit  Business

13. What did you learn from foreign culture?

14. Due to the foreign culture and living style, did your life change?

15. Are you skill manpower, unskilled or semiskilled?

Skilled  Unskilled

Semiskilled

16. Do you get same job in foreign as your educational and profession background?

Same job  totally different

Suitable for some condition

17. Does your experienced and education background help in foreign employment?

Fully help  Help in some extent



- Totally new job
18. Besides job did you attend extra activities?
- Regularly                       Every week
- Sometimes                       No interest/only work
19. Due to the 3D work, did you change the job?
- No rule to change the job     1 times
- 2 times                               More than 2 times
20. Besides job do you get some training or classes for higher education?
- Many trainings                       only language class
- Does nothing/not interest     No time to go there
21. In future, does your work experience and knowledge help to entrepreneurship Nepal?
- Fully help and do same work     No interest
- Difficult to utilize in Nepal     Start the new business
22. What are the reasons of countries where they have gone?
- Low investment                       Visa sent by relatives
- High rate of Salary                       Follow to the neighbor
- Easy access of work                       others (Specify).....
23. What are the causes of involvement in foreign employment?
- For livelihood                       Intension of Rich man
- Employment but low wages     Due to the Security
- Follow to the neighbour                       Other (Specify).....
24. How did your family members go to foreign countries for employment?
- By Agent                                       Through visa sent by relatives

- Direct contact to Manpower company       Other (Specify).....

25. How much money you / your family spent while going foreign employment?

Details of Investment	Amount
Direct Expenses (Deposit to manpower)	
Indirect Expenses (Travelling, Lodging food and telephone etc.)	
Total	

26. How did you manage cash for enrolling in foreign employment?

- Self-accumulated amount       Loan from Bank or finance  
 Loan from relatives       sold gold / Ornaments / vehicles  
 Loan from deposited House and Land

27. If you have taken loan, what is interest rate?

- 12%       48 %  
 24%       Other than that  
 36%

28. What is the monthly income from foreign employment?

- Less than 15,000       30,000-50,000  
 50,000-1, 50,000       More than 1,50,000

29. By which medium you will receive remittance?

- IME       Western Union Money Transfer  
 Finance and Bank       Courier  
 Other (Specify).....

30. Before foreign employment, what were the sources of income in your family?

Source of income	Estimated income NRS (Annual)

31. How much will you spend in the following sectors from the remittance?

Description	Amount NRs
Lodging, Food, Clothing/ Daily Consumption	
Transportation	
Telephone/ Television/ Mobile/ Gadget	
Medicine for family members	
Entertainment	
Education for children	
Further investment in economic activity	<input type="checkbox"/> Yes <input type="checkbox"/> No
Others(Specify).....	

32. Except money what type of goods/gadgets has been sent from foreign country?

Types of kinds/goods	Quantity	Estimated Value NRs
Gold and Silver		
TV, Cassette Player		
Telephone or Mobile set		
Clothes		
Food		
Others (Specify).....		

33. In your opinion, why do they send such goods?

- Available for cheapest price
- to the High quality
- Uses for commercial / for Business
- Use for gift

Others

34. Have you invested the remittance in the following areas?

Investment Categories	Investment		Invested Amount NRs.
Real estate (Home construction or Purchase)			
Land Purchase / Share in Company			
Gold or silver Purchase			
Investment on Business			
Vehicle or motorcycle purchase			
Others (Specify).....			

35. Did/do you have following goods in your home?

Particular	Before foreign employment	After foreign employment
Television		
Refrigerator		
Radio and Cassette Player		
Camera / Mobile		
Computer		
Telephone		
Bike / Car		
Others (Specify).....		

36. What is the impact in agricultural Product or pre- occupation in your family due to the involvement in foreign employment?

Negative       As usual     Positive     Increase responsibility

37. How many children in your family go to school?

	Before foreign employment	After foreign employment
Boys		
Girls		

38. Which school?

	Before foreign employment	After foreign employment
Government		
Public		
Boarding School		
Foreign		

39. Do you find any positive changes in following area after having been involved in foreign employment?

Source of Income	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Food habit and Clothing	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Social status or Prestige	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Health	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Education	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Settlement / Life standard	Yes <input type="checkbox"/>	No <input type="checkbox"/>

40. Who were and are responsible for following duties?

Particular	Before		After	
	Male	Female	Male	Female
Household works				
Agriculture and animal husbandry				
Children rear and studies				
Animal rear				
Decision Making				
Ownership of property				

41. Have you faced any problems while sending / getting remittance?

- Remittance receive senior of family     Not get on hand  
 Remittance will receive delay         others (Specify).....

42. What are the problems and difficulties did you face while staying in foreign country?

43. What types of behaviour did you find from the owner, manager, department head and co-workers while working in foreign country?

44. When Nepalese workers are in trouble, how Nepali society help? How the Nepal ambassador takes the action?

45. After return in Nepal, What is your family members' future plan? What is your future plan?

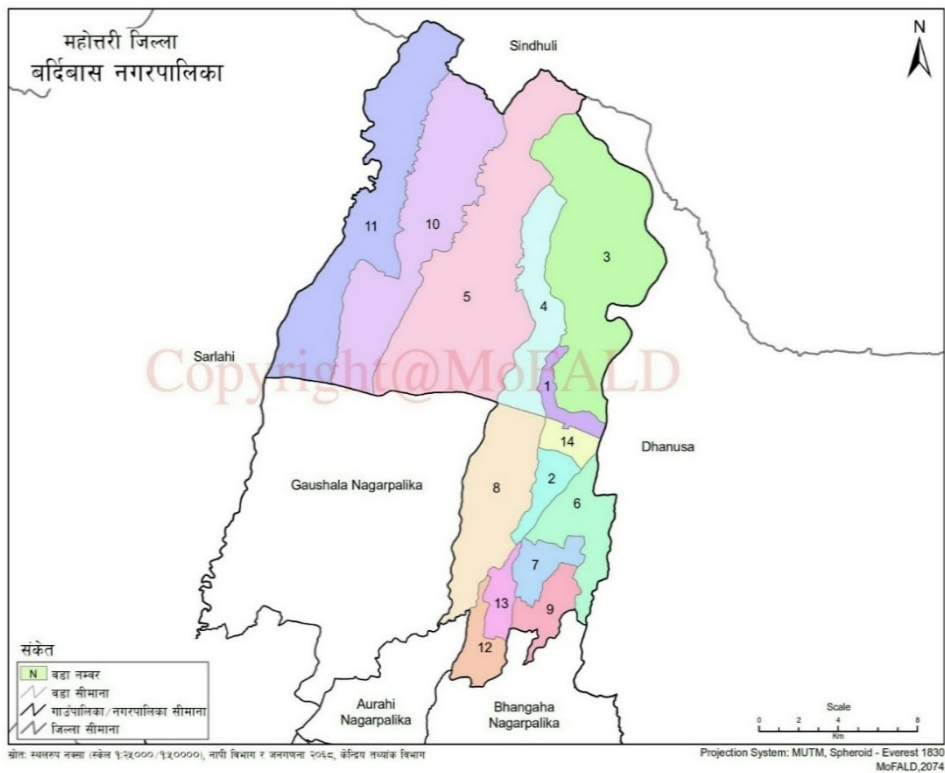
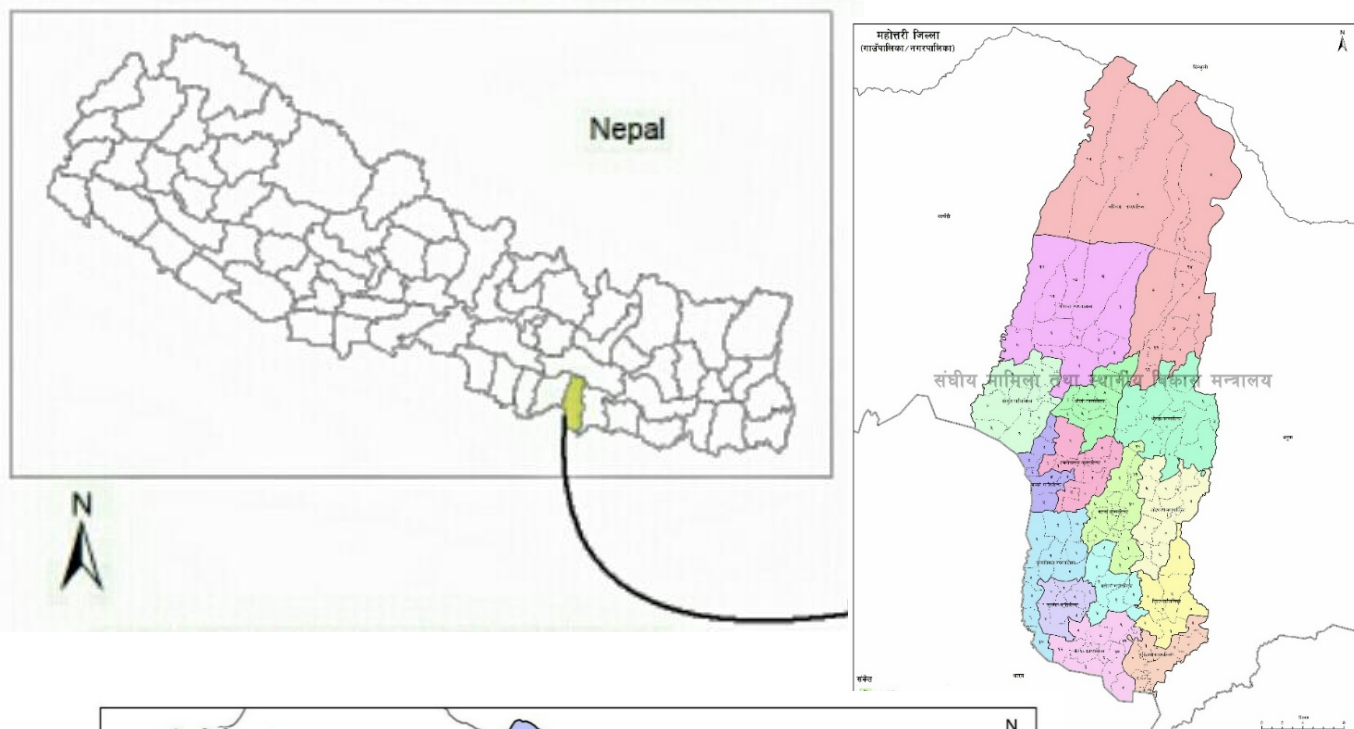
46. While working in foreign country, what types of torture or pain? Did you feel from your family members who are in Nepal?

47. When you are in foreign, what types of behaviour will you aspect from your family members and relatives?

48. Finally, if you have any suggestions or queries that you felt unasked, which you want to share?

**Appendix B: Guideline of Key Information Interview**

- 1) In your opinion, present context of Nepal to go to foreign employment is right or wrong?
- 2) What types of support or contribution can give to country from the foreign employment or remittance?
- 3) What are the major issues or causes to involve in foreign employment?
- 4) While going foreign Employment, What types of problems and difficulties are facing the youngsters?
- 5) When the husband or wife or family members are in foreign employment, what types of problems are they facing?
- 6) How much the remittances impact on socio-economic sector?
- 7) Do they distribute the remittance in proper sector?
- 8) Due to the Foreign Employment, what are the major changes in the everybody life standard?
- 9) Do they get proper job in abroad as their education and professional background?
- 10) After returning from Foreign Employment, What are they doing?
- 11) To stop the youngsters to go foreign Employment, What types of action and policies must take the local, province and center government?
- 12) Any suggestion or comments from your side that can help to make the better status of abroad going people and their families?



**Appendix C: Map of Study Area**





## Appendix D: Sampling Process


Required Sample Size				
Confidence		<b>95.0</b>		
=		<b>%</b>	3.84	
Population Size	Degree of Accuracy/Margin of Error			
	<b>0.</b>	<b>0.04</b>	<b>0.025</b>	<b>0.01</b>
10	10	10	10	10
20	19	20	20	20
30	28	29	29	30
50	44	47	48	50
75	63	69	72	74
100	80	89	94	99
150	108	126	137	148
200	132	160	177	196
250	152	190	215	244
<b>395</b>	<b>170</b>	217	251	291
400	196	265	318	384
500	217	306	377	475
600	234	340	432	565
700	248	370	481	653
800	260	396	526	739
900	269	419	568	823
1,000	<b>278</b>	440	606	906
1,200	291	474	674	1067

The recommended sample size for a given population size, level of confidence, and margin of error appears in the body of the table.

For example, the recommended sample size for a population of 1,000, a confidence level of 95%, and a margin of error (degree of accuracy) of 5% would be 278.

 Change these values to select different levels of confidence.

 Change these values to select different maximum margins of error.

 Change these values to select different (e.g., more precise)

**Determination of Sample size with 95% confidence level and 5% Margin Error**