RURAL LIVELIHOOD:

A Case Study of Ashner, Tikapur Municipality, Nepal

A Thesis Submitted to
The Central Department of Rural Development
Tribhuvan University,
In Partial Fulfillment of the Requirements for the
Degree of Master of Arts (M.A.)

In

Rural Development

By

Shobha Dhamala

Central Department of Rural Development

Tribhuvan University, Kathmandu

TU Registration No 6-2-413-26-2009

Symbol No: 2643 September, 2017 LETTR OF RECOMMENDATION

The thesis entitled Impact of Remittanceon Rural Livelihood: A Case Study of Ashnery,

Tikapur Municipality has been prepared by Shobha Dhamala under my guidance and

supervision. Ihereby forward this thesis to the evaluation committee for final evaluation and

approval.

Lecturer Ramesh Neupane

(Thesis Supervisor)

Central Department of Rural Development

Tribhuwan University, Kathmandu.

Date:2074-05-16 (B.S)

2017-09-01 (A.D)

LETTER OF APPROVAL

The thesisentitled Impact of Remittance on Rural Livelihood: A case study of Ashnery, Tikapur Municipality, Nepal submitted by Shobha Dhamala in partial fulfillment of the requirements for the Master's Degree (M.A.) in Rural Development has been evaluated and approved by the evaluation committee.

Evaluation Committee
Prof. Pushpa Kamal Subedi Head of Department
Lecturer External Examiner
Ramesh Neupane
Lecturer Thesis Supervisor

Date: 2074-05-22 (B.S)

DECLARATION

Ihereby declarethat thethesisentitled Impacts of Remittance on Rural Livelihood A Case study of Ashnery, Tikapur Municaipality, submitted to the Central Department of Rural Development, Tribhuvan University is entirely myoriginal work prepared under guidance and supervision of mysupervisor Mr. Ramesh Neupane. I have made due acknowledgements to all ideas and information borrowed from different sources in the course of preparing this thesis. The result of this thesis have not been presented or submitted anywhere else for the award of any degree or for any other purposes. I assure that no part of the content of this thesis has been published in any form before.

Shobha Dhamala

TURegd.No 6-2-413-26-2009 Symbol No:2643

TABLE OF CONTENTS

	Page No.
DECLARATION	i
LETTER OF RECOMMENDATION	ii
APPROVAL LETTER	iii
ACKNOWLEDGEMENTS	iv
ABSTRACT	V
TABLE OF CONTENTS	vii
LIST OF TABLES	X
LIST OF FIGURES	xi
ABBREVIATIONS/ACRONYMS	xii
CHAPTER-I INTRODUCTION	1-7
1.1 Background of the Study	1
1.2 Statement of the Problem	4
1.3 Objective of the Study	5
1.4 Significance of the Study	5
1.5 Organization of the study	6
1.6 Limitations of the Study	7
CHAPTER-II LITERATURE REVIEW	8-19
2.1 Theoretical review	8-15
2.1.1 Livelihood concept	8
2.1.2 Sustainable livelihood approach and analysis	11
2.1.3 Global remittance trend and outlook	13
2.1.4 The remittance and the Nepalese economy	15
2.1.5 Remittance income in Nepal	15
2.2 Empirical review	16

CHAPTER-III REARCH METHODOLOGY		20-22		
3.1 Research Design		19		
3.2 Rationale of the selection of the Study Area		19		
3.3 Nature and Sources of Data		19		
3.4 Universe, Sample and Sampling Procedure		20		
3.5 Data collection, Techniques and Tools		21		
3.6 Data Analysis and Presentation		22		
CHAPTER-IV DATA ANALYSIS AND INTERPRETATION			23-26	
4.1 Description of the study area		23		
4.2 Socio-economic information of the respondents		23-26		
4.2.1 Age and sex structure of the respondents		23		
4.2.2 Educational status of the respondents		24		
4.2.3 Religion structure of the respondents		25		
4.2.4 Caste and ethnic structure of the respondents		26		
4.2.5 Occupation status of the respondents		26		
4.3 Socio-economic information of the foreign employee		27-31		
4.3.1 The sex structure		27		
4.3.2 The age structure		28		
4.3.3 Occupation status		29		
4.3.4 Sources of financing to go abroad 4.3.5 Major causes of going abroad	30	30		
4.3.6 Sectors working in abroad Status of remittance inflow	32-34	31	4.4.	
4.4.1 Remittance receiver		32		
4.4.2 Medium/Sources of receiving		33		
4.4.3 Trend of income flow		34		

4.4.4 Satisfaction level of the respondents	34
4.5 Socio-economic change among people due to remittance	35-46
4.5.1 Change in annual Income	36
4.5.2 Change in assets structure	38
4.5.3 Change in food sufficiency	39
4.5.4 Change in housing condition	41
4.5.5 Change in investment structure	42
4.5.6 Change in saving	43
4.5.7 Change in schooling	44
4.5.8 Change in health treatment centre	45
4.5.9 Change in visiting time for health check-up	46
4.6 Factors affecting the productive use of remittance	47-49
4.6.1 Structure of family	47
4.6.2 Market situation and risk	48
4.6.3 Ignorance and insufficient idea	49
CHAPTER-V SUMMARY, CONCLUSION AND RECOMMENDATIONS	51-54
5.1 Summary	51
5.2 Conclusion	52
5.3 Recommendations	53
References	
Annexes	
Annex-I: Questionnaire for household survey	
Annex-II: Questions for Focus Group Discussion	
Annex-III: Photograph of Ashenery, Tikapur, Municipality	

Annex-IV: Photograph of Field

LIST OF TABLES

Table No.	Title of tables	Page No
Table 4.1	Age and sex structure of the respondents	24
Table 4.2	Educational status of the respondents	25
Table 4.3	The sex structure of the foreign employee	28
Table 4.4	The age structure of the foreign employee	28
Table 4.5	Sources of financing to go abroad	30
Table 4.6	Major causes of going abroad	31
Table 4.7	Remittance receiver	32
Table 4.8	Medium/Sources of receiving	33
Table 4.9	Change in annual income	36
Table 4.10	Change in assets structure	38
Table 4.11	Change in food sufficiency	40
Table 4.12	Change in housing condition	41
Table 4.13	Change in investment structure	43
Table 4.14	Change in saving	44
Table 4.15	Change in schooling	45
Table 4.16	Change in health treatment centre	45

LIST OF FIGURES

Figure No	Title of figure	Page No
Figure 2.1	CARE framework	11
Figure 4.1	Religious structure of the respondents	25
Figure 4.2	Caste and ethnic structure of the respondents	26
Figure 4.3	Occupation status of the respondents	27
Figure 4.4	Occupation status	29
Figure 4.5	Sectors working in abroad	32
Figure 4.6	Trend of income flow	34
Figure 4.7	Satisfaction level of the respondents	35
Figure 4.8	Change in annual income	37
Figure 4.9	Change in assets structure	41
Figure 4.10	Change in food sufficiency	41
Figure 4.11	Change in housing condition	42
Figure 4.12	Change in visiting time for health checkup	46

LIST OF ACRONYMS

BTI Butwal Technical Institutes

BOP Balance of Payment

CBS Central Bureau of Statistics

DFID Department for International Development

FGD Focus Group Discussions

FY Fiscal year

GDP Gross Domestic Production

IMF International Money Fond

IME International Money Exchange

MBS Master of Business Statistics

MTO Money Transfer Operators

NLSS Nepal Living Standard Survey

NPHC National Population and Housing Census

NRB Nepal Rastra Bank

SAR Saudi Arab Riyal

SLA Sustainable Livelihood Approach

TU Tribhuvan University

UNDP United Nation Development Programme

UAE United Arab Emirates

UNCTAB United Nation Conference on Trade and Development

US\$ United State of America's Dollar

VDC Village Development Committee

WB World Bank