

**ROLE OF REMITTANCE IN LIVELIHOOD:  
A Case Study of Gokule VDC, Kavre District, Nepal**

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

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August , 2016

## DECLARATION

I hereby declare that the thesis entitled **Role of Remittance in Livelihood : A Case Study of Gokule VDC, Kavre District**, Nepal submitted to the Central Department of Rural Development, Tribhuvan University, is entirely my original work prepared under the guidance and supervision of my supervisor Bishnu Bahadur Khatri.. I have made due acknowledgements to all ideas and information borrowed from different sources in the course of preparing this thesis. The results of this thesis have not been presented or submitted anywhere else for the award of any degree or for any other purposes. I assure that no part of the content of this thesis has been published in any form before.

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## RECOMMENDATION LETTER

The thesis entitled **Role of Remittance in Livelihood : A Case Study of Gokule VDC, Kavre District**, Nepal has been prepared by **Sita Lama** under my guidance and supervision. I hereby forward this thesis to the evaluation committee for final evaluation and approval.

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Bishnu Bahadur Khatri

Thesis Supervisor

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## APPROVAL LETTER

The thesis entitled **Role of Remittance in Livelihood : A Case Study of Gokule VDC, Kavre District, Nepal** submitted by **Sita Lama** in partial fulfilment of the requirements for the Master Degree (M.A.) in Rural Development has been approved by the evaluation committee.

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## ABSTRACT

A thesis entitled **Role of Remittance in Livelihood : A Case Study of Gokule VDC, Kavre District, Nepal**. The main objectives of this study are to find out the role of remittance in livelihood the selected Gokule VDC – 3 and 4, Kavre. This study was based on the qualitative and quantitative both methods. This study has been based on the primary as well as secondary data. 36 households were selected for my study

The most of the respondents are decided to go abroad by the process of employment agency 5.6 percent followed by relatives and friends 8.3 percent, brokers 41.7 percent, and family members 44.4 percent. It shows most of the migrants depend on employment agency. The highest percent migrants are migrated due to high wage rate (5.6 percent), followed by easy availability of work (41.7 percent), easy entry and exit (22.2 percent) and social relationship (30.6 percent). The destination countries of Nepalese emigrants. Highest proportion (38.9 percent) migrants go in Gulf countries followed by (30.9 percent) migrants go others countries and (30.9 percent) migrants go in India. It shows that gulf countries are main destination of Nepali labour migrants. The occupational status of labour emigrants after going abroad. Drivers are highest than other occupations, which is 36.1 percent followed by labor 19.4 percent and others 2.8 percent.

This study concludes that the majority of migrants have either below the primary level of neither education nor illiteracy. Almost all the youths are leaving their study because of the trend of going abroad with friends and neighbours. Unemployment, lack of agricultural land and low level of agricultural production are important factors for migration. Likewise, higher wage rate, demonstration effects and presence of friends/relatives at the destination place and no need of special skills and higher education are other important factors associated with destination. The large part of remittance is being used in unproductive sectors like construction of houses, ornament buying, household consumption, buying land, alcohol and other individual purpose. Besides agricultural sector, there are not any options to invest and reinvest remittance. There are not any cottage industry and manufacturing industries also. Similarly, saving proportion is very low.

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## **ABBREVIATIONS**

GAD	Gender and Development
HDI	Human Development Index
HDR	Human Development Programme
INGO	International Non Government Organization
IRDP	Integrated Rural Development Programme
NGO	Non Government Organization
NPC	National Planning Commission
NRB	Nepal Rastra Bank
RRDB	Regional Rural Development Programme
SBP	Self-help Banking Programme
SFDP	Small Farmer Development Programme
UN	United Nation
UNDP	United National Development Programme
VDC	Village Development Committee
WAD	Women and Development
WDD	Women Development Division
WID	Women in Development

# CHAPTER - I

## INTRODUCTION

### 1.1 Background of the Study

Remittances can generate a positive effect on the economy through various channels such as savings, investment, growth, consumption, and poverty and income distribution. Remittances have been crucial in reducing poverty levels 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). Thus, real growth of the economy has not been realized yet due to the remittance flow. Experts still argue, remittance money only supports direct consumption that- very little is actually diverted to development oriented and job-creating investments. Among the least developed countries, Nepal is placed second after Bangladesh. Along with agriculture which contributes more than 30 percent of the GDP, remittance and service sector have emerged as major contributors to GDP. Remittance has contributed significantly to the reduction of poverty in the last 15 years. The Second Living Standard Survey has shown that remittance is one of the major contributors behind the decline of poverty-rate from 42 to 31 percent (CBS, 2004).

In recent years, remittance has emerged as one of the primary sources of foreign exchange via foreign employment. In the economic development of Nepal, there is significant role of remittance especially in the context of poverty alleviation (Shrestha, 2004).

With the enactment of foreign employment act 1985, Nepalese people started to migrate outside India particularly to the Gulf countries: Saudi Arabia, United Arab Emirates (UAE), Qatar and Kuwait where natural resource like oil has created massive demand for foreign labour (*ibid*). Similarly, in February 2001, the government of Malaysia opened labour market to Nepali workers. Within six months over 12,000 labour migrants left for Malaysia and a year later Malaysia will be hosting some 85,000 Nepali migrant workers (Seddon, 2005). According to the statistics of Department of Foreign Employment (DOFE, 2012) in 1991, the number of

immigrants going to India will be 89.2 percent, in 2001 it will be 77.3 percent in 2010/11 354,716 where 344,300 were males and 10,416 were females. Likewise, DOFE report 2012, also mentioned that the total figure of foreign employment in 2011/12 will be 384,665 where males were 3, 61,707 and females were 22,958. Nepalese people generally migrate abroad in search of job and other opportunities. The remittance these migrated people send from abroad to their family can play a crucial role for the household, their society and the country as a whole.

## **1.2 Statement of the Problem**

This is the fact that remittance has larger benefit to the receiving country in an aggregate level as well as in household level. The volume of remittance inflow in study areas is increasing day by day and season by season. While the remittance income of house hold increase certainly the pattern of consumption will change Remittance has helped to boost education, reduce poverty provided temporary financial relief to household in study area. The contribution of remittance in the economy moving depends on the role it plays in increasing employment in the economy mainly depends on the rate it plays in increasing employment or the national income. This crucially depends on the productive use of remittance or investment in the economy. The human and social aspects of migration are also an important factor which should not be neglected (Pant,2008).

Nepal is the landlocked country. Nepal is not developed country. It is moving in the path to reach in the status of the developed country. Nepal as being developing country, most of the people are suffering from the problem of unemployment. They don't have job opportunity in the country.

Kavrepalanchok District is a part of [Province No. 3](#), is one of the seventy-five [districts](#) of [Nepal](#), a [landlocked](#) country of [South Asia](#). The district, with [Dhulikhel](#) as its district headquarters, covers an area of 1,396 km<sup>2</sup> and has a population (2011) of 381,937. The site for the study was selected as Gokule VDC-3 and 4, Kavre district. The present study aimed found to be more relevant and accessible for the researcher in order to meet the research objectives. The main criteria of selecting this VDC as study area was contact with the different organizations and find out every information easily because it is the home town of the researcher. The remittance has contributed remarkable in the promotion of socio-economic condition of

Nepalese societies but it has not yet been systematically estimated. National media and some research reports concluded that major portion of the remittance is used for meeting household consumption and paying of loans borrowed while going abroad. Only a few migrants use remittance in directly productive sectors like agriculture and manufacturing. In this regard, this study mainly attempts to address the following research questions.

- i. What is the status of remittance in the study area?
- ii. What is the using pattern of remittance in the study area?
- iii. What is the socio-economic status of remittance on livelihood in the study area?

### **1.3 Objectives of the Study**

The main objective of this study is to find out the role of remittance in livelihood the selected Gokule VDC – 3 and 4 , Kavre. The specific objectives of this study are as follows:

- i. To examine the present status of remittance in the study area.
- ii. To examine the using pattern of remittance in the study area.
- iii. To analyze socio-economic status of in terms of changing on livelihood in the study area.

### **1.4 Significance of the Study**

This study may be useful to some extent for the researchers, students and for those who want to carry out further study. Similarly, this study may be fruitful to government, planners, policy makers, social workers and others. This study will help to supplement source of information to understand the impact of remittance, foreign employment and its cause and process in Nepal. It is also hoped that this study may be able to explore the socio-economic characteristics of foreign migrants.

## **1.5 Limitation of the Study**

Various types of constraints or limitations are very common in both types of research be it micro or macro natured. Remittance is one of the most important components of GDP of Nepal which inflows within the nation mainly through two channels. One channel is formal channel and the other channel is informal but actual and reliable data of remittance which enters into Nepal through informal channel is not available; and therefore just some estimation has been made. So, this study has used only data of remittance entered into Nepal through formal channel. The study has been conducted in a selected VDC i.e. VDC 3 and 4 of Karve District. The study does not measure the whole countries. The study will be conducted within the given time period and financial constraints.

## **1.6 Organization of the Study**

This study is classified into six chapters. The first the chapter deals with the introduction including general background, statement of the problem, significance of the study, objectives, limitations and organization of the study. Theoretical and empirical literature review and general review are included in the chapter two. The chapter three is methodological chapter where method of data analysis, tools of data collection, sampling design, profile of study area conceptual framework etc. are included. The chapter four and five the chapter was included presented and analyzed of the data. The chapter six has been included summary, conclusions and recommendations.

Lastly, the references, appendixes and photos have been included.

## **CHAPTER - II**

### **REVIEW OF THE LITERATURE**

The present study aims to analyze the socio-economic role of remittance entering the rural area as well as the country. For this purpose, review of related literature in this concerned area will help to get clear ideas, opinions and other concepts. So, for this purpose our study basically focuses on previous studies and other related literature regarding this subject. This chapter has been divided into two sections: theoretical and empirical reviews.

#### **2.1 Theoretical Literature**

##### **2.1.1 Definition of Remittance**

A remittance is a transfer of money by a foreign worker to an individual in his or her home 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. In 2014, \$436 billion went to developing countries, setting a new record. Overall global remittances also totaled \$583 billion. Some countries, such as India and China, receive tens of billions of US dollars in remittances each year from their expatriates. In 2014, India received an estimated \$70 billion and China an estimated \$64 billion (Abdullah, 2014),

##### **2.1.2 Global Context**

Remittances are playing an increasingly large role in the economies of many countries. They contribute to economic growth and to the livelihoods of less prosperous people (though generally not the poorest of the poor). According to World Bank estimates, remittances totaled US\$414 billion in 2009, of which US\$316 billion went to developing countries that involved 192 million migrant workers. For some individual recipient countries, remittances can be as high as a third of their GDP (Capital Market, 2015).



### 2.1.3 Top Recipient Countries

Country	Remittance 2012	Remittance 2013	Remittance 2014	Remittance 2015
India	68.82	69.97	70.97	72.20
China	57.99	59.49	61.49	63.90
Philippines	24.61	26.70	27.90	29.80
France	22.05	23.34	23.94	24.60
Mexico	23.37	23.02	24.50	25.70
Nigeria	20.63	20.89	20.88	20.89
Egypt	19.24	17.83	19.83	20.40
Germany	15.14	15.20	16.60	17.50
Pakistan	14.01	14.63	17.80	20.10
Bangladesh	14.24	13.86	15.10	15.80
Belgium	10.16	11.11	11.11	11.10
Vietnam	10.00	11.00	11.80	12.30
Ukraine	8.45	7.67	8.45	6.20
Spain	9.66	9.58	10.10	10.50
Indonesia	7.21	7.62	8.66	10.51

*Note: These are the largest 15 recipient countries of remittances only for the year 2013. World Bank data is used for all countries and years.*

As a share of GDP, the top recipients of remittances in 2013 were Timor-Leste (216.6%), Tajikistan (42.1%), Kyrgyzstan (31.5%), Nepal (28.8%), Moldova (24.9%), Lesotho (24.4%), Samoa (23.8%), Haiti (21.1%), Armenia (21.0%), The Gambia (19.8%), Liberia (18.5%), Lebanon (17.0%), Honduras (16.9%), El Salvador (16.4%), Kosovo (16.1%), Jamaica (15.0%) and Bosnia and Herzegovina i.e.13.4%, which is about 1.817 billion \$ on 31 December 2014 (Capital Market, 2015).

### **Latin America and the Caribbean**

In Latin America and the Caribbean, remittances play an important role in the economy of the region, totaling over 66.5 billion USD in 2007, with about 75% originating in the United States. This total represents more than the sum of Foreign direct investment and official development aid combined. In seven Latin American and Caribbean countries, remittances even account for more than 10% of GDP and exceed the dollar flows of the largest export product in almost every country in the region. Percentages ranged from 2% in Mexico, to 18% in El Salvador, 21% in Honduras, and up to 30% in Haiti. The Inter American Development Bank's Multilateral Investment Fund (IDB-MIF) has been the leading agency on regional remittance research. Mexico received remittance inflows of almost US\$24 billion in 2007, 95% of which originated in the US (Rahman, 2014).

### **The United States**

A 2004 study found that over 60% of the 16.5 million Latin American-born adults who resided in the United States at the time of the survey regularly sent money home. The remittances sent by these 10 million immigrants were transmitted via more than 100 million individual transactions per year and amounted to an estimated \$30 billion during 2004. Each transaction averaged about \$150–\$250, and, because these migrants tended to send smaller amounts more frequently than others, their remittances had a higher percentage of costs due to transfer fees. Migrants sent approximately 10% of their household incomes; these remittances made up a corresponding 50–80% of the household incomes for the recipients. Significant amounts of remittances were sent from 37 U.S. states, but six states were identified as the "traditional sending" states: New York (which led the group with 81% of its immigrants making regular remittances), California, Texas,

Florida, Illinois, and New Jersey. The high growth rate of remittances to Mexico (not the total amount) is unlikely to continue. In fact, according to the Mexican central bank, remittances grew just 0.6 during the first six months of 2007, as compared to 23% during the same period in 2006. Experts attribute the slowdown to a contraction in the U.S. construction industry, tighter border controls, and a crackdown in the U.S. on illegal immigration. Remittance culture in the US has contributed to the formation of "micro-geographies," tightly knit networks that integrate U.S. communities with communities throughout Latin America, such as migrants from Oaxaca, Mexico who have settled in Venice Beach, California. Oaxacans not only send money back to their communities, but they also travel back and forth extensively.

As of recently, remittances from the U.S. to Latin America have been on the decline. While there were USD 69.2 billion worth of remittances sent in 2008, that figure has fallen to USD 58.9 billion for 2011. This trend is a result of many factors including the global recession, more economic opportunity in Latin American countries, and rising fees charged by coyotes to smuggle immigrants across the border (*Hawley,2009*).

## **Asia**

A majority of the remittances from the US have been directed to Asian countries like India (approx. 66 billion USD in 2011), China (approx. 57 billion USD), the Philippines (approx. 23 billion USD), Bangladesh (approx. <13.8 billion USD) and Pakistan (18.4 billion USD in 2015). Most of the remittances happen by the conventional channel of agents, like Western Union, Ria Money Transfer, Al Fardan Exchange, Al Ansari Exchange, Redha Al Ansari Exchange, Xpress Money, UAE Exchange, Intel Express and MoneyGram. However, with the increasing relevance and reach of the Internet, online and mobile phone money transfers from companies such as Xendpay, Remit2India, Azimo, OrbitRemit and Xoom.com have grown significantly (*Carrasco & Ro, 2007*).

### **2.1.4 History of Remittance**

Remittances are not a new phenomenon in the world, being a normal concomitant to migration which has always been a part of human history. Several European countries, for example Spain,

Italy and Ireland were heavily dependent on remittances received from their emigrants during the 19th and 20th centuries. In the case of Spain, remittances amounted to the 21% of all of its current account income in 1946. All of those countries created policies on remittances developed after significant research efforts in the field. For instance, Italy was the first country in the world to enact a law to protect remittances in 1901. while Spain was the first country to sign an international treaty (with Argentina in 1960) to lower the cost of the remittances received. Since 2000, remittances have increased sharply worldwide, having almost tripled to \$529 billion in 2012. In 2012, migrants from India and China alone sent more than \$130 billion to their home countries.

In 2004 the G8 met at the Sea Island Summit and decided to take action to lower the costs for migrant workers who send money back to their friends and families in their country of origin. In light of this, various G8 government developmental organizations, such as the UK government's Department for International Development (DFID) and USAID began to look into ways in which the cost of remitting money could be lowered. In September 2008, the World Bank established the first international database of remittance prices. The Remittance Prices Worldwide Database provides data on sending and receiving remittances for over 200 "country corridors" worldwide. The "corridors" examined include remittance flows from 32 major sending countries to 89 receiving countries, which account for more than 60% of total remittances to developing countries. The resulting publication of the Remittance Prices Worldwide Database serves four major purposes: benchmarking improvements, allowing comparisons across countries, supporting consumers' choices, and putting pressure on service providers to improve their services (*Laura , 2015*).

At the July 2009 summit in L'Aquila, Italy, G8 heads of government and states endorsed the objective of reducing the cost of remittance services by five percentage points in five years. To drive down costs, the World Bank has begun certifying regional and national databases that use a consistent methodology to compare the cost of sending remittances. At the G20 2011 Summit in Cannes, Bill Gates stated that, "If the transaction costs on remittances worldwide were cut from where they are today at around 10% to an average of 5%...it would unlock \$15bn a year in poor countries." <sup>[29]</sup> A number of low-cost online services such as Azimo have emerged with the

objective of lowering the cost of money transfers to developing and emerging economies (Laura, 2015).

### 2.1.7 Present Status of Remittance in Nepal

**Remittances to Nepal** are money transfers from Nepalese workers employed outside the country to friends or relatives in [Nepal](#) and forms part of the wider global [remittance](#) transfers by migrant workers back to their home countries. It is said that remittances has represented more than 10 percent of GDP in Nepal in the late 1990s. Moreover, it would be highly beneficial to the country, where there is natural calamities, political conflict, people war, low investment in entrepreneurial activities and economic recession. In the [financial year](#) (FY) 2000/01, the banking sector showed that [NPR](#) 15.9 billion was received. (Gaudel, 2006).

In [Nepal](#), the dollar value of remittances expanded 17 percent, supported in part by vibrant growth in [India](#), a key source-country for Nepalese remittances. Money is sent to Nepal by either [electronic funds transfers](#), for example by [SWIFT](#) or by [demand draft](#). By the 2000s many banks and [Money Transfer Operators](#) were offering Money transfers and this has grown into a huge business. Remittances in FY 2012/13 contributed around \$3.5bn a year to Nepal's annual income, up from just \$50m in the mid-1990s, and equivalent to almost a quarter of GDP. In fact, the figure is probably substantially higher as remittances are routinely underestimated; the rule of thumb is to add 40% to the official figures. Not all money is sent through legal / verifiable sources. (Gaudel, 2006).

द्वान्नाड क्यअष्वा क्कउवअत या अ्कप्ततवलअभ

According to World Bank figures, extreme poverty has declined from almost 70% to 25% in the last 15 years, and the extra billions arriving direct to Nepalese households during this period are undoubtedly part of the story, along with large-scale state investment in social sectors and infrastructure. The social impacts of such migration are likely to be at least as profound as the

financial ones, particularly with regard to family and gender relations. In some Nepalese villages, up to 90% of the young men have left, returning at most every six months. In a case that hit the Nepalese media, there were not enough men left in one particular village to carry a coffin, meaning women had to – women traditionally do not even attend funerals.

Men (and some women) who would have previously expected to spend all of their lives in one place are travelling in groups to new areas, and sexual promiscuity is one inevitable consequence. HIV appears to be significantly higher than the national average among migrants and divorces are on the increase. One research demonstrated two important results: (i) migration negatively affects agriculture yield and (ii) remittance-receiving agriculture households have not demonstrated improvements in agriculture productivity despite increased household incomes. This paper recommends the need for measures to incentivize remittance-receiving agriculture households to invest in capital goods and inputs to improve agriculture productivity so that it more than compensates for the yield losses arising from labor migration. On the positive side, it is possible that the ongoing process of women's empowerment has been speeded up in some parts of Nepal. Fertility has fallen by 30% in the last decade, according to the World Bank. With fewer men around, women are forced to take more of a lead in household and community decisions, including managing limited funds. Women's increased decision-making control is one key factor in the rapid improvement in maternal health in Nepal in the last two decades, including a halving of maternal mortality. This is despite the "brain drain" of Nepal's trained health workers from Nepalese health facilities, another classic consequence of increased migration ([World Bank, 2011](#)).

दाज्ञाढ ँभ्रप्ततबलअभ ँृजबललभरि दबलप

- Kumari Remit / [Kumari Bank Limited](#)
- Everest Remit / [Everest Bank Limited](#)
- Himal Remit / [Himalayan Bank Limited](#)
- RBB Remit / [Rastriya Baniija Bank Limited](#)
- Global Remit / [Global IME Bank Limited](#)

- Prithivi Remit / [Nepal Investment Bank Limited](#)
- Sulav Remit / [NMB Bank Limited](#)

Srivastava, and Chaudhary (2013) were write article on "Role of Remittance in Economic Development of Nepal". This article deals with the analysis of direct impact of remittance on three development indicators viz. GDP, GNP and PCI of the nation which are also the dependent variables of the proposed models. The analysis has been carried out with linear and log-linear models under multiple regressions. The impact of remittance has been seen most remarkable in the GDP and GNP both in nominal and real terms. In the nominal GDP and GNP, the remittance shows 61 percent and 72 percent impact respectively while in real term it shows 48 percent and 55 percent respectively. It has also shown positive impact on the PCI but it is comparatively low (four percent in nominal and one percent in realterms). The growth rates of independent variables (Rm, K, L and X) have also been tested in the same model to find the effects on the dependent variables. The findings are positive except for labor force, but they are marginal which show that remittance has not been used effectively so as to increase the real growth rates of the economy.

Steve , [Wen & Chern](#) (2009) has presented a research paper. The objective of this paper is to evaluate the impact of remittance income on rural households in China. Using data from a large survey of farming households in three Chinese provinces, the impacts of remittances and other types of income on consumption, production expenditures is evaluated. The econometric models used in this study include logit, tobit and ordinary least squares models. It is found that remittances increase nondurable consumption, but not as much as local wages and that there is no difference in the impact on agricultural production spending between remittance and local wages. The large majority of remittances are reported by the households of non-permanent migrants, suggesting that the fear of losing land allocations has a strong impact on migration decision. The paper uses a large data set from three distinct provinces of China and is among the first to investigate the different types of remittance and their impacts on both consumption and production activities of Chinese rural households.

Rubyutsa, (2012) has writes a article about Remittances and development are progressively becoming inseparable areas. In other words, remittances are increasingly associated with development factors. This is because money transferred by the Diaspora to their native country is contributing to improving the living conditions of beneficiaries as well as the economic growth of the recipient country. This paper examines the contribution of remittances from Rwandan Diaspora to the national development of the country. The results revealed that the amount of money remitted during the four years assessed i.e. from 2006 to 2009 is an important contribution to the national income which exerts a positive impact on consumption and production as money circulates in various sectors. The rationale for remittances included health care issues and education; building houses; improvement of family life, i.e. poverty reduction; investment in business; purchasing animals and other important items. Findings further indicated that the problems faced during the process of transferring money were transaction costs, foreign exchange costs, taxation on remittances, and restrictive legislations in the host country.

Todaro (1969) has made the most significant contribution to the large volume of migration literature. The author has opinion that migration mechanism can be explained by the differences in expected rather than actual earning between two places. He has formulated migration model in four different features as:

- i. Migration is estimated primarily by national income considerations of relative benefits which are mostly financial and psychological.
- ii. The decision to migrate depends on expected rather than actual new or old real wage differentials.
- iii. The probability of obtaining employment in the new sector is inversely related to the unemployment rate in the new sector.
- iv. Migration related to new employment opportunity, growth rates are not only possible but rational as well and even likely in the face of wide new or old expected income differentials.



To sum up, this model interprets that migration of population is the matter of profit and loss experienced by migrants themselves. This interaction leads them to move from the place of origin to the place of destination, this is also applicable to the Nepalese migrants. Most of the Terai people of Nepal come from hills and the mountains in the last of 20th century and nowadays the migration flow is going aboard for better opportunities of employment and greater profit.

Mathema (2010) has argued that especially since 1990 with the open market and globalization of the world economy, and demand for the software industries and domestic workers have created more employment opportunities for the labor of the developing countries. In addition, the changing feature of the international foreign labor migration has also enhanced the increasing feminization of foreign labor and migration. It has resulted the increasing trend in the participation of women labor force. Accordingly, the labours in Nepal including women labour also have enjoyed increasing opportunities of employment in countries outside India. The Government of Nepal has opened 107 countries for foreign employment including Gulf countries, South East Asia, Asia, Europe and the USA as of 2007.

## **2.2 Empirical Review**

Kansakar (1982) has done a study on migration, remittance and rural development. The author claims that the origin of Nepalese emigration will be to be after Anglo Nepali war in 1914 and will be totally for recruitment in the mercenary army. The Indian Army will be not only opened to Nepalese soldiers for recruitment but also managed for their permanent settlement. However, the Government had no official policies to encourage them. The emigration to India will be accelerated because of disequilibria in labor growth and employment opportunity growth and miserable life in Nepalese hill area.

Aryal, (2006). Found that positive effect on the household welfare and the soil conservation investment. Households production as well as consumption investment of the household. It is quite interesting to note that both the use of family labour and hired labour have increased with the increase in remittance income of the households in the village. The positive impacts may be due to the increase in liquidity with the household having remittance earnings. That migrant help

generate land rental and the labour hire market within the village, which in turn increases the income of households that do not have remittance earnings. The inter-dependence across the household group in the village and their behavior need to be studied carefully to understand clearly the factors explaining this relation.

Gaudel, (2007) argued that many workers from Nepal going abroad for employment are no doubt young, energetic, laborious and enthusiastic. They do hard work for earning large remittance income to support their families. However, the down side of remittance reflects the view that remaining young generation for long time outside without family may increase their vulnerability and ultimately they will have a tendency to leave their homeland. Thus in order to recover the loss of economically active labour force to recover the loss of economically labour force to the domestic economy, they should be encouraged to come back again with skilled knowledge for utilizing their saving and working experience for development to the productive areas in accordance with the priority of the national development.

Bhattarai (2011) Foreign Employment And Workers' Remittances In Nepal. The general objective of the study is to analyze the foreign employment and workers' remittances in Nepalese perspective. And To study the historical track records of migrants and workers' remittances in Nepal. All the experts and key respondents could not be met due to the unavailability of their time. Initial plan was to contact 10 different professionals and experts to talk on this issue but only six of them were available in the specified time of the study. The descriptive type of research is designed to make the analyzed facts more meaningful and useful for the propose. The sample size for in-depth interview of this study was 10 and people selected for that purpose were experts involved in research and study on foreign employment. They were government officials mainly from foreign employment entrepreneurs; inter governmental agencies and media persons with reporting bit on foreign employment.

Khanal and Kanel (2005) has conducted on study on entitled, "Remittance Income and Minimization of Economic Fluctuations" which was sponsored by IPRD, Katmandu, found that during 1996-2004, remittance income increased by more than three and a half folds. Also, among the remittance –receiving households, the share of remittance income went up to 31.9percent from 23.4percent during the same period. The share of remittance income in private consumption

and import of goods reached 14.6 and 41.8 percent respectively in 2003. The large inflow also helped to overcome the worsening current account deficit. In view of imports from third countries and private consumption being highly influenced by remittance income. Remittance income has contributed considerably to raise revenue, stabilize prices and augment output in the economy. Thus, a detailed empirical analysis evidently proved that remittance income is playing a crucial role in minimizing the vulnerability of the economy and also supporting long-term growth to some extent (Khanal and Kanel, 2005).

Gurung (2009) has studied the underlying problems and prospects of international labour migration using a total of 120 samples collected in Kathmandu district. Among them 20 percent were female emigrants. The aim of the study will be to analyze the socio-economic and demographic characteristics of individual emigrants and to find out the problems and prospects of international labour migration and use of remittance and money transfer as well as the contribution of remittance in the household and the country. The main reason behind the migration will be to acquire for a prosperous life in the future. Most of the emigrants were low level of education, without any skills, training and lower level of income. Those who had good educational status got the good job and attractive salary. Most of the Nepalese migrants were involving in constructions, salesman, housemaid, care giver, security guards, driver and other types of work. The study summarizes that the flow of international migration will be increasing and the major destinations were Malaysia and Gulf countries and other Asian countries as well as Europe and North America.

Panta (2015). reported that remittances are more predictable as compared to other financial flows and, more importantly, they are counter-cyclical providing buffer against economics shocks. In conflict or post conflict circumstances, remittance can be crucial to survival, sustenance, rehabilitation, and reconstruction. In providing primarily for household livelihoods, remittances are spent on general consumption items in local communities that contribute to local economies by backing small businesses. A reasonable proportion of these expenditures is directed to the construction of homes, health care and education, together with saving in financial institutions, thereby creating employment in this moreover, in contributing to foreign exchange earnings, remittances can spur economic growth by improving sending countries creditworthiness and

expending their access to international capital markets. Studies that argue against remittances having poverty-reducing impact indicate that because of the high transaction cost of migrating, the 'truly poor' do not migrate. While these arguments may have some merit, it has little evidence as a number of studies from different countries have illustrated that the 'very poor' and the 'poor' do migrate. Remittance income has contributed considerably to raise revenue, stabilize prices and augment output in the economy. Thus, a detailed empirical analysis evidently proved that remittance income is playing a crucial role in minimizing the vulnerability of the economy and also supporting long-term growth to some extent

Dhungana (2016) has conducted a study on "Socio - Economic Impact of Remittance on Households in Lekhnath Municipality, Kaski, Nepal". The study aims to explore the impact of remittance on social and economic status at households. For this purpose, one hundred and forty seven households having migrant family member (at least one) were selected in Lekhnath Municipality of Kaski District, Nepal. The information was collected via interview by using structured interview schedule. Descriptive as well as inferential statistics were carried out to analyze the impact of remittance. Paired t-test was carried out to see the economic change before and after the remittance received. The impact of remittances on both economic status and the social status of the sampled households is remarkable. The perceived status of the household in the past migration period is better than that in the pre-migration period. Yearly remittance in a household is significantly associated with other socio-economic variables. So, overseas remittance has brought a qualitative change in children's education and health status. An improvement in the economic status of migrant households, the involvement of the household in community development activities, and participation of the household in social organization have brought a positive change in the overall socio-economic status of the migrant households.

## **CHAPTER - III**

### **RESEARCH METHODOLOGY**

This chapter deals with the methods employed by the researcher to complete the study. Methods are guidelines, which aid the researcher to research in a scientific and systematic way. This chapter was provided the brief introduction of the study area including the determination of sample size, research design and conceptual framework. The method of data collection and the tools of analysis are enlisted at the end of the chapter.

#### **3.1 Research Design**

A research design is a plan for the collection and analysis of data. It presents a series of guide posts to enable to researcher to progress in the right direction in order to achieve the goal. The design may be a specific presentation of the various steps in the research process. These steps include the selection of a research problem. As per the nature of the study it has been illustrated with the case study, so the present research design of the study is descriptive research.

#### **3.2 Nature and Source of Data**

The data is qualitative as well as quantitative in nature. This study has been based on the primary as well as secondary data, but the focus is given to the primary data, which was collected from field survey using structured questionnaire, observation and interaction with different respondent. The secondary data for research was collected from the published, unpublished documents, articles, dissertation, journals, books, economic survey etc.

### **3.3 Site Selection**

The site for the study was selected as Gokule VDC-3 and 4, Kavre district. The present study has found to be more relevant and accessible for the researcher in order to meet the research objectives. The main criteria of selecting this VDC as study area was contact with the different organizations and find out every information easily because it is the home town of the researcher.

### **3.4 Study Population, Sampling Procedure and Sample Size**

There are 202 households in Ward No. 3 and 4 of the Gokule VDC were selected for the study because this population using remittance is higher than the other wards of this VDC as a result there is seen more migration. There are 202 households in these two wards. 72 households used remittance services in the study area. Therefore out of 202 households 72 households were selected for this study through census method. Thus, the study were focused on those used the remittance service. All the respondents are migrant's family as the purpose of the study is to analyze the role of remittance on economic contribution. The study household's were 100 percent of universe.

### **3.5 Data Collection Techniques and Tools**

Census method was used to fill up the questionnaires and observation and interaction is made for cross-checking. From the list of sampled, 72 respondents were drawn by applying simple random sampling without replacement. For the case study approach primary data or information were collected from various procedures. First of all the researcher visited the Gokule VDC- 3 and 4 and after taking the information about the remittance, the field survey was applied.

#### **I. Household Survey**

To get the primary data, the structured questionnaire has been developed, and the questionnaire was filled up by the researcher visiting all selected respondents or households.

### 3.6 Data Analysis and Interpretation

Collected information has been process and analyzed scientifically with the help of computer software like excel as well as manually. Different tables were prepared for different socio-economic variables. Mathematical calculation and statistical operations and tests were performed for quantitative information. Qualitative information were presented in descriptive way. To visualize information different diagrams and charts are prepare. To make the study more reliable qualitative study was also made. The collected data were processed through validation, editing and coding. Secondly the processed data were presented in tabular form. Simple statistical tool like percentage had been used to present data.

## CHAPTER – IV

### PROFILE OF THE STUDY AREA

#### 4.1 Kavrepalanchok District

Kavrepalanchok District [Listen \(help·info\)](#) Kābhrēpalāñcōk Jillā), (English spelling also: Kavrepalanchowk or Kabhrepalanchok) a part of [Province No. 3](#), is one of the seventy-five [districts](#) of [Nepal](#), a [landlocked](#) country of [South Asia](#). The district, with [Dhulikhel](#) as its district headquarters, covers an area of 1,396 km<sup>2</sup> and has a population (2011) of 381,937.

##### 4.1.1 Geography and Climate

<a href="#">Climate Zone</a>	Elevation Range	Percentage of Area
Lower <a href="#">Tropical</a>	below 300 meters (1,000 ft)	0.1
Upper Tropical	300 to 1,000 meters	23.6

	1,000 to 3,300 ft.	
<a href="#">Subtropical</a>	1,000 to 2,000 meters 3,300 to 6,600 ft.	65.3
<a href="#">Temperate</a>	2,000 to 3,000 meters 6,400 to 9,800 ft.	9.6

Source : DDC Profile (2072 B. S.)

### 4.1.2 Health Care

The small health centers in many [VDCs](#) are without Auxiliary Health Workers (AHWs), [Auxiliary Nurse Midwives \(ANMs\)](#) and Community Health Workers (CHWs). So, people seeking emergency health assistance have to travel a long distance to the district headquarters or Kathmandu or end up dying because of lack of treatment. Many people still believe in [Dhami](#) and [Jhakri](#) and don't always seek medicine or go to the hospital for the treatment. An NGO, [PHASE Nepal](#) provides many health care facilities and training programs to Ryale, a VDC of Kavrepalanchok District. Currently PHASE Nepal is working on several projects in this district including community health and education, livelihood, hygiene and sanitation programs.

### 4.1.3 Tourism

Kavre district has great potential in tourism industry. Kavre district is culturally rich with historical places like Dhulikhel, Panauti and Banepa. Big religious fairs like Chandeshwori Jatra of Banepa, Namobuddha Jatra of Namobuddha celebrated on the birth date of Lord Buddha (Buddha Purnima), Kumbha mela of Panauti which happens once in 12 years, are some interesting stuffs to view. Kavre district has great potential in raising it's local economy with tourism. Kavre has same potential as that of other tourist sites of Nepal like Pokhara and Jomsom. The Long Himalayan Gaurisankar range can be seen from Dhulikhel. Kavre is famous for short circuit trekking in places like Dhungkharka-Narayanthan, Dhulikhel-Kavre-



Namobuddha-Sankhu-Panauti-Banepa. Some places to visit here in Kavrepalanchowk districts are: Palanvhwok Bhagwati, Namobuddha, Dhulikhel, Gaukhureshwor, Hajar Sidhi (1000 Steps to Kali Devi Temple), Devisthan (where Kali Devi Temple is situated), Talu Dada View Tower, Gosainthan, Banepa, Kgopasi, Psthali, Balthali, Ladkeshwor Mahafev, Nepalthok, Patleket, Phoolbari. Kavre can be a good location for those who want to do cycling. Cycling is possible in the entire tourist sites mentioned above.

## CHAPTER - V

### DATA ANALYSIS AND PRESENTATION

This chapter is main chapter of this dissertation. The chapter describes about the demographic and socio-economic characters of households of labor migrants of the study area. This chapter is organized into various sections, such as age sex distribution of emigrants, caste-ethnic composition, land holding pattern, education level of emigrants etc. To meet the objectives of the study, these demographic and socio-economic characteristics could be relevant and fruitful.

#### 5.1 Socio Economic Status of Respondents

##### 5.1.1 Age of the Respondents

Age and sex structure of the population is the major explanatory variable in demographic analysis. Importance of age and sex composition is not only limited to demographic analysis but also different socio-economic and development planning of a country. Age and sex distribution is the main demographic process. The age and sex composition of the study area is shown in the following table number 5.1

**Table - 5.1: Distribution of Age**

Age		
	No.	Percent
Below 20	4	5.5
20 -30	12	16.7
30 – 40	26	36.1
40-50	30	41.7
Above 50	-	-
Total	72	100

*Source: Field Survey, 2016*

Table 5.1 shows the distribution of emigrants by age. We can see in the total figure up to 20 age group is the lower proportion .i.e 5.5 percentage and the highest proportion is (i.e.41.7) for the age group 40-50 age group respectively.

### 5.1.2 Religious Composition

Practice of religion has greater role to shape the life of every people. Nepal is a Hindu religion dominated country. Now this country has declared secular for religion but majority of people are Hindu. Latest census shows that around 80 percent of the Nepalese people follow Hindu Religion (CBS, 2012). In this study area, most of the people are Brahmin, Chhetri, Dalit and Janajati groups. All groups are following Hindu religion.

### 5.1.3 Caste/Ethnic Composition of Migrants Households

The population of Gokule ward no 3 and 4 consists of the various caste/ethnic groups. Similarly, among the respondents various caste /ethnic groups are observed.

**Table - 5.2 : Distribution of Caste / Ethnicity by Migrants Households**

<b>Caste / Ethnicity</b>	<b>No</b>	<b>Percent</b>
Brahmin	6	22.2
Chhetri	42	58.3
Magar	2	2.8
Tamang	12	16.7
Total	72	100

*Source: Field Survey 2016*

Table 5.2 shows that Chhetri community constituted the largest group. This group comprised about 58.3 percent of the total population. Similarly, Tamang are 16.7 percent followed by, Brahmin 22.2 percent, Magar are 2.8percent of the total population.

#### 5.1.4 Educational Status of Migrants

Education is one of the most important social characteristics of population. It is a vital and key factor for foreign employment. The quality of work and wages depends upon the migrant’s skill and education.

**Table - 5.3 : Distribution of Educational Level of Migrants**

	Educational Status						Total
	Literate					Illiterate	
	Under SLC	SLC Pass	10+2	Bachelor level Pass	Total	-	-
No of Respondents	2	20	46	4	72		
Percentage	2.8	27.8	63.8	5.6	100	-	-
Remarks							

*Source: Field Survey 2016*

Table 5.3 shows that the percent of migrants having higher bachelor level is very low which is only 5.6 percent. Likewise, the highest proportions of migrants is intermediate level i.e. 63.8 percent, Under SLC are 2.8 percent and 27.8 percent are passed SLC.

#### 5.1.5 Marital Status of Migrants

Marital status affects the migratory movement of people. It is found that married are more migrated than unmarried because they are compelled to care after their conjugal and family life.

**Table - 5.4 : Distribution of Marital Status of Migrants**

<b>Marital Status</b>	<b>No.</b>	<b>Percent</b>
Married	62	86.1
Unmarried	10	13.9
Total	72	100

*Source: Field Survey, 2016*

Table 5.4 shows that, 86.1 percent of the migrant people are married and 13.9 percent are unmarried. It shows that majority of the married people are migrated for foreign employment.

### **5.1.6 Types of Family**

Families of migrants of Gokule ward no 3 and 4 VDC are categorized into two classes. The first one is nuclear consisting of husband, wife and their unmarried children.

**Table - 5.5 : Distribution of Migrants Households by Types of Family**

<b>Types of Family</b>	<b>No.</b>	<b>Percent</b>
Nuclear	16	22.2
Joint	56	77.8
Extended	-	-
Total	72	100

*Source: Field Survey, 2016*

Family type of selected households is shown in Table 5.5. It shows the family composition of respondents where, majority of the respondents are dominated by joint family. The proportion of nuclear and joint family are 22.2 percent and 77.8percent, respectively. This figure shows that, there is co-relation between foreign employment and nuclear family.

### **5.1.7 Land Holding Pattern of Migrants' Households**

Ownership of land is one of the important indicators of economic status of people in our society. Agriculture is the dominant occupation of Nepal but this scenario is being changed since last two decades. So, the question is that if agriculture is dominant occupation, how much land is owned by the family of labor migrants. Table 5.6 presents the land holding condition of migrant's family.

**Table - 5.6 : Distribution of Migrants House Holds Size and Land Holding**

<b>Land amount (Ropani )</b>	<b>No.</b>	<b>Percent</b>
0 - 5	48	66.7
5 - 10	16	22.2
10 - 20	6	8.3
Above 20	2	2.8
Total	72	100

*Source: Field Survey 2016*

Table 5.6, shows that the largest proportion of the respondents are holding up to 5 ropani land i.e 66.7 percent and lowest proportion of the respondents are holding above 20 ropani i.e 2.8. It

shows that due to the low holding, majority of the migrants are migrated for foreign employment.

### 5.1.8 Sufficiency of Food

Insufficiency of food can be a push factor of migration. This research presents the condition of food sufficiency of the migrant's family before and after going abroad. The major occupation is found agriculture but the land holding condition is poor. For about fifty percent families has the landless than 10 ropani .So we can easily guess the sufficiency of food. The condition of food sufficiency is presented in table 5.7

**Table - 5.7 : Distribution of Migrants Households by Food Sufficiency**

Month	No.	Percent
Below 3	16	22.2
3 – 6	34	47.2
6– 9	12	16.7
9-12	10	13.9
Total	72	100

*Source: Field Survey 2016*

Table 5.7 shows that the largest proportion of the respondents have insufficient food is 3-6 months i.e 47.2 percent and lowest proportion of the respondents have insufficient food is below 3 months i.e 22.2 percent. It shows that nearly fifty percent of households of labor migrants have insufficient food production.



### 5.1.9 Livestock Ownership of Migrant Households

Keeping the livestock is side occupation of all agricultural family and it is the main occupation in the study area. This means, livestock is also one of the source of income of the society. So, people are rearing livestock in our society. Table 5.9 shows the livestock ownership in emigrant's households before and after migration.

**Table - 5.8 : Distribution of Migrants Households by Livestock Ownership**

Description	Before		After	
	No.	Percent	No.	Percent
Cattle	4	5.6	7	9.8
Buffaloes	14	19.4	10	13.8
Goats	36	50	35	48.7
Fowls/Ducks	18	25	20	27.7
Total	72	100	72	100

*Sources: Field Survey, 2016*

Table 5.8 shows that the large percent households keep buffaloes 19.4 percent) cow/ox 5.6 percent, chickens/ducks 25 percent as livestock ownerships by migrant's family before migration where as 7 HHs (9.8 %) found kept cattle, 10 Hhs (13.8 %) buffalo, 35 Hhs(48.7 %) goats and 20 Hhs (27.7 %) fowls and ducks after the migration. This pattern shows that livestock is also related with foreign employment. It is found that there is not much difference in keeping the live stocks of remittance families before and after migration.

### **5.1.11 Fuel Used by Respondents**

Fuel facility also presents the socio economic condition of households. In this study area all households have fuel facility but from different. Table5.10 shows the Fuel Used by Respondents:

**Table - 5.9 : Fuel Used by Respondents:**

<b>Types of Fuel</b>	<b>No.</b>	<b>Percent</b>
Only Fire Wood	20	27.8.
Only L.P Gas	4	5.6
Only Bio Gas and Fire Wood	24	33.3
Solar and Fire Wood	24	33.3
Total	72	100

*Source: Field Survey 2016*

Table 5.9 shows that the percent of migrants having fuel facility for their daily used. The 33.3 percent of the respondents used biogas and Fire Wood which is majority of sampled households and only 5.5 percent households used LP gas. Likewise, 27.8 percent respondents used fire wood only and 33.3 percent used solar and fire wood for their daily use.

## **5.2 Present Status of Remittance**

Remittances are the money that migrant workers send back home to their country of origin. Remittance income is transferred to Nepal mainly through the hand carriage, *Hundi* and bank transfers. In the case of the hand carry system, migrant or their friends take remittance with them when they go home to visit their family. The commercial bank system is self-transfer system. Nepali migrants send their money back home mainly through informal channels. This is partly linked to the undocumented migration, and is a major reason why official figures grossly underestimated the real value of remittances to Nepal (Seddon, 2003).

The systematic remittance system of Nepal is not so developed. It is a new business, which help to improve the nation. Remittance system remains a significant method for business and individuals to repatriate funds. The system is favored because it usually takes less costs and time

then moving funds through the formal banking systems without any risk; it also requires minimal paper works. In *Hundi* system, funds are paid to an agent on one end in one country or region and disposed by another agent in different country or region. The system is built on a relationship and trust and therefore can flourish in an environment characterized by the absence of oversight.

In Nepal, remittance dates back for many years. In the 1990's after the restoration of the democracy, the government started the liberalization and privatization process in the country. After 1990s large number of Nepalese went to USA, UK, South Korea, and Middle East and so on, for the employment opportunity. Particularly many semi-skilled and unskilled labors are attracted for their employment in Malaysia, Qatar and Saudi Arab.

**Table - 5.10 : Remittance Companies Working in Study Area**

S.N.	Remittance Companies
1.	Himal Remit / <a href="#">Himalayan Bank Limited</a>
2.	RBB Remit / <a href="#">Rastriya Banijya Bank Limited</a>
3.	Global Remit / <a href="#">Global IME Bank Limited</a>
4	Prabhu Travels Pvt. Ltd.
5.	IME/ Global IME Bank

### **5.2.1 Causes of Foreign Employment**

There are various causes for going abroad for employment in the Nepalese context. Some major causes are lower living standard, insufficiency of food, cloth and lower quality of housing, insecurity and unemployment, landlessness and ineffective education system. Table 5.11 shows the No. distribution of important causes of migration found in the study area.

**Table - 5.11 : Distribution of Emigrants by Causes of Migration**

<b>Causes</b>	<b>No.</b>	<b>Percent</b>
Indebtedness	4	5.6
Social Conflicts	6	8.3
Family Conflicts	8	11.1
Unemployment	36	50
Lack of Facilities	18	25
<b>Total</b>	<b>72</b>	<b>100</b>

*Sources: Field Survey 2016*

Table 5.11 shows that, 50 percent youth are going abroad due to the unemployment in Nepal while 8.3 percent are gone abroad because of social conflict, 25 percent of the households found going out due to lack of facilities and 11.1 households were found gone out due to the family conflict and 5.6 percent went out because of indebtedness.

### **5.2.2 Foreign Employment**

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 study, area, some migrants have cheated in the process of foreign employment.

**Table - 5.12 : Distribution of Migrants by Process of Foreign Employment**

<b>Medium</b>	<b>No.</b>	<b>Percent</b>
Employment Agency	4	5.6
Broker	30	41.7
Relatives / Friends	6	8.3
Family Members	32	44.4
Total	72	100

*Source: Field Survey, 2016*

Table 5.12 shows that the most of the respondents are decided to go abroad by the process of employment agency 5.6 percent followed by relatives and friends 8.3 percent, brokers 41.7 percent, and family members 44.4 percent. It shows most of the migrants depend on employment agency.

### **5.2.3 Selection of the Country**

There are various causes for choosing the destination country by migrant employees. For this, mainly pull and push factors are responsible. Some important causes of pull and push factors are shown in the following table:

**Table - 5.13 : Distribution of Migrants by Selection of the Countries**

<b>Selected Country</b>	<b>No.</b>	<b>Percent</b>
High wage rate	4	5.5
Easy to available of work	30	41.7
Easy entry and exit	16	22.2
Social relationship	22	30.6
Total	72	100

*Source: Field Survey 2016*

Table 5.13 shows that, the highest percent migrants are migrated due to Easy to available of work (41.7 percent), high wage tae 5.5 percent, easy entry and exit (22.2percent) and social relationship (30.6 percent).

### **5.2.3 Destination Country of Labor Migrants**

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 in the study area are shown in Table 5.13

**Table - 5.14 : Distribution of Migrant by Destination Countries**

<b>Countries</b>	<b>No.</b>	<b>Percent</b>
India	22	30.5
Gulf Countries	28	38.9



Others (Us/Europe/Australia)	22	30.6
Total	72	100

*Source: Field Survey 2016*

Table 5.14 shows the destination countries of Nepalese emigrants. Highest proportion (38.9percent) migrants go in Gulf countries followed by (30.6percent) migrants go others countries and (30.5percent) migrants go in India. It shows that gulf countries are main destination of Nepali labor migrants.

#### **5.2.4 Occupational Status of Labor Migrants**

Occupation is another important component of socio-economic factors of migrants. People move from one place to another for better job opportunities.

**Table - 5.15 : Distribution of Migrants by Occupational Statuses**

<b>Type of Job</b>	<b>No.</b>	<b>Percent</b>
Factory Worker	14	19.5
Driver	26	36.1
House Made	6	8.3
Labor	14	19.5
Security Guard	6	8.3
Cook man	4	5.5
Others	2	2.8

Total	72	100
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Source: Field Survey, 2016

Table 5.15 shows the occupational status of labor emigrants after going abroad. Drivers are highest than other occupations, which is 36.1 percent. Factory worker 19.5 percent, security guard 8.3, house made 8.3 percent cook man 5.5 and others 2.8 percent have these occupation in that foreign country.

### 5.3 Socio Economic Status of Remittance on Livelihood

This heading concentrates on the most important impact of the remittance and the facts emerging due to migration in emigration area that is in Gokule ward no 3 and 4. Several factors impact the analysis of benefits and costs involved when people move from one place to another. In the first phase, we cannot say that movements are always beneficial. The advantages and disadvantages of migration are not similar within the households. Because of all these things, the study tries its best to analyze the true ‘social and economic impact’ of the movement of emigrants.

#### 5.3.2 Housing Condition

Housing generally refers to the social problem of insuring that members of society have a home to live in, whether this is a house or some other kind of dwelling, lodging, or shelter. The house structure shows the economic and social status of respondents in the society in Nepalese context. The types of house structure in this study area are shown in table 5.17

**Table - 5.16: Distribution of Migrants by Types of House (Before& After)**

Types of House	Before		After	
	Number	Percent	Number	Percent
Pakki	10	13.9	48	66.7

Ardha-Pakki	26	36.1	14	19.4
Kachhi	36	50	10	13.9
Total	72	100.0	72	100

Source: Field Survey 2016

Table 5.16 shows that, 13.9 percent houses are *Kachhi* in the past and 66.7 percent are pakki after foreign employment. 13.9 percent are *kachchi* after the foreign employment. This shows that construction of *pakki* houses are increasing with going abroad.

### 5.3.3 Educational Change

Education empowers the human being; it increases the status of living. Education

Likewise, The migrate people should gain knowledge after returned back and they should be utilized in their own country.

In the negative side, alcoholism was increasing, divorce rate was increasing, copy culture was increasing, playing card culture was increasing, HIV positive was increasing, conflict was increasing, and illegal physical relation was increasing. These effects not only depend upon remittance but also on foreign employment.

Similarly, in the negative side, most of the jobs in which Nepali migrants are employed fall into low-paid category. One bitter reality is that, Nepali workers who are employed as labor in the numbers of countries including India, Quater, Oman, Dubai etc their conditions that are degrading to say the least and often involve considerable personal dangers as well as health problem. Another negative impact is qualitative and skilled manpower was migrated.

## CHAPTER- VI

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 6.1 Summary

The contribution of remittance has been increasing since last decade. It can be justified by the expansion of number of remittance companies also. Received remittance has been used in various sectors such as household consumption, education, buying ornaments and land, and payment of debt. Much remittance is used in unproductive sectors. Because of the landlessness, huge debts, social conflicts and family conflicts, unemployment and lack of facilities, people are compelled to migrate abroad. Most of them migrate through official employment agency and others by individual agents and family members. Migrants choose their destination country depending on high wage rate, easily available work, easy entry and exit and social relationship. In other words, these are also pull factors of migration. This study shows large portion of migrants (68.6 percent) goes to Gulf countries. About 30 percent of them go to India and other countries. Most of the migrants work there as unskilled human resources such as factory work, housemaid and labour. The major findings of the study are as follows:

- i. The majority of the respondents 13 were go abroad in age group 31.6 and minority is age group is below 20.
- ii. In this study area, most of the people are Brahmin, Chhetri, Dalit and Janajati groups. All groups are following Hindu religion.
- iii. Tamang are 16.7 percent followed by, Brahmin 22.2 percent, Magar are 2.8 percent of the total population.
- iv. The percent of migrants having higher level education (SLC and above) is very low which is only 5.6 percent. Likewise, the highest proportions of literate without formal

education migrants are 63.9 percent, primary are 2.8 percent and 27.8 percent are passed higher education.

- v. 86.1 percent of the migrant people are married and 13.9 percent are unmarried.

It shows that majority of the married people are migrated for foreign employment.

- vi. It shows the family composition of respondents where, majority of the respondents are dominated by joint family. The proportion of nuclear and joint family are 22.2 percent and 77.8 percent, respectively. This figure shows that, there is co-relation between foreign employment and nuclear family.

- vii. The largest proportion of the respondents are holding up to 5 ropani land and lowest proportion of the respondents are holding 5-10 ropani land. It shows that due to the low holding, majority of the migrants are migrated for foreign employment.

- viii. Fifty percent of households of labor migrants have insufficient food production.

- ix. The higher proportion is tube well water supply. It is more reliable source of

Drinking water in Terai. Second source of drinking water is piped water supply and third source is well as the source of drinking water.

- x. The large percent households keep buffaloes 19.4 percent) cow/ox 5.6 percent, chickens/ducks 25 percent as livestock ownerships by migrant's family. This pattern also shows that livestock is also related with foreign employment.

- xi. The percent of migrants having fuel facility for their daily used. The majority of the respondents is 36.1 percent used biogas and minority to 11.1 percent used LP gas. Likewise, 27.8 percent respondents are used Fire wood and 33.3 percent were used solar for their daily used.

- xii. 50 percent youth are going abroad due to the unemployment in Nepal while 8.3 percent social conflict, and 11.1 are due to the family conflict, lack of facilities, indebtedness and social conflict respectively.

- xiii. The occupational status of labor emigrants after going abroad. Drivers are highest than other occupations, which is 36.1 percent followed by labor 19.4 percent and others 2.8 percent.
- xiv. 13.9 percent houses are *Kachhi* in the past and 66.7 percent are *pakki* after foreign employment. 13.9 percent are *kachchi* after the foreign employment. This shows that construction of *pakki* houses are increasing with going abroad.
- xv. 58.3percent respondents produce sufficient food for year which had increased due to remittances, for 22.2 percent respondents, had their food sufficiency constant due to remittances, 11.1 percent respondent did not know what the impacts in food sufficiency due to remittances.
- xvi. The labor migrants about 72.2 percent (highest percentile) earn income between the rangesRs.2000-5000 per month in before. Similarly, only 2.8 percent earned income more than 10,000–12,000 per month before going abroad. However, all emigrants earned more than Rs.10,000 per month after going abroad. The highest No. (44.4 percent) falls at income rank between 45,000-50,000. The table clearly shows that only 5.6 percent migrants were earning 15,000-20,000.
- xvii. 36 respondents, 23(63.9 percent) respondents perceived no challenges of receiving the remittance. Among the 72 respondents, 14 (19.4 percent) respondents faced challenges of all problems (robbery and crime, misused of remittance, no use of remittance), 5.6 percent respondents remittance was misused, 8.3 percent respondents agreed that their remittance income was no used, and finally 2.8. The impacts on family relation due to remittance. Out of 72 respondents, 61.1.

## 6.2 Conclusions

A clear shift of foreign labor migration is seen in direction and destination with increasing trend and volumes. Gulf countries (including Dubai, India, Qatar) and Malaysia have the highest volume. In the process of going for foreign employment, the majority of migrants are going

abroad from the route of Nepal. One fifth of the total migrants have gone abroad from India. The lack of information and being uneducated migrants some migrants are cheated from Manpower Company and local agents.

This study concludes that the majority of migrants have either below the primary level of neither education nor illiteracy. Almost all the youths are leaving their study because of the trend of going abroad with friends and neighbors. Unemployment, lack of agricultural land and low level of agricultural production are important factors for migration. Likewise, higher wage rate, demonstration effects (a feeling that if one has been abroad, the other wants to follow his/her steps) and presence of friends/relatives at the destination place and no need of special skills and higher education are other important factors associated with destination.

The large part of remittance is being used in unproductive sectors like construction of houses, ornament buying, household consumption, buying land, alcohol and other individual purpose. Besides agricultural sector, there are not any options to invest and reinvest remittance. There are not any cottage industry and manufacturing industries also. Similarly, saving proportion is very low.

### **6.3 Recommendations**

After the analysis of data and studying the findings, it is recommended that:

- i. Those who are willing to go abroad should be given skill trainings before leaving the motherland.
- ii. Information should be provided to them about the destination; nature of work, working hour, language, culture, contact address of employer and Nepal embassy or consulate in the country of destination.
- iii. The labor sending process should be made easier by making it possible for the prospective migrant to complete all necessary paper works from government offices.
- iv. There should be further research about the impact and use of remittance covering the country as a whole. The study results suggest that the proper use of remittance helps in rural development by creating new opportunities.

- v. Poor, conflict victims, Dalits and indigenous people willing to go abroad should be provided loan and special schemes.
- vi. Suitable environment as well as policies should be created to encourage foreign migrant workers to invest their remittance in the productive works in their home country.



**FIELD- SURVEY  
QUESTIONNAIRE**

**D) Socio economic Status**

**1) General Background:**

Respondents Name....., .Village.....,  
 Ward No....., .Caste/Ethnicity.....,  
 Religion....., . Sex.....,  
 Types of Family.....,

**Section Present Socio–Economic Characteristics**

Name of family members	Relation with HHs head	Age	Sex	Marital status	Literacy status	Occupations	Migration status
							Yes.... No...

2) What is your main source of water supply for these households?

Well..... Tube well.....  
 Piped water..... others.....

3) Which kind of fuel do you use for light in this household?

Fire wood..... Bio gas.....  
 L.P gas..... Kerosene.....

4. Do you have lands?

Yes.....

No.....

If yes, landholding pattern:

Type of land	Dhur	Kattha	Bigha	No land
Wet land				
Dry land				
Other land				

5. Do you produce sufficient production from farming to feed whole family throughout \_\_\_\_\_ years?

Month.....

6). How do you manage family remaining require food?

Regular income..... Labor wage.....

Selling livestock..... Barrow indebt.....

Others.....

7) Livestock holding pattern?

Caw/Ox.....

Buffaloes.....

Goats.....

Pigs.....

Chickens/Ducks.....

Others.....

## II) Present Status of Remittance

1) How do you receive your remittance?

Hundi..... Bank.....

Friends..... Others.....

2) List out the remittance company working in Study Area?

.....  
.....

.....  
.....  
.....  
.....

2) Last year remittance used for?

- Buying land..... House build.....
- Education..... Buying food and cloths.....
- Payment of debt..... Saving .....
- Others.....

4). What are causes that motivate to go abroad?

- Landlessness..... Social conflicts.....
- Indebtedness..... Unemployment.....
- Family conflict..... Lack of facilities.....
- Others.....

5) Which medium was used as a means to go abroad for foreign employment?

- Employment agency.....
- Local broker.....
- Family members.....
- Relation/neighbor.....

6) What is the main reason behind the selected Gulf Country?

- Selected Country
- High wage rate
- Easy to available of work
- Easy entry and exit
- Social relationship

7) What types of job he / she are doing there?

Factory worker..... Driver.....  
 House made..... Security guard.....  
 Labor..... Cook man.....  
 Others.....

8) . What are the sources of information about foreign job?

Newspapers..... Local broker.....  
 Radio / TV..... Relatives/friends.....

9) . Why did he / she select that country?

Easy available of work..... Social relationship.....  
 Easy entry and exit..... High wage rate.....

### III) Socio economic Status of Remittance on Livelihood

#### 1. Types of house:

Types	Before	After
Pakki.....		
Ardha pakki.....		
Kachhi.....		

#### 2. What is the Monthly income of labor migrants?

Monthly Income (Rs.)	Before		After	
Below 2000				
2000 – 5000				
5000 – 6000				
6000 -8000				
8000 – 10000				

1000 -12000				
10000 – 15000				
15000-20000				
20000-25000				
25000-30000				
30000-35000				
35000-40000				
40000-45000				
45000-50000				
50000-55000				

### 3) Educational Status

Institution	Before	After
Government school		
Public school		
Private school		

### 4) Occupation of the Respondents Before and After

Main Occupation	Before	After
Agriculture		
Vegetable Farming		
Goat Farming		
Poultry Farming		

Business		
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8) In your opinion, what are the major impacts of remittance in your community?

9) Do you feel any social change after going abroad/ remittance?

If yes, specify.....

10) What is your suggestion those who are willing to go abroad?

***Thank You***



**Map of Nepal**