

**ROLE OF REMITTANCE IN POVERTY ALLEVIATION OF
DHIKURPOKHARI VDC, KASKI DISTRICT**

A Thesis Submitted to

**Faculty of Humanities and Social Sciences, Department of Rural Development,
Saptagandaki Multiple Campus, Tribhuvan University in Partial Fulfillment of
Requirements for the Master's Degree of Arts in Rural Development**

Submitted By:

NIRMAL DAHAL

Exam Roll No. 2400020

TU Regd. No. 6-2-239-22-2005

April, 2017

LETTER OF DECLARATION

I hereby declare that the thesis entitled **ROLE OF REMITTANCE IN POVERTY ALLEVIATION OF DHIKURPOKHARI VDC, KASKI DISTRICT**, submitted to the Department of Economics and Rural Development, Saptagandaki Multiple Campus Bharatpur, Chitwan, is entirely my original work prepared under the guidance and supervision of my supervisor. I have made due acknowledgements to all ideas and information borrowed from different source 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.

.....
Nirmal Dahal

Date: 26 March 2017
13/12/2073



सप्तगण्डकी बहुमुखी क्याम्पस SAPTAGANDAKI MULTIPLE CAMPUS

Estd. 2045 (1988)
(Affiliated to T.U. and NEB, Nepal)

भरतपुर, चितवन नेपाल
Bharatpur, Chitwan, Nepal

प.सं./L.No.

च.नं./Ref. No.

RECOMMENDATION LETTER

The thesis entitled **ROLE OF REMITTANCE IN POVERTY ALLEVIATION OF DHIKURPOKHARI VDC, KASKI DISTRICT** has been prepared by **Nirmal Dahal** under my guidance and supervision. I hereby forward this thesis to the evaluation committee for final evaluation and approval.

.....
(Kapil Dev Subedi)
Supervisor

Date: 2073/12/15
2017 March 28

APPROVAL LETTER

ABSTRACT

This Study entitled ROLE OF REMITTANCE IN POVERTY ALLEVIATION OF DHIKURPOKHARI VDC, KASKI DISTRICT was conducted with the objectives of describing the present socio-economic status, finding socio-cultural, economic and other impact of remittance to the households and assess the evolving practices on remittance in Dhikurpohkari VDC of Kaski District. This study is mainly based in the primary information and the data were collected using the techniques of household survey, focus group discussion and the personal interview with the help of questionnaire and KII interview.

There were 1880 households (HHs) in the VDC. Of the total households, 60 households that are/were receiving remittance money for a period of 2 years or more were selected as the sample for the study. During the study it was found that Brahmins (50%) were the main ethnic group selected as sample households. Agriculture (93.33%) was the main occupation, Average family size is 5-6 and Dubai and Malaysia are the main destination country in the study area. Most of the male (96.67%) and very few female (3.33%) are gone for foreign employment. Most of the people were gone for foreign employment due to unemployment (50%), Brahmin are highly paid ethnic group above 400000 for their work in foreign country from study area. About 66.67% people take loan to go to foreign country; around 40% people receive money through banking system mostly in the month of Asoj to Mangsir (66.67%) during festivals like Dashain and Tihar. Income status is high for Brahmin, some of them can earn more than 60000 in a month. About 30% of the people of study area work in construction side and average duration of stay of foreign employee is 4 years. 30% of people are unable to save money. About 43.33% people use their remittance in business. The number of children in private school, college is increased after receiving remittance. Treatment of diseases with Dhimi/Jhakri is decreased after receiving remittance and indebtedness is decreased. 100% people have access in healthy/nutrient food after receiving remittance from the study area and about 30% people are investing in productive sector.

From the study we can conclude that all the households who are/were receiving remittance are getting benefit. Their access to health, education and economy has increased. By the use of remittance income, there has been investment in the income generating activities resulting in the regular flow of money in the households and motivation for entrepreneurship development at local level has helped positively in reduction of poverty and in holistic development of rural areas. All households were

very positive towards remittance income. They suggested that focus should be in easy availability of loan facilities at low price and providing skills and trainings before going as migrant labor.

ACKNOWLEDGEMENTS

First and foremost I would like to render my whole hearted gratitude to all those who have kindly given their valuable time and energy in making this study possible.

I gratefully express my sense of deep indebtedness to my respected supervisor Mr. Kapil Dev Subedi for his inexhaustible support, valuable suggestions, encouragement and kind supervision in all stages of the study, from the field work to the final completion of my thesis. My further gratitude goes to all other teachers and staffs of the department.

My few words of appreciation should go to the people of the study area. Their willingness to share their experiences as well as to provide information required for the study was remarkable. Likewise, I owe a great debt of gratitude to Mr. Arjun Rijal for computer type. I give my hearty thanks to my friend Ms. Namuna Parajuli without whose marvelous co-operation, this work would have been ever impossible.

I think this is a great occasion to express my respect and love to my parents whose regular inspiration and continuous contributions are the secret of my success. I am indebted to my other family members and relatives who directly and indirectly contribute much to take me in the present state.

Nirmal Dahal

TABLE OF CONTENTS

TITLE PAGE	i
LETTER OF DECLARATION	ii
RECOMMENDATION LETTER	iii
APPROVAL LETTER	iv
ABSTRACT	v
ACKNOWLEDGEMENTS	vii
TABLE OF CONTENTS	viii
LIST OF TABLES	xi
LIST OF FIGURES	xii
LIST OF ABBREVIATIONS/ACRONYMS	xiii
CHAPTER I : INTRODUCTION	1
1.1 General Background	1
1.2 Statement of the Problem	2
1.3 Objective of the study	5
1.4 Significance of the Study	5
1.5 Limitation of the Study	6
1.6 Organization of the Study	6
CHAPTER II : REVIEW OF LITERATURE	7
2.1 Theoretical Literature	7
2.1.1 Theoretical Base of Labor Migration and Remittance	7
2.1.2 History of Labor Migrations for Foreign Employment of Nepal	9
2.1.3 Causes of Foreign Labor Migration	12
2.1.4 The Impacts of Foreign Labor Migration in the National Economy	13
2.1.5 Uses and Effect of Remittance	14
2.2 Review of Empirical Literature	17
2.2.1 International Review	18
2.2.2 National Review	19
CHAPTER III : RESEARCH METHODOLOGY	22
3.1 Research Design	22
3.2 Rationale of the Site Selection	22
3.3 Population and Sampling Procedure	22
3.4 Nature and Source of Data	23

3.4.1 Primary Data	23
3.4.2 Secondary Data	23
3.5 Techniques and Tools of Data Collection	23
3.5.1 Household Survey	24
3.5.2 Key Informant Interview	24
3.6 Data Analysis	24
CHAPTER IV : PRESENTATION AND ANALYSIS OF FIELD DATA	25
4.1 Demographic Status	25
4.1.1 Distribution of Population by Caste in the study area	26
4.1.2 Distribution of Sample Households by Caste	26
4.1.3 Family Size	27
4.2 Destination Country of Sample Household	27
4.3 Distribution of Household and Main Family Occupation	28
4.4 Cause Seeking to Foreign Employment	29
4.5 Cost Paid for Foreign Employment	30
4.6 Source of Financing the Cost Incurred for Foreign Employment	30
4.7 Nature of Remittance	31
4.7.1 Thing Received By Household from Foreign Country	31
4.7.2 Channel of Receiving Remittance	32
4.8 Schedule of Receiving Remittance	32
4.9 Income Status of the Household from Dhikurpokhari VDC Before and After Going Abroad	33
4.10 Types of Jobs Performed by Foreign Employee and Duration of Stay in Foreign Country from Dhikurpokhari VDC	34
4.11 Saving Status of Remittance Receiving Households	35
4.12 Use of Remittance by Sample Households	36
4.13 Physical Assets Before and After Receiving Remittance	38
4.14 Pattern of Children Education before and After Receiving Remittance	38
4.15 Health Checkup Status of Emigrant's Family Member	39
4.16 Condition of Indebtedness after Foreign Employment	40
4.17 Access in Healthy/Nutrient food	41
4.18 Investment of Remittance	41
4.18.1 Cause for no Investment in Productive Sector	42

CHAPTER V : SUMMERY, CONCLUSION AND RECOMMENDATION	43
5.1 Summary	43
5.2 Conclusion	44
5.3 Recommendations	45
REFERENCES	47
APPENDIX	50

LIST OF TABLES

	Page No.
Table 3.1: Sample Size of Represents' Household of Dhikurpokhari VDC	23
Table 4.1: Ward wise Distribution of population of the study area	25
Table 4.2: Distribution of Population by Caste	26
Table 4.3: Distribution of Sample Households by Caste	26
Table 4.4: Distribution of Sample Households by Family Size	27
Table 4.5: Destination Country of Foreign Employee	28
Table 4.6: Main Family Occupation	28
Table 4.7: Cause of Seeking Foreign Employment	29
Table 4.8: Average Cost Paid and Ranges of Costs for Foreign Employment	30
Table 4.9: Source of Financing Incurred for Foreign Employment	31
Table 4.10: Thing Received from Foreign Country	31
Table 4.11: Schedule of Receiving Remittance	33
Table 4.12: Income Status of Household Before and After Going Abroad	33
Table 4.13: Types of Job and Duration of Stay	35
Table 4.14: Saving Status of Remittance Receiving Households	36
Table 4.15: Use of Remittance	37
Table 4.16: Physical Assets Before and After Receiving Remittance	38
Table 4.17: Children Education System of Foreign Employee	39
Table 4.18: Health Checkup Status	40
Table 4.19: Condition of Indebtedness After Foreign Employment	41
Table 4.20: Access in Healthy/Nutrient Food	41
Table 4.21: Investment of Remittance	42
Table 4.22: Cause for no Investment in Productive Sector	42

LIST OF FIGURES

Figure No. 1 Channel of Receiving Remittance

32

LIST OF ABBREVIATIONS/ACRONYMS

BOP	Balance of Payment
CBS	Central Bureau of Statistics
CEDA	Center for Economic Development and Administration
DFID	Department for International Development
FDI	Foreign Direct Investment
FY	Fiscal Year
GATS	General Agreement of Trade and Services
GDP	Gross Domestic Product
GON	Government of Nepal
HHS	Households
ILO	International Labour Organization
IMF	International Money Fund
INGO	International Non Government Organization
MA	Master of Arts
MOF	Ministry of Finance
No.	Number
NPC	National Planning Commission
NRB	Nepal RastraS Bank
ODA	Official Development Assistance
PTK	Professional, Technical and Kindred
RD	Rural Development
SLC	School Leaving Certificate
TV	Television
UN	United Nation
UNFPA	United Nations Fund for Population Activities
VDC	Village Development Committee
WB	World Bank

CHAPTER I

INTRODUCTION

1.1 General Background

Migration is as old as the history of man kind. Nepal is a landlocked and agricultural country and is suffering from the problem of under employment. Due to the lack of employment opportunities in country, skilled, semi -skilled and unskilled all types of people have shown interest to the foreign employment. To search for better opportunities of employment migration from one country to another country particularly from developing countries to developed countries is not new for Nepal. There are very few opportunities for employment and to earn the money. So, Nepali people have shown the interest to work outside of the home country. They go abroad for employment and they earn some amount of money and send back to the home country. Which is known as remittance income. Remittance income is that portion of income which is transferred by foreign workers (remitters) who are living and working in other countries (especially in the developed countries) typically to their family who are still living in their home countries. Simple meaning of remittance is transfer of money by foreign to his or her home country. The terms remittance is usually limited to monetary and other cash transfer transmitted by migrant workers to their families and communities back home. Euphemistically, present day Nepalese economy is characterized by "Remittance economy".

No doubt, Remittance is one of main source of income of many Nepali Household. Nepalese economy is heavily dependent on agriculture, with engaging around 73.9 percent of total population of country (MOF, 2015/2016). However cultivation system is traditional and subsistence. On the other hand, growth rate of population is alarmingly high. Moreover industrial development is at its infancy problem is very high. In Nepal the unemployment rate is 2.1percent, while employment rate is 97.9 percent, as given in the Nepal labor survey 2016. The contribution and the agricultural sector's contribution to GDP has changed. According to economic survey 2015/2016 per capital income is increased to us \$ 645 from us \$ 561, which is only due to the increasing trend of remittance income.

Recent income consumption scenario of rural areas is not as before. Most of the people have some for foreign employment so there is shortage of young male for any activities. The sources of income have changed in flow if remittance income in house hold it becomes tools decrease the poverty more than 10 percent, which recorded 30 percent end f/y 2009/2010, but that is commonly spent on consumption, such as for purchase of land and building. If remittance is used to increase the permanent income of rather than only temporary income, than receiver's welfare – enhancing effects may be significantly increased. Increased in consumption education means to decrease in saving.

National economic development Remittance can contribute significantly to local regional and in migrant sending in reducing poverty as they flows mainly to poor and marginalized families. In recent day, the unemployed youth don't get job in Nepal. So they are going to foreign countries or an other countries to seek job in order to fulfill basic needs. Due to adopted liberalization policy and increasing political conflict situation in Nepal. It is growing acknowledged in Nepal that foreign labor migration helps promote national economic growth, cases the pressure of unemployment bring in much needed foreign exchange through remittance and increased consumption saving and investment at both the household and national level.

1.2 Statement of the Problem

In this twenty first century due to being the age of globalization the migrated working is common phenomena. The trend foreign migrated working is high in developing nations due to the lack of industrial development in native country. Thus, the people economical enrichment has depended upon remittance in developing countries like Nepal. Remittance, now, has become a cornerstone of development for redeveloping country. The magnitude may be different but the role of the remittance to the development cannot be denied. In this case of Nepal in this present situation of post war the one and only source of economic stabilization and growth rate maintain in remittance income. According to CBS Nepal's per capita income is increasing which only due to the increasing trend of remittance income.

If we concentrate on the poverty situation for our country, its magnitude is very large especially in the rural areas. Most of the people are migrated to the other countries for

work and earn only for the existence of their family. In rural area, we can find that most of the lower and middle class families are drowned in debt. If any member of the family is migrated to other countries its debt is comparatively less than other families. In this sense, remittance income is playing very vital role in the rural economic situation.

Being a developing country, Nepal has not been able to develop its infrastructures, industries and agricultural sectors properly. The country will not be able to provide employment opportunities for the labor force entering into the labor market every year without the rapid economic development and economic growth. So, the unemployment rate of the nation is growing up every year. That's why many Nepalese youth are going abroad in search of better employment opportunity. It is a well known fact that a significant number of Nepalese youths are migrating abroad with the purpose of upgrading their economic and social status. To be emigrants is the compulsion of the people rather than a matter of preference because there is no any option to stay within the country. The number of Nepalese people living in foreign country was 7,62,181 in 2058 B.S(CBS 2001) and 19,21,494 in 2068 B.S (Economic Survey 2071/072). This data shows that the trend of emigration of Nepalese people towards foreign country is increasing day by day.

Since many years foreign employment rate is increasing, but most of the unskilled labor had gone to foreign land. Nepalese labor force seeking foreign employment having very low level of technical education and formal training. They are compelled to take risky, difficult and dirty work in foreign country. Slowly, training institute is being established in Nepal to developed skills on individuals who are seeking foreign employment so that earning capacity of the employed can be increased. But these institutions are fancy. Individual seeking foreign employment are spending large amount of money as a cost for employment. The cost includes passport fee, Medical charge and visa fee, air fare and commission to the employment agency. To finance the employment individual have to depend on several source of funds which included internal saving, borrowing from the relative, funds received from the sales of fixed assets like and animals, borrowing from money lenders etc. formal financial institutions like banks, co-operatives and finance companies do not provide loan easily. It is very difficult to arrange the funds needed to foreign employment by people coming from lower income class (Karki, 2006).

The helplessness of many Nepali workers to go abroad is well manifested from the fact that the illegal flow of Nepali women to the Gulf countries to work there as domestic maid has not been mitigated even though the Government of Nepal (GoN) has prohibited them to fly. Though the Government of Nepal has permitted 108 countries for foreign employment to Nepali workers, Gulf countries do not fall under this category for women workers probably owing to cultural, social and legal taboos in those countries.

Nepal has been one of the greatest shareholders of global economy but the issue is how such flows have been used in the livelihood of remittance receiving households in rural areas. The social and economic benefit of remittance lies on the meaningful utilization both at the national as well as household level. The major problem related to the study area had been stated as :

- Lack of knowledge about among the people formal channel for inflow of remittance.
- Lack of knowledge about the productive use of remittance.
- Lack of proper coordination between local communities and local institutions can result in conflict in the process of development.

Taking these issues on consideration, the present study aims to examine the status of remittance in rural areas of Nepal, especially focused on Dhikurpokhari VDC of Kaski district on the basis of following questions:

- 1) What are the causes of migration?
- 2) What is the current scenario of labor migration of study area?
- 3) What are the impacts of remittance in different sector like assets structure, income level access of education, health, entrepreneurship, saving, indebtence, etc?
- 4) How does the remittance receiving household invest their income in different sector?
- 5) What are the problems to use remittance in productive sector in study area?

1.3 Objective of the study

The main objective of the study was to analyze the role of remittance in rural poverty reduction. The specific objectives of the study were;

- i) To examine status the nature of remittance inflow at household level.
- ii) To describe the role of remittance in changing assets structure, income, education, health, entrepreneurship, saving, independence.
- iii) To analyze the challenges of productive use of remittance.

1.4 Significance of the Study

Remittance is helping Nepalese economy to reduce the poverty. In the past the kind of job of Nepalese workers used to get abroad was only the armed force. After the restoration of democracy international job market was open in the forty countries. Thus in the new phenomenon of entering in to the WTO efficient and skilled labor force is required and diversification in the skill and destination. This study is also concentrate on the role of remittances in rural Nepal and guide to make it more helpful in eradicating rural poverty and increasing the capacity of the labor force. The significance of this study can be referred under the following points:

- The thesis would be useful for researchers to conduct the further research on this topic.
- It would be useful for policy makers to determine the future policy of the state.
- The present thesis could be instrumental to give a new lease of life to ailing Nepalese economy. However most of the remittance income is used in the unproductive fields like house building, land purchasing of luxuries goods and consumption etc. Therefore the remittance income is not playing actual role for the development of the country.

1.5 Limitation of the Study

The study would have following limitations:

- i. The present analysis was concentrated in our particular area of Dhikurpokhari V.D.C.(ward no.1,6&7) of Kaski district to determine the magnitude of poverty as well as the amount of remittance income in micro level.
- ii. Price of all commodities was calculated on Nrs.
- iii. Only economic variables such as income, income and wealth inequalities were analyzed.
- iv. This study would be based on sample survey.
- v. Related information would be collected through primary and secondary data.

1.6 Organization of the Study

The study in total consisted of five chapters. The first chapter included general background, statement of the problem, objective of the study, significance of the study, limitation of the study and organization of the stud.

In the second chapter would be about reviews of literature. i.e. Review of empirical literature, international review and national review. In the third chapter described the research methodology adopted for the study i.e. research design, rationale of the site selection, population and sampling procedure, nature and source of data, primary data, secondary data, techniques and tools of data collection, household survey, key informant interview and data analysis.

Data analysis and interpretation of the study would be organized in the chapter four while Summary, conclusions and recommendation would be incorporated in the chapter five.

CHAPTER TWO

REVIEW OF LITERATURE

The researcher uses different books and journal, reviews and abstracts, indexes, reports, and dissertation or research studies published by various institutions, encyclopedia etc. for review of literature which is presented below:

2.1 Theoretical Literature

2.1.1 Theoretical Base of Labor Migration and Remittance

The decision to migrate is the outcome of human psychology and behavior. Any universal and uniform law can't define human behavior but many studies relating to migration have tried to find out some pattern and order in migration decision of an individual.

Silwal (2009) in his article "Labor Migration and Remittance in Nepal" the government in this respect should focus basically on two issues. Firstly, Nepal labor force is not competitive with skill and training in the international labor market, and they are low paid as well. The workers also complain that they have to do 3D (dirty, dangerous and difficult) jobs due to the lack of adequate skill and training. The government, therefore, should enhance the quality of its labor force. Secondly, as above analysis has shown, remittances received in the countries are used in on productive purposes. The government should take measure to induce remittance-recipient to channel remittance towards productive investment. In addition to several measures towards labor quality improvement and utilization of remittance, the government should execute Foreign Employment Act, 2007 effectively.

NRB (2012) has mentioned in his publication "Foreign Employment and the Remittance Economy of Nepal" that the migrant remittances represent the most direct, immediate and far reaching benefit to migrants and their countries of origin. They are a more constant source of income to developing countries than official development assistance, foreign direct investment and other private flows. Moreover, the emergence of remittances as a new strategy for poverty alleviation in developing countries has spurred multilateral institutions, international organizations, and national governments,

among others, to seriously study, identify and implement measures on how these inflows could be maximized and then harnessed for the development of migrants' countries of origin. However, Remittances affect economy-wide resources allocation. At the macro level, inflation, exchange, and interest rates are determined by the amount of money coming into the country in the form of remittances. Distributional implications of remittances affect the country's rate of economic growth. At the household level, remittances provide a means of achieving consumption smoothing. Household decisions about the labor market activities of household members, investments in human and physical capital fertility, and migration also depend on the amount of remittances the household receives.

Elbadwi and R. Robert (2012) synthesized the old researches in two categories: endogenous migration and international workers' remittance concerns the income differential and wage rate between two place, there is 'required' level of remittance which must be equal to average income of family and community, on the other hand portfolio approach to international workers' remittance suggests volume if remittance depend upon decision whether to save in host country or remit to the home country. The volume of remittances is affected by relative rate of return of interest rate, foreign exchange, real estate values and rate of inflation and difference in the black market exchange rate and official exchange rate. The first approach considers income and demographic variables as the main determinant and economic policy influences less and so it is long run analysis, and second insists on macroeconomic policies, economic and social environment for higher remittance and short run treatment.

Chaudhuri (2013) has quoted five different researches conducted by i) H. Remple, R. Lobdell ii) G.E. Jonson and W.E. Whitelaw in Kneya iii) Remple and Cobdell in Pakistan iv) B. Banrjee in Delhi v) ILO and presented by A.S. Oberai and HKM Singh. Their common idea is propensity to remit of all migrants and proportion of remittance is equal and depends on the types of work received abroad, level of education of migrants, marital status, origin of migrant rural or urban. The proportion of income remitted is more or less same of all types of migrants, but the amount of remittance certainly is not equal. Ray Chaudhari (1993) studied in his own research about the use of remittance. He concludes that first, initial consumption pattern largely affect the use of it. If the recipient is below the poverty line his/her elasticity of demand on necessary

thing is high, i.e. it encourages local consumption expenditure. If he/she is above the poverty line; it makes him/her rise in income status, so consumption pattern shifts to goods for facility and luxury. Secondly, expenditure of remittance in receiving household depends upon availability of desired commodities or services too. If they are not available they lead to establish wholesale and retail unit. Thirdly, the use of it depends on propensity to save and it is affected by level of income and ceremonial duties like marriage. If they are high one's propensity to invest reduce. The fourth element proposed by Chaudhari that affects the use is value system and attitude towards different types of occupation.

ILO (2013) in its publication has shown that the migrant moves in search of employment, taking their families with them is estimated 214 million in the world in 2010. Migration is the result of individual and household weighting the utility that is attainable under different migration regime with the utility from origin place. A migration regime is defined as a combination of place (the village of origin in the case of non migration, internal/external migration destination) and sector of employment. There are five potential regime such a non migration, two destination types (internal and international), and two employment sector in each (farm and nonfarm).

2.1.2 History of Labor Migrations for Foreign Employment of Nepal

Gurung, (2010) has mentioned the history of formal labor administration in Nepal is about 70 years old. Its origin can be traced to the start of organized industry in the 1930's, but national structures took form only after the outbreak of the 1947 labor movement in Biratnagar. With the installation of a democratic government in 1951, the labor administration underwent a process of reform to cope with increasing labor problems and to undertake labor welfare measures. The establishment of regional labor offices in the 1960s began with the creation of the first labor office at Biratnagar under the Department of Industry. A Department of Labor was established in 1971, followed in 1981 by a Ministry of Labor.

In the past, the Government of Nepal has adopted no specific policies to deal with foreign employment. In the 1740's, the process of unifying Nepal provoked large scale foreign migrations. Unification brought hardship to peasants and the poor in the form of corves labor, over taxation, and exploitation from state agencies and their

functionaries. As a consequence mass numbers of people migrated to India, where newly established tea states and the opening of land in Assam, Sikkim and Nagaland had made work available. While British rule in India was encouraging such immigrations, the Government of Nepal faced a shortage of labor and initially attempted to discourage laborers from seeking work abroad. However, as political relations with the British government in India changed, the Nepali government began to encourage large numbers of Nepalese to migrate for work in what was then the British-Indian army. By World War II, around 20% of Nepal's economically active males were employed by the British- Indian army. Their employment brought the Nepali administration tremendous material benefits and was highly organized and well managed. The process was regulated by bilateral agreements between the respective governments, and did not require any specific policy framework in Nepal.

CBS (2011) has collected on remittance by the surveyed household from absents and from other during the last 12 months, according to CBS the proportion of household receiving a remittance was 30 percent of all household. The average amount received overall household in the last 12 month was RS 1972. Most remittance incomes were received from gulf countries (including India, Malaysia, Saudi Arabia and Qatar) with 82.9 percent of all remittance income (absentees and other combined) coming from outside. The share of the remittance received from abroad is the highest from the Qatar 2.3 percent and 19.2 percent, 14.9 percent, 13.4 percent, 2.2 percent, 20 percent respectively from Malaysia, Saudi Arab, India, United Kingdom and other countries. The survey collected data on the district from which the remittance was sent but this is insufficient to distinguished remittance from urban and from rural areas.

Seddon, D. (2014) in his Book, "Foreign Labor Employment and Remittance Economy of Nepal" show the history of labor migration from Nepal. Data backs at list to the beginning of the early 19th century and closely linked to British imperial politics. Recruitment of so called "Gurkha" soldiers in to the (British) India army was institutionalized in 1816 after Nepal had lost the war with the British recruitment. About 200,000 Nepalese males jointed the British regiment even during the First World War. The Anglo- Nepal convention held on 15th may 1815, created alternative labor market to the Nepalese in India. Prior to that some Nepalese had sought employment in the army of the Sikh ruler Ranjit Singh in Lahore and other joints them after the defeat of

the Nepalese army by the British. This tradition, until today is reflected in the name “Lahure’ for soldiers. But today it is regulated by the Foreign Employment Act”. With the enactment of foreign employment act, Nepalese started to migrate beyond India particularly to the Gulf, where oil boom had created massive for foreign labor. There was significant growth of Nepalese migrants in East Asia, South East Asia and the Gulf.

Kanskar, V.B.S. (2015) in his research, “Migration, Remittance and Rural Development”, reviewed proceeding of migration with reference to remittance. He found the origin of Nepalese emigration to be after the Anglo Nepali war in 1814 and was totally for recruitment in the army. The Indian Army was not only open to Nepalese soldiers for recruitment but also managed for their permanent settlement. Government had no official policies to encourage it the Prime Minister, Bir Samser JBR, encouraged the people to join the British recruitment. About 200,000 Nepalese males jointed the British regiment even during the First World War. The Anglo Nepal convention held on 15th May 1815, created alternative labor market to the Nepalese in India. The emigration to India accelerated because of disequilibria in labor growth and employment opportunity growth and miserable day to day life of Nepalese hill area.

MoF (2016) has discussed on the National Consultation of Empowering Migrant Women Workers of Nepal. The Ministry of Labor is the apex body in labor administration and mainly functions at the policy level. It operates under the general guidance of the Minister and the direct supervision of the secretary, who also acts as the principal executive authority of the ministry. This Ministry is responsible to formulate policies and programs for promotion, control and management of domestic and foreign labor employment. Nepal's constitution incorporates several provisions. Concerning labor matters, which form the foundation of labor administration in the country? These include the prohibition of slavery and forced labor; freedoms of assembly, association and speech; freedoms of trade, business, and profession; the promotion of social justice, the economic well-being of the people and the eradication of social evils. All national legislation, including that related to foreign employment, is based on the constitution. At present labor related issues are dealt with by Labor Act, 2048 (1992) and Foreign Employment Act, 2042 (1987). The Foreign Employment Act has been revised twice; most recently in 1997. The aim of the Act is to regulate foreign

employment, especially in the Gulf countries, and to this end it fixes minimum wages and other conditions of work. In addition, Nepal has ratified several labor conventions.

MoF (2016). The number of worker gone for foreign employment has been for increasing over the years. Until the fiscal eight month of FY 2009/10, total 1,620,370 people have gone for employment. Among them a major portion has been to Malaysia is (32.04percent). Followed by Qatar (28.71 percent), other destination is Saudi Arab (19.8 percent), UAE (12.68 percent), Kuwait (19.8 percent), etc.

2.1.3 Causes of Foreign Labor Migration

Ghimire, (2010) has described the major elements that are responsible to increase the migration for foreign employment, a) push factors: low level of income and poverty, one decade long internal conflict (violence conflict), increasing Domestic unemployment, political instability, high population Growth. b) Pull factors: Increase in the demand of semi-skilled labor in urban, khadi and developed countries, comparatively well salary and wages provision of security. c) Other factors: Globalization, government policy, demonstration effects etc.

Shrestha, (2012) in his article “foreign Remittance; A panacea for Nepalese Economy” states that stagnant agricultural economy, lack of new opportunities of employment and more importantly the “demonstration effect” continue to push Nepalese labor Indian and abroad.

Kshetry, (2014) in his article “Emigrating Workers in National Perspectives” identified the causes of Nepalese emigration as limited employment opportunities in government and private sector. Underdevelopment of industries and rudimentary services sector provides limited number of jobs to ever increasing labor force. In the farm sector which conventionally used to absorb almost all the work force failed to do so because of low motivation for farm sector work. The entrepreneurs in this sector are not enthused to invest more either due to low returns or risk involved in this sector. Such events and lure of making quick money at list form legal means by going overseas for menial work prompted to exit large number of workers from rural Nepal.

Shrestha, (2014) in her article “Foreign Employment and the Remittance Economy of Nepal” has identified the major factors attributing to large scale out migration from

Nepal which are high growth of labor force, high rate of unemployment, limited employment opportunities outside the farm sector, low salary structure in the economy and insecurity in the rural areas because of insurgency.

World Bank & Macmillan, (2015) has included some causes of migration in their Co-Publication. Temporary/Permanent movement of persons between countries to pursue employment or education (or both) or to escape adverse political climate, they think to go for foreign employment. In this book, publisher has included that employment can provide significant inflow of remittance to their families in their home country.

Bhatta, (2015) has mentioned the various causes of migration. Extreme poverty and landless in Rural Nepali villages deprivation from the opportunity of employment in the exploitative Rural society., various “partha” system i.e. kamaya, Hlallia etc, less or no chances of study, obstacle to do smooth work and recreation, agricultural economy where there is low productivity, subsistence level of production (65.6 percent to the total economically active population extremely depends on subsistence agriculture and its allied pursuits for their livelihood.

2.1.4 The Impacts of Foreign Labor Migration in the National Economy

Kshetry (2014) has studied the impact of foreign employment in national economy and concluded that the single most important aspect of emigrant workers is the remittance they send to the country. He has also identified transfer of technology and management skills as another positive aspect that emigrating workers usually bring into the country. Nepal has not been able to demonstrate such benefits distinctly. Mostly very few who have the experience of foreign job up to stay back and start their own enterprise based on work experience. Otherwise they are tempted to go overseas again. The changes in socio-demographic and management skills were another positive aspects that emigrating workers noticeably showed. Nation is devoid of the labor of prime age because of foreign employment. It has been distinct in the farm sector. Labor is becoming scarce in rural areas because of the able people leaving the rural area either for overseas jobs or for urban work. It has mixed implications both positive and negative. The plus point is that as deforestation has been reduced there is large population pressure on forest based resources.

Shrestha (2014) says that in recent years remittances emerged as one of the primer source of foreign exchange received through foreign employment. Nepal Rastra Bank (2002) indicates that foreign employment can play vital role in improving rural economy and reducing poverty and unemployment.

Rosser (2015) has focused in his workshop Remittances Faculty. The last 4-5 years, the Nepalese government has recognized the significance of labor migration and remittances to the national economy. The government has shown some interest in developing institutional mechanisms to deal with labor migration and in channeling remittances through banks, not least because these represent a huge source of foreign exchange and income in the form of tax. Only in the last couple of years has new research generated information and data to reveal the extent of Nepal's dependency on foreign labor employment and remittances. International migrant remittances have become an important source of external finance in developing countries. In nominal dollar terms, recorded remittances sent home by migrants from developing countries are expected to reach \$283 billion in 2008, a rise by 6.7 percent from \$265 billion in 2007.

Chimhown, Piesse and Pinder (2015) has mentioned that the development impact and future prospects, states that remittance may help improve economic growth, especially if used for financing children's education or, health express. Even when they are used for consumption remittance generates multiplier effects, especially in countries with high unemployment. In many other countries, a large part of remittance are invested in real estate, reflecting both desire of migrants to provide housing of families left behind, and a lack of other investment instruments in the recipient community whether remittance are used for consumption or, buying houses, or for other investments. They generate positive effect on economy by stimulating demand for other goods and services.

2.1.5 Uses and Effect of Remittance

Pant (2011) in his report titled "Remittances and Development in Developing Countries" has states that remittances are important financial resources to the receiving countries at the micro and macro level. They increase both the income of the recipient and the foreign exchange reserve the recipient's countries. Mostly remittance is used

for basic subsistence needs and for daily needs such as food, clothing and housing. These three components make up a significant portion of the income of the recipients household. At an individual level remittances increase the income and reduce the poverty of the recipient's. Generally in the developing countries only a small percentage of remittances are used for saving and used as productive investment such as income and employment generating activities as buying land or tools, starting a business and other activities. However the money spent on better education of the children and health is believed to have a favorable effect on growth, which tends to help in output production. At the macroeconomic level remittance provide significant sources of foreign currency and contribution to the balance of payment. Remittance also contribute to the expansion of communication services courier companies as well as money exchange services, which contribute to the expansion of economic activities and increase the employment opportunities.

Shrestha (2014) in his report titled "Foreign Remittance : A Panacea for Nepalese Economy" has states that remittances can generate a beneficial impact on the economy through various channels, such as saving, investment, growth, consumption and income distribution. Remittances have relaxed the foreign exchange constraints of the country and strengthened its balance of payment (BOP) position.

The economic benefit of remittances lies on the meaningful use of remittance at the grassroots level. Most parts of remittances are used in developing countries for daily expenses such as food, clothing, housing, health care, education, etc. – and they make up a significant portion of income of the households. Remittance income is also spent on improving houses, buying land and cattle, and buying durable consumer goods such as TV, washing machine, vacuum cleaner, refrigerator, etc. Generally, only a small percentage of remittances is used for savings and what is termed “productive investment” for e.g. additional income and employment – generating activities such as buying land and tools, starting SMEs, investing in organic farming and constructing roads, schools, and hospitals and other activities that would have multiplier effect on the local economy.

Adams (2014) has mentioned that the remittances reduce level, depth and severity of poverty. The greatest impact is on severity – the squared poverty gap decreases by 19.8% when international remittances are included in the household income. This is

because households from the lowest deciles group receive a great proportion of their total income from remittances. Households in the bottom group receiving international remittances receive 60% of their total income from this source. Remittances have on the other hand little impact on income inequality. Most of the poverty reducing effects of remittances comes from increases in mean per capita income rather than from any progressive change in income inequality caused by these income flows.

Kansakar (2015) on behalf of CEDA conducted a study on the use of remittance and found that out of the total remit money, a beneficiary household member would spend 50 percent on household management, 16.2 percent on agricultural activities, 5.3 percent deposit in banks, 8 percent invest in running business and 4.5 percent on constructing houses. The study on remittance of NRB shows that some 80 percent remit money has been spent on house construction, buying land, household expenses, purchasing ornaments, educating children, etc. by the beneficiary households. This means some 20 percent of the remittances have been found to be used for productive purpose i.e. running business, enterprises and intensive cultivation in farm lands indicating Nepal still lags on the productive and meaningful use of remittance money at micro level. The presence of remittance has increased informal lending practices. Private Banks and financial institutions are mushrooming with the flow of remittance in Nepal. Additionally, what we could observe is that with the influx of remittances, there is a heavy concentration of investment in real states. Business investments are undertaken mostly in trade, transport and other services, and investment in manufacturing and agriculture is a relatively rare phenomenon in the case of Nepal. Migrating trend of Nepalese youths towards India and abroad to some extent has hampered the agriculture sector and agricultural production is at a decreasing state in rural areas due to the decreasing supply of workable population. The income and wealth gap has been widened with the presence of remittance in rural economy. The financial market has furthermore not expanded in rural area even with the flow of remittances.

The utilization of remittances for the improvement of the living standard is documented by several studies (Department of Women Development, 2015). Remittance are typically spent on land and housing. These are safe investment for the households, but in macroeconomic terms, they are non-productive assets, with no lasting impact on the country's real income. Thus, while the remittances are beneficial at household and

community level, they cannot help long term development of the country without its strategic management. The total saving out of remittance was about 8 percent which is very low compared to other Asian countries (Amjad, 2009). The saving rate amongst the Nepalese workers is lower as the majority of them are employed in low paying jobs and their marginal propensity to consume is relatively higher. Only the small proportion of the migrants uses the remittance directly for productive investment like agriculture, manufacturing and trade. The major forms of investments are on education of the children, reinvestment of the remittance for further migration and for lending money.

Based on the review of literatures it can be concluded that, there are two opposing views on the impact of remittances. The remittance have indirect impact on economic growth through human capital development and the case of capital constraints, its direct impact is nil, where poverty is concerned remittances seem to have direct impact on poverty reduction, through the direct increase in the income of the poor. The biggest contribution of remittances has been found to the welfare and improved livelihood of the receiving households in terms of basic needs, better health and education and to a smaller extent in terms of savings. Though these are useful goods and safe investment, but in macro-economic terms, non-productive assets with no lasting impact on country's real income. Hence it is essential to understand that only meaningful utilization of remittance money can pave the way to the better prospects of the nation. Mere collection of remittances in banks and financial institutions does not bring desired outcome in the economy. Such funds should be kept in proper channels in different layers of the economy to meet twin goals: poverty alleviation and sustainable development of Nepal. The real GDP of the nation could be magnified in the long run with the better use of remittance.

2.2 Review of Empirical Literature

The emigration, immigrate working or foreign employee has become the integral part of each society. Furthermore, the massive involvement as the foreign employment from less-developing countries to the developed one is a common aspect of today's world. So, being the integral aspect there are several studies for causes for emigration, emigrant work and its economical consequences like income generation, remittance and social-cultural and economical transformation. These studies are in the form of either books or articles. This chapter tries to detail the conceptual theoretical concept

regarding the definition of emigrant work, remittance and consequences brought by remittance in term of poverty elimination or economical growth.

Many research has investigate the important, usefulness, better utilization of foreign earning. They have concluded the various ideas about the better utilization of remittance. They have presented various principle, logics, concept and current issue relating to foreign employment and remittance in their own way. Here, the study tries to review the international and national literature.

2.2.1 International Review

Anyanwu and Erhijakpor (2012) tried to seek the answer to question "Do international Remittance affect poverty in Africa?" The data set consists of 33 African countries and 75 observations. The poverty measure of used here are from the world Bank's percale net database which incorporates three major of income poverty. First the poverty incidence (head count poverty) which measure the percentages of population living on less on PPP dollar a day. Second is poverty depth (poverty gap) which is the mean distance below the poverty line as a proportion of the poverty line third is poverty severing (squared poverty gap) which is the mean of squared distance below the below the poverty line as proportion of the poverty distribution of the poor below the poverty line.

UN (2012) "one geographical unit and another" in his article describes that remittances are particularly important for sustainable development because the process is based on a continuous made of self recipient economy and are made directly to the households of ordinary citizens, thus improving the multiplier effect and increasing financial and civil empowerment studies, have confirmed that remittances contributed to the relief of poverty amelioration of human welfare in poor countries because the inflows are spent on food, shelter, education, health services, community project and other activities in line with millennium development goals (MDGs).

Todaro (2013) stated that migration is stimulated primarily by rational economic consideration of relative benefit which is mostly financial decision to migrated is influenced by the difference between expected income between two places, he odds probability of getting job in new area is inversely related to employment rate in the new area.

Faal (2013) in his article describes that remittances are particularly important for sustainable development because the process is based on a continuous made of self recipient economy and are made directly to the households of ordinary citizens, thus improving the multiplier effect and increasing financial and civil empowerment studies, have confirmed that remittances contributed to the relief of poverty amelioration of human welfare in poor countries because the inflows are spent on food, shelter, education, health services, community project and other activities in line with millennium development goals (MDGs).

Revenstein (2014) was the first person to attempt forming migration theory. Ravenstein's "Law of migration" is also known as, pull push factors of migration, still predominates as framework of migration analysis. According to him push factors are land tenure system, Unfavorable form of trade, wide dispersion of poverty and income pressure of rural poverty in general and so on. Pull factors are employment education and other facilities are opportunities known as bright light of the town. On the other hand push factors pushes the migrants from their place of birth and on the other hand pull factors pull the migration to the place of destination.

2.2.2 National Review

Gaudel (2013) defines remittance as sending income in terms of money or goods in home by the migrants or workers who have their earning outside their home country. Nowadays, the source of foreign income has been growing rapidly in each year and has become a life line for economic development in developing countries like Nepal.

Pant, (2013) has focused in his working paper mobilizing remittances for productive use. The term "remittances" basically refer to the transfers, in cash or in kind, from a migrant to household residents in the country of origin. The IMF considers a wider definition and incorporates three categories, that is, a) workers' remittances or transfers in cash or in kind from migrants to resident households in the country of origin, b) compensation to employees or the wages, salaries and other remuneration, in cash or in kind, paid to individuals who work in a country other than where they legally reside and c) migrant transfers which denote capital transfers of financial assets made by migrants as they move from one country to another and stay for more than one year. As stated in the BOP Manual (5th edition, 1993): "Workers' remittance covers current transfers by migrants who are employed in new economies and considered residents

there. (A migrant is a person who comes to an economy and stays, or is expected to stay, for a year or more). Worker's remittances often involve related persons. Persons who work for and stay in new economies for less than a year are considered non-residents; their transactions are appropriate mainly to the component for compensation of employees.

Shah (2014) has carried out a study on *"Role of Remittance in Development: A Case Study of Rauteli Bichawa VDC, Kanchanpur District."* The main objective of the study is to analyze the role of the remittance in Development of the study area. Beside this, the specific objective of this study were to analyze the nature and role of remittance in the Nepalese economy, to examine general poverty scenario of the study area, to analyze the nature and extent of remittance income in the study area and to measure the role of remittance on poverty reduction of the study area.

Kansakar (2015) in his study reviewed the preceding researcher of migration with references to remittance. He found the origin of Nepalese migration to be after the Anglo Nepali war in 1814, which was totally for recruitment purpose. The Indian authority was not only open to them but also manage for their statement. However, the Nepalese government had discouraged if the Prime Minister Bir Shamsar, for the first time related his policy and encourage the people to join the British recruitment. So, 2,00,000 Nepalese male joined the British regiment event during first world war. His research based on particular ethnic group and their recruitment in the British among force. So, the research couldn't explain the overall picture of emigration and their consequences even though it tried to paint out some of the importance aspect. This study states that migrating has become a safety valve to maintained equilibrium between population growth and opportunity. He remarked that remittance constituted large sources of foreign currency and provides recipient families with higher social-economic status education and technical skill.

NRB (2015) has presented that most of the Nepalese migrant workers are concentrated in the gulf and getting unskilled job. This study also present the problem associated with the remittance and its measurement, use of the gained money as well as the skill, the measurement pattern of the remittance and also the employment condition of the people return from the foreign employment. It also explains about the foreign employment system of Nepal and its objective related with the remittance. This study

concludes that apart from India about 86 percent people are migrating in gulf countries like Malaysia, Saudi Arab, Qatar, Dubai etc. This study presents 26.9 percent earns around 50 thousand yearly, 28.8 percent earns 50 to 100 thousand percent.

MoF(2015), the number of worker gone for foreign employment has been for increasing over the years. Until the fiscal eight month of FY 2009/10, total 1,620,370 people have gone for employment. Among them a major portion has been to Malaysia is (32.04percent). Followed by Qatar (28.71 percent), other destination is Saudi Arab (19.8 percent), UAE (12.68 percent), Kuwait (19.8 percent), etc.

Bhattarai, (2016) in his thesis "Nature of Remittance in Nepalese Economy" tried to find out the utilization of remittance at the household level in Surkhet district. He found that financial aspect and human factors related to migrant workers' migration process.

From the review of above literature it can be concluded that remittance income is very necessary external source of foreign capital inflow in a country. It has positive as well as negative impact in the country, which is depend on utilization of remittance, most study concluded that international remittance have reduce poverty other directly or indirectly but in developing countries only a small percent of remittance are use for productive investment such as income and employment generating activities.

The main beneficiaries of remittance are lower and middle income countries, which receive nearly half of all remittance worldwide and it becomes an option for financing for local development project on the grass roots level remittance is effective tools reducing poverty and enable better health care nutrition, housing and education. The large number of emigration has been contribution the GDP and BOP, though remittance is remarkable. The study found that remittance income instead mainly on household purpose, purchase of land maintains house, paying off loans and deposit cash in bank. Social ceremony and finally, invested in business purpose. Moreover, from review of above literature, it is also identified that foreign employment market has emerged as an important alternative way for developing countries.

CHAPTER III

RESEARCH METHODOLOGY

3.1 Research Design

This study was carried out on the basis of exploratory research design. The study investigated the status of remittance use in rural area of Nepal. Beside, the study will be made an attempt to study on better management of foreign employment and remittance. This study was a case study of Dhikurpokhari VDC of Kaski. It was a micro level study. This was analytical as well as descriptive type. The simple statistical tools were used to describe and analyze the results. Both quantitative and qualitative data will be applied in this study.

3.2 Rationale of the Site Selection

The proposed site of the study was Dhikurpokhari VDC of Kaski district of Nepal. The remit receiver households on Dhikurpokhari VDC were selected for the study. A larger number of household member were abroad for earning money. Remittance emerged as an important source of income in Dhikurpokhari VDC. Now their status is gradually changing because of inflow of remit from abroad. Besides this, this area is accessible to the researcher and it was convenient for the researcher to conduct the study at this site to overcome and resource as well as no one has researched in this topic before in this area. So the study was carried out in this area.

3.3 Population and Sampling Procedure

There are nine wards and 1880 households in Dhikurpokhari VDC. There are altogether 198 households and the numbers of remittance receiving households are 150 in ward number 1, 6 and 7. Out of 150 households, 60 houses are selected using judgment sampling methods. While selecting samples the economic as well as social cultural diversities were balanced. Around 40% sample had been selected from each ward based on simple random sampling.

Table 3.1: Sample Size of Represents' Household of Dhikurpokhari VDC

Ward No.	No. of Houses	Remittance Receiving Houses	Selected Households Sample
1	53	32	13
6	83	68	27
7	62	50	20
Total	198	150	60

Source: Field Survey, 2016

3.4 Nature and Source of Data

Different types of quantitative data and information were collected and analyzed in this study. Both primary and secondary data were used in this study. Primary data was collected during field study with the help of scheduled questionnaire. Similarly, secondary data was obtained from different sources such as published books, journals, publications and reports of different national and international organizations. Thus, this study was based on both primary and secondary data. But primary data was used as the major sources of information.

3.4.1 Primary Data

The primary data was collected through the direct field visit by using structured questionnaire, key informant interview.

3.4.2 Secondary Data

The secondary data and other related information for this study were collected from published or unpublished written documents from individual, expert and organization, VDC profile, internet publication of Central Bureau Statistics.

3.5 Techniques and Tools of Data Collection

The data from the study was collected through different techniques such as household survey and key informant, as such the main tools of data collection were questionnaire and personal interview.

3.5.1 Household Survey

Household survey was conducted in the study area. Structured questionnaire was prepared to generate the realistic and accurate data from study area. All the selected 60 household from 3 wards, who are the remittance holders were interviewed and relevant information were collected through questionnaire. The questionnaire forms were filled up by the researcher interviewing with remittance holder.

3.5.2 Key Informant Interview

Key informant interview was more reliable source of information. Key informant Interview (KII) is loosely structured conversation with the people who have specialized knowledge about the topic. To dig out its major key informant's interview was conducted within the study area through the KII guideline.

3.6 Data Analysis

Data collected from the field was edited and classified then coded and converted into standard units wherever necessary before entering into computer. After entering all data into computer, frequency table and line chart were printed and checked out. Simple statistical graph like table, bar diagram, pie chart were used for data analysis.

CHAPTER IV

PRESENTATION AND ANALYSIS OF FIELD DATA

This chapter is all about the description of the social characteristics of the respondents, status of economic condition, occupation causes to seek foreign employment, mediums used to obtain foreign employment, destination, duration of stay in abroad, income earned in abroad, system of transfer remittance income, uses of remittance income and the effect of the remittance in the poverty situation and change in the life status of the family of the migrated worker etc. In other words, this chapter deals with all the data related to the topic which are collected in the field survey.

4.1 Demographic Status

According to the CBS population census 2011, the total population of the study area is 2215. Out of which 1025 males and 1190 are female. The total households are 584. The following table number 4.1 gives the ward wise and sex wise distribution of population of the study area:

Table 4.1: Ward wise Distribution of population of the study area

Ward No.	Household	Total	Male	Female	Sex Ratio
1	215	797	345	452	76.32
6	207	791	388	403	96.27
7	162	627	292	335	87.16
Total	584	2215	1025	1190	86.13

(Source: CBS, 2011)

The above table no. 4.1 shows that among the total population of 2215, in the study area of the VDC, the sex ratio is higher i.e. the no. of female population is more than the no. of male population according to the CBS census 2011. Among the wards the sex ratio is highest in ward no. 6, which is 96.27 and lowest in ward no. 1 which is 76.32. Taking average of sex ratio is 86.13.

4.1.1 Distribution of Population by Caste in the study area

The total population of study area is divided into different caste such as Bhramin, Chhetri, Dalit/Utpidit, Janajati and other. The following table shows distribution of population by caste:

Table 4.2: Distribution of Population by Caste

Caste	No. Of Person	Percentage
Brahmin	1275	57.56
Chhetri	48	2.16
Dalit/Utpidit	648	29.25
Janajati	230	10.38
Other	14	0.63
Total	2215	100

(Source: CBS, 2011)

From the above table the majority of population are found Brahmin which is 57.56 percent of the total population and Chhetri 2.16 percent, Dalit/Utpidit 29.25 percent, Janajati 10.38 percent and other 0.63 percent.

4.1.2 Distribution of Sample Households by Caste

The sample households are distributed on the basis of caste such as Brahmin, Chhetri, Dalit/Utpidit and Janajati. Distribution of sample household is shown in the table below:

Table 4.3: Distribution of Sample Households by Caste

Caste	No. of Households	Percentage
Brahmin	30	50
Chhetri	3	5
Dalit/Utpidit	16	26.67
Janajati	11	18.33
Total	60	100

Source: Field Survey, 2016

Table 4.3 shows that among 60 sample household taken 50 percent are Brahmin, 5 percent are Chhetri , 26.67 percent are Dalit/Utpidit and 18.33 percent are Janajati.

4.1.3 Family Size

Nowadays the young and educated parents have not more than two children because of the family planning. But more households have more than two children because of their ignorance, the desire or emphasis on male child rather than the female child and child marriage etc. which is another major factor of poverty in the study area. Following table presents the family size of respondents:

Table 4.4: Distribution of Sample Households by Family Size

Family size	No. of Households	Cumulative
1-2	2	2
3-4	14	16
5-6	36	52
7-8	3	55
8 and Above	5	60
Total	60	60

Source: Field Survey, 2016

The above table 4.4 shows that the highest no. of households are 36 which contain 5-6 Family size and lowest no. of households are 2 which contain 1 to 2 family member.

4.2 Destination Country of Sample Household

In the study area, the people are migrated to different country for employment. The main destination of the people is gulf countries like Dubai, Qatar, Saudi Arabia, Kuwait and Malaysia. Besides these countries employees also go to Japan, South Korea and other countries. The following table presents the destination country of foreign employee:

Table 4.5: Destination Country of Foreign Employee

Country	Male	Female	Total	percentage
Dubai	18	2	20	33.33
Malaysia	20	-	20	33.33
Qatar	5	-	5	8.33
Japan	1	-	1	1.67
Saudi Arabia	4	-	4	6.67
South Korea	2	-	2	3.33
Kuwait	2	-	2	3.33
USA	-	-	-	-
Other	6	-	6	10
Total	58	2	60	100

Source: Field Survey, 2016

Above table 4.5 shows that most of people have gone golf country from study area. Number of female is very little who have gone for incoming remittance.

4.3 Distribution of Household and Main Family Occupation

In the study area the people are engaged in different occupation like Agriculture, Business, Jobs (Government as well as private) and Foreign employment etc. which are the main sources of income of the respondent family of the study area. The situation of the income depending on their sources in the sampled households is shown in the following table.

Table 4.6: Main Family Occupation

Main Occupation	No. of Households	Percentage
Agriculture	56	93.33
Business	2	3.33
Trade	2	3.33
Job	-	-
Other	-	-
Total	60	100

Source: Field Survey, 2016

The table shows that majority of households are involved in agricultural activities. Among the total 60 households 56 households are involved in agricultural activities as the main occupation. Only 4 households are involved in non agricultural activities.

4.4 Cause Seeking to Foreign Employment

Even though the poverty being the main factor of foreign employment; there must be several reasons of seeking foreign employment. The reason may be related to the acquired skills and various other reasons. To find out the causes of seeking employment the respondents were asked to identify the prime cause to go for foreign employment, they gave more than one reasons as follows:

Table 4.7: Cause of Seeking Foreign Employment

Cause	No. of respondent	Percentage
Unemployment	30	50
Family debt	13	21.66
To built better future	5	8.3
Landlessness	-	-
Family pressure	12	20
Other	-	-
Total	60	100

Source: Field Survey, 2016

Above table 4.7 shows that unemployment is the main cause of foreign employment. About 50% respondent had stated unemployment as the main cause of foreign employment. The second main cause is family debt burden which is also playing as the major push factor of the foreign employment. 21.66% are emigrated due to the family debt burden, 8.3% are migrated to built better future, 20% of people are migrated by family pressure.

It was concluded from our study that employment, family dept, earn money for better future, Family pressure are the main causes to seek foreign employment.

4.5 Cost Paid for Foreign Employment

A sizable amount of money needs to be invested as a cost of foreign employment. The cost starts from obtaining a passport, medical checkup, manpower agency commission, visa expenditure, air fare, cost of internal travel time to time from home area to Kathmandu and also hotel charge at the time of processing for the foreign employment. To find out the cost paid by the respondents, they were asked to quote expenses in different categories.

Table 4.8: Average Cost Paid and Ranges of Costs for Foreign Employment

Caste/ethnic group	No. of Respondent	Below Rs 100000	Rs (100000-200000)	Rs (200000-300000)	Rs (300000-400000)	Above Rs 400000
Brahmin	30	20	2	2	1	5
Chhetri	3	1	2	-	-	-
Dalit/Utpidit	16	16	-	-	-	-
Janajati	11	10	1	-	-	-
Total	60	47	5	2	1	5

Source: Field Survey, 2016

Brahmin had paid highest average cost for the foreign employment which is above 4 lakhs, secondly Chhetri. 47 employees had paid below 1 lakh. 5 had paid between 1 lakh and 2 lakhs, 2 paid 2-3 lakhs, only 1 paid 3-4 lakhs and 5 had paid above 4 lakhs.

4.6 Source of Financing the Cost Incurred for Foreign Employment

Most of the people in the study area were living below the poverty line so they have no other option except to take loan with high interest rate from money lenders for foreign employment. Some of them were able to collect money from their own source of income. The main sources of going to abroad were family own income, having loan with high interest borrowing money from friends and relatives and selling own property. The table 4.10 shows the clear data about the sources of financing the cost incurred for foreign employment.

Table 4.9: Source of Financing Incurred for Foreign Employment

Particulars	No. of Person	Percentage
Family Saving	10	16.67
From Relative and Friend	6	10
Selling Property	4	6.67
Loan	40	66.66
Total	60	100

Source: Field Survey, 2016

It was found during the field survey that large portion of people going abroad for foreign employment had taken loan from financial institutions as well. Interest rate of loan from financial institution is between 15 to 20%. The local vendor takes high interest rate than financial institution. Table 4.9 shows 16.67% used their own fund while going abroad for foreign employment.

4.7 Nature of Remittance

4.7.1 Thing Received By Household from Foreign Country

The households received remittance in different form. They can receive either money or good and some households receive both money and good from foreign employment. The thing received by household is summarized in the table below.

Table 4.10: Thing Received from Foreign Country

Particular	NO. of Household	Percentage
Money	20	33.33
Goods	-	-
Both	40	66.67
Total	60	100

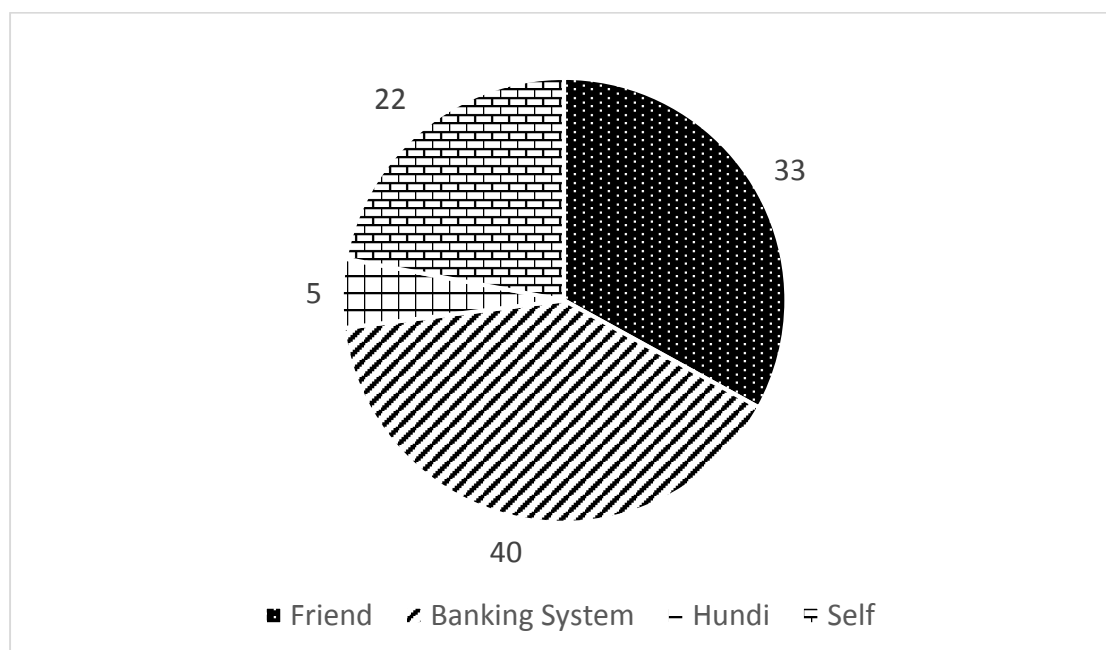
Source: Field Survey, 2016

Above table shows that 33.33% households receive money and 66.67% household received both money and goods.

4.7.2 Channel of Receiving Remittance

Income transfer depends upon availability of means of transfer and facilities, their reliability and awareness of users about the system. The channels are categorized into five different heading such as banking, money transfer agencies, Hundy, friend / relatives and self remittance. To find out the channels used by sample population in the study area, collected data has shown by figure.

Figure No. 1 Channel of Receiving Remittance



Source: Field Survey, 2016

During the field survey, it was found that the large number of households receive remittance through banking system. 24 houses (40%) receive the fund through banking. Similarly 20 (33.33%) households receive from friends, 3 households (5%) received from hundi and 13 (21.67%) person themselves.

4.8 Schedule of Receiving Remittance

Time span of receiving remittance back to the home country depends on the time used by the remitter to remit the funds and reliable and authentic source. The time span was divided into four categories: quarterly, biannually, yearly and not regular. Besides these according to the respondents it was found that the frequency of receiving funds during the festival seasons like Dashain, Tihar, Teej etc go to very high. The flow of international remittance during the festival is in growing trend.

Table 4.11: Schedule of Receiving Remittance

Month	Person	Percentage
Chaitra – Jestha	10	16.67
Asar – Bhadra	3	5
Asoj – Mangsir	40	66.67
Poush – Falgun	7	11.67
Total	60	100

Source: Field Survey, 2016

During the field survey, it was found that the large no. of households receive remittance in Asoj to Mangsir, for festival like Dashain and Tihar. Second large no. of households receive remittance in Chaitra to Jestha for many purpose like loan payment in last month of year, new admission of children, expenditure in book, copies, dresses etc. are the main causes.

4.9 Income Status of the Household from Dhikurpokhari VDC Before and After Going Abroad

The income status of people of study area varies with their caste before and after going abroad. Brahmin has high income status than other ethnic group. The income status of different ethnic group is shown in table below:

Table 4.12: Income Status of Household Before and After Going Abroad

Cast/Ethnic Group	Earning Money per Month in Rs Thousand							
	Below 20		20-40		41-60		Above 60	
	Before	After	Before	After	Before	After	Before	After
Brahmin	15	-	10	5	5	5	-	20
Chhetri	2	-	1	2	-	-	-	1
Dalit/Utpidit	16	-	-	12	-	3	-	1
Janajati	6	-	5	-	-	11	-	-
Total	39	-	16	19	5	19	-	22

Source: Field Survey, 2016

The above table presents the overall scenario of people in Dhikurpokhari VDC, based on the cast of the household. It is clearly seen that 39 out of total households were earning less than Rs 20,000 per month, 16 households were earning between Rs 20000-40000, 5 households were earning between Rs 41000-60000 before receiving remittance. There was no one having income more than Rs 60000 before receiving remittance but after receiving remittance 22 households were earning more than Rs 60000 monthly.

4.10 Types of Jobs Performed by Foreign Employee and Duration of Stay in Foreign Country from Dhikurpokhari VDC

Since the skill of Nepalese workers is quite low; most of them get employment in manual job. To find out the types jobs performed the respondents were asked to give the type of work they did while being employed in foreign country which is categorized into five types, they are Construction, Mechanical, Agricultural Farming, Industrial works and Hotel/Catering.

Duration of foreign stay of emigrants' workers depends upon availability to work, facilities provided by company, salary rate, health of workers, visa permit date, home urgency and other several reasons. Sometime the respondents return their home before the agreement date due to inferior type of job, low salary and family affairs such as death of any family members, sickness and their own bad health and also the employer firm expelled them due to the unusual characters of the workers. To find out the duration of foreign stay the respondents were asked to provide their length of stay. The results of both the types of job performed and the duration of stay in the foreign-Employment are summarized in the following table:

Table 4.13: Types of Job and Duration of Stay

Average Duration Of Stay	Types of Job				
	Farming	Construction	Hotel	Manufacturing	Service
Below 2 years	2	3	2	7	2
2-5 years	1	5	6	5	3
6-8 years	1	7	1	2	5
More than 8 years	1	3	1	1	4
Total	5	18	10	15	12

Source: Field Survey, 2016

Table 4.13 shows that most of the migrant work in the construction area in which 30 percent work in that occupation. Most of the people work in the construction area from lower cast due to the lack of other technical knowledge to work in other areas. The second most employees are in manufacturing in which 20% people are working. Third in service area, fourth in hotel and lower number of employees are in farming.

4.11 Saving Status of Remittance Receiving Households

Remittances are typically helpful to meet specific needs of the respondents' family members. Remittance income has been an important source of households' income which is used to meet daily requirements of food, clothing, shelter and other expenditures. The saving status depends on the funds left after fulfilling the basic needs of the family. Depending up on the annual income of emigrant's and economic status of recipient's family, the annual saving status of any remittance receiving households can be determined. The annual saving amount of the households is presented in table 4.14.

Table 4.14: Saving Status of Remittance Receiving Households

Amount (in Rs 1000)	No of person	Percentage
No Saving	18	30
Below 20	12	20
20-40	15	25
41-60	10	16.67
Above 60	5	8.33
Total	60	100

Source: Field Survey, 2016

When the respondents were asked about their savings out of remittance received, 30 percent said that they have not been able to save any amount per month whereas remaining 70 percent households were able to save some amount of money monthly after meeting their basic requirements. When inquired about the volume saved, 20 percent households were able to save below NRs 20000, followed by 25 percent were able to save Rs 20000 to 40000 per month. Likewise 16.67 percent were able to save 41000 to 60000 and another 8.33 percent were able to save Rs 101000 to 200000 per year. Remaining 8 percent were able to save more than Rs 60000 per month.

4.12 Use of Remittance by Sample Households

The use of remittance depends on the priority placed by the industries of different use, the size of remittance, the time of availability, opportunity for investment and several types of factors. Majority of migrant workers go abroad because of unemployment at home and poverty in household. Generally, the earning made by them is not big. The cost of foreign employment is borne by borrowing therefore the income earned has to be spent on the payment of the principle and the interest amount. There may be family in waiting. Keeping all this condition in mind the respondents were asked to identify the use they made for the money earned abroad. Each individual spent the earning in more than one uses. To find out the use of remittance by the respondents they were asked to list the use of money in different heads.

Most of the migrants Nepalese workers are unskilled, so the Nepalese migrants' workers have learnt different kinds of skill abroad. When they return back, they are expected to utilize those skills back home but they are utilized their skill in home country. It might depend on different conditions. Those conditions may be place availability of work, availability conditions. Those conditions may be place availability of work, availability of industry, quality of skills learnt, lack of technology, financial availability etc. to find out the perceived reasons, the respondents were asked to provide reasons. The answer given by the respondents are presented in the following table.

Table 4.15: Use of Remittance

Particular		No. of Respondent	Total	Percentage
Agriculture	Animal Husbandry	10	16	26.67
	Poultry Farming	2		
	Fishery	-		
	Vegetable Farming	4		
Business	Industry	2	26	43.33
	Trade	12		
	Hotel	12		
Bye New Property	Agricultural Land	4	21	35
	Housing	3		
	Vehicle	4		
	Jewellery	10		
Social Welfare	Contribution to School	17	23	38.33
	Donation in Religious Purpose	6		

Source: Field Survey, 2016

(Note: - Due to the multiple answers the total number of household are more than the total number of sample size.)

The above table present that 26.67% household use their income in agriculture purpose, 43.33% households in business, 35% households in buying new property and 38.33% households use their remittance income in social welfare also.

4.13 Physical Assets Before and After Receiving Remittance

Remittances have substantially increased the households' assets. With the increase of family income, the family members of remittance receiving households have become idle and luxurious. Instead of doing creative works they spend more time on television watching, talking to phone and so on. Ownership of television, digital camera, mobile phones etc have increased after receiving remittance.

Table 4.16: Physical Assets Before and After Receiving Remittance

Item	No. of Households	
	Before Remittance Received	After Remittance Received
Agricultural tools	45	15
Vehicles	-	4
Television	5	46
Radio	50	10
Refrigerator	-	2
Landholding	60	35
Digital Camera	-	10
Mobile Phone	6	60

Source: Field Survey, 2016

Above mentioned table 4.16 shows that the access of communication has increased after receiving remittance while the ownership of radio has decreased. 50 households had radio before foreign employment but it has limited to 10 households after foreign employment. Only 5 households had television earlier but 46 households have television after receiving remittance. No one had digital camera before foreign employment but 10 households have digital camera after foreign employment. The media item only radio is shown to be decreased while other media items such as, television, telephone and mobile phone are found to be higher after receiving remittance.

4.14 Pattern of Children Education before and After Receiving Remittance

Remittances are associated with increased households' investment in education, entrepreneurship, and health all of which have a high social return in most

circumstances. The money that is available to families improves human development of the country since resources can be used to provide education for children and look after the overall health of the family members. The households of migrant workers were also found to be allocating a significant amount of their income in education expenses for the better education of their children in private school or college after receiving remittance.

Table 4.17: Children Education System of Foreign Employee

Particular	Before		After	
	No. of Person	Percentage	No. of Person	Percentage
Access in School	20	33.33	30	50
Dropout	10	16.66	-	-
Public	20	33.33	5	8.33
Private	10	16.66	20	33.33
Start Again	-	-	5	8.33
Total	60	100	60	100

Source: Field Survey, 2016

Above mention table 4.17 has revealed that the access of children in education was increased after the receiving remittance. The remittance receiving households were observed to be spending a significant proportion of their remittance income for children education in private school or college. 33.33% households were found to be access in school before foreign employment. 16.66% of households' children were dropout, 33.33% were teaching their children in public school/college and 16.66% were enrolled in private school. No one was able to restart before remittance. After receiving remittance 50% households were found to be access in school, no one is dropout. 8.33% were found to be sending their children in public school and 33.33% households were found to be teaching their children in private school and 8.33% households' children were able to restart their education after receiving remittance.

4.15 Health Checkup Status of Emigrant's Family Member

The flow of remittance in study area increases the people's approach towards health facility. The government and private hospitals, health post provides health facility to

the people in study area. Some people also believe on Dhami/Jhakri for treatment. Some particulars and their data before and after receiving remittance are shown in the table below.

Table 4.18: Health Checkup Status

Particular	Before		After	
	No. of person	Percentage	No. of person	Percentage
Access in Hospital	30	50	30	50
Treatment with Dhami/Jhakri	10	16.67	2	3.33
Government Hospital	37	61.67	30	50
Private Hospital	13	21.67	28	46.67

Source: Field Survey, 2016

Above table 4.18 mentioned that in 60 household 50% were able to visit hospital before remittance, remain 50% are also able to visit hospital after receiving remittance. 16.67% were found to be visiting Dhami/Jhakri for treatment before receiving remittance while 3.33% were found to be visiting Dhami/Jhakri after receiving remittance. 11.67% were found to be visiting government hospital; it was increase after receiving remittance which means people access is increased in hospital. 21.67% households were found to be access in private hospital before receiving remittance but after receiving remittance, 46.67% households found to visit private hospital for treatment. This data represents that the access of people is increase in health.

Note: - Due to multiple choice, total households are more than the sample size.

4.16 Condition of Indebtedness after Foreign Employment

The foreign employment helps to reduce indebtedness. Most of the people have no indebtedness and some people have decreasing indebtedness after going foreign country. Condition of indebtedness is summarized as below:

Table 4.19: Condition of Indebtedness After Foreign Employment

	Before	Percentage	After	Percentage	Total
No	20	33.33	-	-	20
Decreasing	-	-	25	41.67	25
Increasing	-	-	-	-	-
Finished	-	-	15	25	15

Source: Field Survey, 2016

Above table 4.19 shows that when sample households were asked about the condition of Indebtedness, 33.33% households had not Possess indebtedness. Indebtedness is decreased in 41.66% households and is finished in 25% households.

4.17 Access in Healthy/Nutrient food

Healthy/ nutrient food is essential for people. The remittance income increases living standard and access in healthy/nutrient food in the study area which is shown in table below:

Table 4.20: Access in Healthy/Nutrient Food

Before					After				
Yes	Percentage	No	Percentage	Total	Yes	Percentage	No	Percentage	Total
25	41.67	35	58.33	60	60	100	-	-	60

Source: Field Survey, 2016

Above table 4.20 shows that 41.67% households were found to be access in healthy and nutrient food. 58.33% households were not able to gain healthy and nutrient food. After receiving remittance, all of the sample households were able to gain healthy and nutrient food daily.

4.18 Investment of Remittance

In study area, the respondents were asked that remittance income is invested in productive sector or not. The answer given by them is presented in following table.

Table 4.21: Investment of Remittance

Particular	No. of Households	Percentage
Invest in Productive Sector	18	30
Not Invest in Productive Sector	42	70
Total	60	100

Source: Field Survey, 2016

Above table shows that only 30% households invest in productive sector, remaining 70% households do not invest in productive sector.

4.18.1 Cause for no Investment in Productive Sector

The respondent in study area does not invested in productive sector due to lack of business environment, conflict in houses, lack of market, lack of sufficient capital, no idea about business etc. the cause and no. of households were shown in table below:

Table 4.22: Cause for no Investment in Productive Sector

	No. of Households	Percentage
Lack of Business Environment	20	33.33
Conflict in Houses	6	10
Lack of Market	15	25
Lack of Sufficient Capital	9	15
No Idea About Business/ investment	10	16.67
Total	60	100

Source: Field Survey, 2016

Above table shows that challenge of investment of remittance in productive sector. Most of the respondents about 33.33% answered lack of business environment is the main challenge, 25% respondents answered lack of market in rural area, 16.67% respondents answered no idea about business and investment, 15% answered lack of sufficient capital for investment and 10% respondent answered conflict in house is cause for not investing in productive sector.

CHAPTER V

SUMMERY, CONCLUSION AND RECOMMENDATION

5.1 Summary

The remittance economy is of major significance both as a source of foreign exchange and as a source of family income to many households and local communities throughout the country, particularly in rural area of Nepal. Labour migration for overseas employment and the value of remittances have increased substantially in the last ten years. While the overall volume and value of total remittances coming into Nepal from the large number of Nepalese working abroad is enormous, however, the impacts of remittances remain diverse according to the utilization and allocation of remittances in different sectors.

To fulfill these objectives of the present study, Dhikurpokhari VDC of Kaski district was selected area and sixty remittance receiving households were selected for interview balancing economic as well as socio-cultural diversities. The primary data were collected through questionnaire method and some essential secondary data were also collected from different sources to analyse foreign employment and remittance. The data are presented by using simple statistical tools like table, bar-diagram and pie-chart, line chart and analysed by using statistical tools like percentage and ratio.

According to CBS total remittance received through registered source by Nepal in first six month of FY 2013/14 more than 3.21 billion, which was very large than previous year. The contribution of remittance to GDP, saving and investment in 2012/13 was 23.07 percent, 22.79 percent and 10.46 percent respectively.

To cop up with their economic difficulties most of the rural households of communities have send at least one member of their family for foreign employment. It was found that 50 percent of household have sent one family member, 20 percent have sent 2 and 3 member and 10 percent have sent more than 3 family members for foreign employment.

Main destination countries of study area were Dubai and Malaysia. The average duration of abroad of the foreign employee was 3.5 years.

Major sector of employment for workers were construction 30 percent, manufacture 25 percent, Hotel 16.67 percent, service 20 percent and farming 8.33 percent.

The large amount of remittance income has been used for household expenses 30 percent of sample households were not able to save any amount. Minimum part of remittance was used in productive sector, 43.33 percent said that insufficient money is main cause for not investing in productive sector. 16.67 percent have given their response in lack of business environment, 10 percent respondent said that lack of market is main challenge and 10 percent respondent said that conflict in house is main problem for investment in productive sector.

5.2 Conclusion

Due to the lack of employment and income opportunities at homeland and poor economic condition of the family, the number of foreign employment seekers is surging up every ever and millions of youth are flying overseas for foreign employment. With the growing trend of foreign employment, the income from remittance is also growing. On the one hand remittance income is emerging as one of the most significant and reliable sources of external finances for many developing countries like Nepal and on the other hand it has become one of the most important and major sources of family income to many households of the rural area. Nepal has been one of the major labour exporting countries in recent years therefore migrant workers' remittance has become a strong source of foreign exchange earnings and important source of family income.

Remittance has generally not been dedicated to increasing productivity by investing it into agricultural and industrial sectors and overwhelmingly invested mainly in land for ghaderi and housing. Therefore in the long term it would not be sustainable to promote foreign employment rather the government should create employment and income opportunities within the country. For the short term, the country requires a coherent remittance policy for maximizing the benefits of remittances in nation building and welfare of the society.

As a summary, it can be concluded that the economic and social condition of all families who have involved in foreign employment have increased. It may be in both aspects i.e. economy as well as social but surely there is positive change in the status of the families of the respondents due to remittance income. Therefore we can say that remittance is playing vital role in reducing the level of poverty in the study area.

5.3 Recommendations

From the present study about the role of reduces rural poverty in Nepal, some recommendations are made as follows:-

1. Surely remittance income is playing very positive role to reduce rural poverty of the study area and also it is improving the social as well as economic indicators of the VDC but this is not satisfactory. Maximum part of remittance income have been use in unproductive sectors like regular household expenditures , loan/installment payment, house improvement and social spending etc. this don't give any return in the future. Thus, the policy should be made to give more information to the respondents own using their remittance income in to productive sectors like investment in shares, business etc. and should be given more opportunities to them in using their newly learnt skill after returning form the foreign employment.
2. Since Most of the migrant Nepalese workers have gone to Gulf countries and Malaysia so these destinations are congested area of the Nepalese workers. Thus manpower agencies, agent and employed company all have been cheated to maximum workers. On the other hand, the workers of these destinations cannot earn much more money than other destinations like Japan, Korea, Hong Kong, USA etc. So the Ministry of Labor and Transport Management GON should make new policy to identify new potentialities destinations and create opportunities to go these destinations. Where the workers will earn more money than the existing countries. Apart from these the labor contract should be done between two countries to give safe environment for the workers.
3. The Bilateral agreement should be done from the ministry level with all the labor importing countries. Agreement done with United Arab Emirates, Qatar and Korea can be the best examples of positive impact of agreement.

4. Most of the respondents of rural areas came from lower income groups and based on agriculture occupation. So, they cannot easily afford foreign employment. If they go foreign countries for employment, they should borrow or loan at the high interest rate. So the policy should be made to give more opportunities to poor people of rural areas as well as facilitated to them from funds for foreign employment. In the case of this VDC almost all the workers from the lower income group are migrated to India to work because of lack of money with them where they are earning very little amount of money comparing with the migrant workers to other gulf countries and Malaysia. Thus GON should provide loans to the poor people in the cheap interest rate who want to go to foreign employment.
5. Large partitions of economically active population are engaged in foreign employment for earning. Remittance income has positive impact in society to increase the personal income and social prestige. But it hampered to agriculture productivity.
6. The government should create such structure in which remittance receiver may easily enter for investment.

Finally, this above case study of role of remittance to reduce rural poverty and the status of foreign job seekers of Dhikurpokhari VDC which is very important current issue of the Nepalese economy, therefore, this study can be considers and significant, while the study is conducted in small size and may not be sufficient to make general conclusion for the whole nation about the role of remittance income and labor migration. But by this study, I'm confident that it will be certainly beneficial to the people of Dhikurpokhari VDC and side by side for the people of other neighboring VDC of the entire country.

REFERENCES

- Adams, R. (2014). Remittances and Poverty in Guatemala, Policy Research Working Paper, 3418, India: World Bank.
- Anyanwa and Erhijakpore (2012). Do international remittance affect ogery in Africa? Article first published on online 8 March.
- Bhatta, N. (2015). Household Child Labor in Kathmandu: A Case of Kuleshwor Residential area, Kahmandu, Economic Jorunal of Nepal., Vol. 30pp51-61 Central Department of Economics, T.U., Kirtipur.
- CBS (2011). Nepal living standard survey. Kathmandu, Nepal: Central Bureau of Statistics.
- CBS, (2011). National Population Census, 2011. National Planning Commission Secretariat, Kathmandu: CBS.
- Chimnown, pisse & pinder (2015). Maximizing the development impact of remittance, in Dilip Ratha & Samuel MM (ed.) remiittance : development impact and future prospects. World Bank. Article no. 1 (pp 5-19).
- Elbadawi, and Robert R. R. (2012). Determination of Expatriate Workers Remittance in North Africa and Europe. Working Paper, Washington D.C. Country Economic Department, WB.
- Gaudel, Y.S. (2013). Remittance income in Nepal: need for economic development the Journal of Nepalese Business Studies Vol. III (1), 2006.
- Ghimire. T.P. (2010). Nepal ko arthatantra, bidashick rojgar ra remittance. Annual publication, Kathmandu: NRB.
- Gurung, Seddon, (2010). Nepali Women and Foreign Labour Migration: Evidence from Rural Mexico, Working paper No. 05-00. Kathmandu: UNIFEM/NIDS.
- ILO, (2003). Challenges to labour migration policy and management in Asia, 2003 Geneva: ILO.
- ILO, (2013). An Overview Paper on Overseas Employment in Nepal. Working Paper, Kathmandu: International Labour Office.
- Kansakar, V.B.S. (2015). Migration remittance and rural development. Central for Economic Development and Administration (CEDA), Tribhuvan University, Kathmandu, Nepal.

- Kritz, M.M ; Keely C.B (2014). Introduction in Global Trends in Migration. Edited by M.M Kritz, C.B. Keely and S.M. Tomasi. Staten Island: Center for Migration Studies.
- Kshetry, D. (2014). Remittances; cash and benefit, Annual Publication Nepal's Rastra Bank, Vo. 20, pp. 12, Kathmandu.
- Mercy corps Nepal, (2013). Mercy Corps Nepal's Facts Portal, Kathmandu : MC-N.
- Ministry of Labor and Transport Management/United Nation Development Fund for Women (2013). National Consultation of Empowering Migrant Women Workers of Nepal. A Discussion Held in Kathmandu on November 2003, UNIFEM.
- MoF (2014). Economics survey (2013/14), Kathmandu.
- MoF (2015). Economics survey (2014/15),Kathmandu.
- MoF (2016). Economics survey (2012/13), Kathmandu.
- Nepal Rastra Bank (2015). Foreign Employment and the Remittance Economy of Nepal (in Nepali), Kathmandu: NRB.
- NLSS, B.S (2011/12). Nepal Living Survey Government of Nepal CBS, Kathmandu, Nepal.
- NRB, (2012). Qutarly economic bulletin vol 46(3). Kathmandu: Nepal Rastra Bank.
- Pant, B. (2013). Mobilizing Remittances for Productive Use: A policy-oriented Approach, working paper, December, Kathmandu: NRB.
- Pant, R. (2011). Remittances and Development in Developing Countries. NRB Annual Publication, Kathmandu: NRB, pp.52-59.
- Ray Chaudhari, J. (2013). Migration and Remittance inter urban and rural urban linkage. New Delhi: Sage Publications.
- Revenstein, E.G. (2014). The law of migration. Journal of royal statistical society. Vol. 48, No. 2.
- Rosser, E. (2014). Remittances Faculty Workshop,2008, Kathmandu: MoF.
- Seddon, D, (2000). Foreign Labor Employment and Remittance Economy of Nepal, Kathmandu: NIDS.
- Shah, Amrita (2014). Role of Remittance in Rural Development: A Case Study of Rauteli Bichawa VDC, Kanchanpur District, Nepal. An Unpublished Master's

Thesis, Central Department of Rural Development, Tribhuvan University, Kathmandu, Nepal.

Sheddon, D. (2014). Nepal's Dependence on Exporting Labor. Migration Policy Institute, Washington, DC.

Shrestha, P. (2014). Foreign employment and remittance in Nepal. The economic journal of Nepal, Kirtipur, Kathmandu, CEDECON, Jan-March.

Shrestha, S.R (2012). Foreign Remittance; A panacea for Nepalese Economy, Kathmandu: NRB Annual Publication, pp 27-35.

Silwal, U. (2009). Labour migration and remittances in Nepal. The Economic Journal of Nepal, vol.32, No.4

Silwal, Uma Kanta (2009). Labor Migration and Remittance in NEPAL: An Overview, The economic journal of Nepal, Vol. 32, No.4, October-December 2009 (Issue No.128) © CEDECON-TU.

Todaro, M.P. (2013). International migration in developing countries. A review of theory, Evidence and methodology and research priorities. Geneva: ILO.

U.N. (2002). International Migration Report – 2002. New York: United Nations.

United Nations (2012) “one geographical unit and another” New York: Washington DC, WB.

VDC Profile (2072). DDC Kaski.

World Bank and Macmillan (2015). World Development Indicator. New York: Washington DC, WB.

www.dofe.gov.np

www.ekantipur.com

www.google.com

www.wikipedia.com

7. How much money do you receive from foreign employment monthly?
 a) Below Rs 20000 b) Rs 20000-Rs 30000
 c) Rs 31000-Rs 50000 d) more than Rs 50000
8. In what season you receive money or goods more?
 a) Chaitra-Jestha b) Asar-Bhadra
 c) Aswin-Mangsir d) Poush-Falgun
9. What was the reason for going abroad for foreign country?
 a) Unemployment b) Family debt
 c) To built a better future d) Land less ness
 e) Family pressure f) other
10. What do you do with cash remittance?
 a) Sufficient to pay loan/installment b) House expenses
 c) Start new business d) Buy new property
11. In which sector you use your remittance income?

Agriculture	Business	Buy new property	Social welfare
i) Animal husbandry	i) industry	i) Agricultural land	i) Contribution to school
ii) Poultry farming	ii) Trade	ii) Housing	ii) Donation to religious purpose
iii) Fishery	iii) Hotel	iii) Vehicle	
iv) Vegetable farming		iv) Jewellery	

12. How much money can you save per month?
 a) Below Rs. 20,000 b) 20,000-40,000
 c) 41,000-60,000 d) Above 60,000
13. Did you take any loan to go to foreign country?
 a) Yes b) No
14. If yes, from which source?
 a) Bank b) Co operative
 c) Friend d) Relative
15. How much interest rate you pay for loan?
 a) 0-5% b) 5-10%
 c) 10-15% d) 15-20%

21. Access in Physical assets:

Physical Assets	Before	After
a) Agriculture tool		
b) Vehicle		
c) Camera		
d) TV/Radio		
e) Telephone		
f) Refrigerator		
g) Landholding		

22. Access in Education

	Before				After			
Schooling	Yes	No	Public	Private	Yes	No	Public	Private
Dropout								
Again start								

23. Access in Health:

Where do you go for check up/Treatment?

	Before	After
Access in Hospital		
Dhami/Jhakri		
Government Hospital		
Private hospital		

24. Condition of indebtedness after foreign employment

- a) No
- b) Decreasing
- c) Increasing
- d) Finished

25. Access in healthy/nutrient food

- | Before | After |
|--------|--------|
| a) Yes | a) Yes |
| b) No | b) No |

ANNEX II

KEY INFORMANT INTERVIEW (GUIDELINE)

To decrease the poverty in rural area, according to the research on remittance income, some questions we made to collect key information. Where the questions are asked to the people of research areas like distinctive peoples, teachers, ward respective

1. Where remittance income is most invested in your area?
2. In which area remittance income most needed?
3. Do you think that remittance income decrease poverty in your area?
4. Do you have any idea to increase foreign income?
5. What to do with remittance work for its better use?
6. Do you have any idea to improve foreign employment?

" Thank You"