

# **Role Of Remittance In The Reduction Of Rural Poverty**

**A Case Study of Kolhavi VDC, Bara District, Nepal**

**A Thesis Submitted to**  
**The Central Department of Rural Development,**  
**Tribhuvan University,**  
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**November, 2017**

## DECLARATION

I hereby declare that the thesis entitled **Role Of Remittance In The Reduction Of Rural Poverty: A Case Study Of Kolhavi VDC Of Bara District** Submitted to the Central Department of Rural Development, Tribhuvan University, is entirely my original work prepared under the guidance and supervision of my supervisor. I have made due acknowledgement to all ideas and information borrowed from different sources in the courses of preparing this thesis. The result of this thesis have not been presented or submitted anywhere else for the award of my degree or for other purpose. I assure that no part of the content of this thesis has been published in any form before.

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## **RECOMMEDATION LETTER**

This thesis entitles **Role Of Remittance In The Reduction Of Rural Poverty:A Case Study Of Kolhavi VDC Of Bara District** has been prepared by **Mithila Pyakurel** under my guidance and supervision. I hereby forward this thesis to the evaluation committee for final evaluation and approval.

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Supervisor

Date: 2017-11-12  
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## **APPROVAL LETTER**

This thesis entitled **ROLE Of Remittance In The Reduction Of Rural Poverty : A Case Study Of Kolhavi VDC Of Bara District** submitted by **Mithila Pyakurel** in partial fulfilment of the requirement for the Master's Degree (MA) in Rural Development has been evaluated and approved by the evaluation committee.

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It is hoped that this report tried to portray accurately the remittance scenario, the potential impacts of remittance to the households in the study area and shall be instrumental in the promotion and development of sustainable remittance programs in the future.

Mithila Pyakurel  
November 2017

## ABSTRACT

This study was carried out to assess the local people perception on remittance, to identify the role on rural livelihood. Study was conducted in Kolhavi VDC of Bara District, Nepal was conduct with the objectives to analyze the impact of remittance on rural livelihood, access the contribution of remittance in poverty reduction on rural areas and analyze the factors related to the use of remittance in Kolhavi VDC of Bara District. This study is mainly based in the primary information and the data were collected using the technique of household survey with the help of questionnaire and interview (FGD and KII).

There was 6567 population in VDC. Out of total households 1272 households were receiving remittance money. Among them 62 households were selected as the probability sampling for study. Most of the households from the study area were receiving remittance. In the study area it was found that Madesi 32.25%, Chhetri 19.35% Brahmin 21%, Newar 12%, Rajput 6.70% and Magar 9.50% were caste of the study area. Remittance was the main source of livelihood of this study area. Of the total, 37% foreign migrant worker were spending their remittance in HHs expenditure, 20% spend for education. After remittance foreign migrant worker households economic condition has improved through remittance.

Similarly, there was significant improvement in the foreign migrant worker household going for better health check-up in private hospital and started to send their children in school, college and university after receiving the remittance in the study area.

In the study area, remittance income has an effective tool in reducing the poverty. The living standard of the people is gradually changing. People are now getting the proper health and facilities and their educational status is also gradually increasing. The income of the family has been raised up ultimately uplifting the living standard of the living under the poverty line. Some utilize in productive from our side like income coming from remittance should be utilizes in productive sector like business, agriculture, agro forestry, real estate (land purchase and housing construction) etc, there should be some vocational training institution in the local area for their skill development and so on. Result of the study suggests that remittance helps to reduce rural poverty and helps rural development.

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## **ABBREVIATIONS / ACRONYMS**

ADB	:	Asian Development Bank
BOP	:	Balance of Payment
CBS	:	Central Bureau of Statistics
DFID	:	Department for International Development
FDI	:	Foreign Direct Investment
FY	:	Fiscal Year
GDP	:	Gross Domestic Product
GNI	:	Gross National Income
GON	:	Government of Nepal
HDR	:	Human Development Report
ILO	:	International Labour Organization
IMF	:	International Monetary Fund
NLSS	:	Nepal Living Standard Survey
NPC	:	National Planning Commission
NRB	:	Nepal Rastra Bank
SAARC	:	South Asian Association for Regional Cooperation
SLC	:	School Leaving Certificate
UAE	:	United Arab Emirates
UK	:	United Kingdom
USA	:	United States of America
VDC	:	Village Development Committee
WB	:	World Bank