

CHAPTER-I

INTRODUCTION

1.1 General Background of the Study

Labor migration and remittances have emerged over the last three decades as prominent features of Nepalese Economy. The phenomenon of migration is as old as the history of people has moved from country to country to search of new resources (New Era, 1981). From the early age of wild life people have been moving towards places where better facilities are available. The transmigration of human factor significantly increased at the beginning of the process of civilization. With the development of human civilization, innovation of different machinery tools and rapid industrial revolution especially in western countries had made much more requirements of labor force and to fulfill this gap was supplied from the Asian African and Latin American countries. As shown by this, the reason for development is transmigration of human factor and labor forces globally. "Migration is form of geographical or spiritual mobility between one geographical unit and another generally involving the change in residence from the place or origin of place of departure to the place of destination" (UN Dictionary 1956). People are moving from one place to another since ancient period and continue movement has been an international phenomenon resulted due to complex mechanism, psychological, political and institutional and other determinants (Singh, 1998).

Labor migration is not modern and recent phenomenon in Nepal. Labor migration for overseas employment from the labor surplus country has rapidly increased particularly after globalization. In Nepal the migration of youth (male especially) for foreign employment speedily increased especially at for the restoration after multi-party democracy and introduction of liberalization policy. Nepal is one of the least developed countries in the South Asia. About 85 percent of the people depend upon subsistence agriculture in rural areas facing with great disparities of caste, gender and geography. Poverty, unemployment, declining natural resources and more recently the political instability are main reasons why international labor migration is the main resource increasing importance sources of income. Though Nepal has experiences of cross-broader migration from ancient past especially to India, China & Bhutan, it has

taken speed up. In the recent past as the global economy open up gradually and the host economics (Gulf countries, South Korea, Malaysia etc.) welcomed our labor force to work for.

"Remittance is the Back-Bone of Nepalese Economy"

Remittances are "the portion of international migrant workers earning sent back from the country of employment to the country of origin" (Puri and Ritzema, 1999). Nepal is overwhelmingly a rural and agrarian economy. Nearly 85 percent of its people live in rural areas and 79 percent of them earn their livelihood preliminary from agriculture and related activities. The share of agriculture in GDP has fallen significantly from 72 percent in 1975 to now approximately only 30 percent. Because of small size of holdings, rare application of modern technology, lack of knowledge about the modern crops and traditional market followed by transportation problem, production and productivity from the farmland is extremely low in most of the rural areas. Due to the absence of the other off- farm economic activities, people are compelled to rely on agriculture. The result is that there is higher proportion of labor force are unemployed. In the process of finding other resources of income, people from the rural areas leave their native village and move out of nation. This process helps them to earn some money which they can either bring with themselves or send through some means, such as financial agencies, friends, hundi and other sources, which income known specially 'Remittance'. Remittance plays a pivotal role not only the economic life of rural people but is also important for the nation's economic growth. It has helped to people to increase their income and so it has been instrumental for the reduction of extent of poverty in the country (CBS, 2004). Remittance from the abroad is an important source of rural household's economy that has significant impacts on the livelihood strategy of the community. Thus, remittance increases the income of the family to a considerable extent especially among the middle and the poor class of the family. The Nepalese economy is facing inflection engulfed by ongoing political instability, increasing inefficiency and mounting corruption. Therefore remittance has been the only hope to rescue the economy from the low level of equilibrium trap, which could provide a new lease of life to ailing Nepalese economy. Acceleration in overseas migration and remittances has been instrumental, for survival, poverty alleviation and improving the living standard of

people. Thus, remittance has been a single most dynamic factor to deal with the dismal scenario of the Nepalese economy (Seddon, 1999). An international migration of labor for employment has been strategy for survival of the rural subsistence households. The volume of foreign employment is that it helps to increase foreign exchange reserves revenue in the resources scare economy. Nepal has been able to adjust balance of payments crisis due to remittances despite slackening in tourism and trade sectors. A significant proportion of those Nepalese engaged in wage labor perform their work at a place distance from home and thus, labor migration and remittances comprise a crucial component of the Nepalese economy society as a whole. Due to its pivotal role for the Nepalese national economy, labor migration and its dynamics (causes, consequences and processes) need to be addressed.

In the Nepalese context most of the male labor migrated in different countries due to poverty, unemployment, political instability and conflicts. The 2001 census reports that about 89 percent of the total migrants (including the immigrants in India) are male. The Foreign Employment Act 2008 is enacted enforced for promoting the business of foreign employment while safeguarding the rights and interests of workers and foreign employment entrepreneurs by making it a safe, well managed, and dignified profession. As for the provision of the Act, a separate foreign employment department is established on 31 December 2008 under the Ministry of Labor and Transport Management to look after foreign employment related activities. After its establishment the Department has adopted a number of policies like rigorously curbing foreign employment related frauds in collaboration with the private sectors; ensure that conditions of contracts are enforced through effective monitoring in coordination with diplomatic missions abroad and see whether employees get the job and wages as stipulated in the contract documents. Addition, it is also responsible to make the employment agencies pay compensation to the persons made to return being standard in foreign countries, strictly enforce the system of importing orientation training before leaving for foreign employment, and arranging necessary facilitation to the outgoing and returning workers at the International Airport. A separate Employment Permit System (EPS), Korea sector is established in the department and work is being carried out accordingly to send Nepalese Workers to Korea under such (EPS), system. Beginning the FY 2009/10 a separate Japan International Trading

corporation organization (JITCO) unit is formed for sending industrial trainees and interns to Japan.

As per details available from the Foreign Employment Department 1,227,166 people had gone to different countries for foreign employment by the end of FY 2007/08. By the first eight months of FY 2009/10 such number reached 1,620,370 with addition of 219,965 and 173,239 in FY 2008/09 and 2009/10 respectively. Although statistics, on the number of people visiting aboard through unauthorized means taking undue advantage of open broader with India is unavailable; such number is assumed to be significant. It is however, estimated that the number of overviews employment seekers traveling without labor authorization is estimated to be equal to those authorized.

Contribution of remittance of GNP is vital. Initially the share of remittance to GNP was found 1.74 percent in mid July 1991. This share increased sharply (9.38%) during the ten years period of mid July 1999 and eventually reached to 12.03% in mid July (2005) whereas average the share of remittance to GDP was 11.03% during the review period from mid July 2000-2005, due to the transfer category of BoP remittance income increased trend of Nepal worker going to Malaysia and gulf countries for employment (MOF 2006). Nowadays contributions of remittance in GDP around 23 percent (MOF, 2009/10). Thus role of the remittance has also appeared it is important to maintain the economy intact.

Therefore remittances become major sources of foreign exchange in Nepal. As (GoN, 2009), highlights that the remittance being function as "Safety Value" in Nepalese economy and it also reveals that remittance has emerged as one of the premier sources of foreign exchange (Shrestha,2008). She opines that remittances contribute substantially to maintain macroeconomic stability. According to the review of 10th plan the encouraging increase in private sector remittance inflow contributed not only melting trade deficit, but also resulted in a surplus in the current account every year. Ratio of current account surplus to the GDP during the plan period averaged at 1.9 percent (Three Year Interim Plan).

Thus, this research conducted on specific study area Chidika VDC where most of the youth are going to foreign employment due to poverty, unemployment etc. Only few

percent active population of this study area is directly involved in farm activities. Since a large proportion of people are farmers they are fighting for sustainable livelihood. They are in quest of finding some opportunities that help them to overcome their economic problems. So, people leave their homeland and either within or outside the country for the extra income. Most of the households fulfill their needs by remittance which eventually helps them to make their life sustainable.

1.2 Statement of the Problem

Migration is one of the most of the burning problem in the Nepalese economy. However the problem of male labor migration is increasing day by day in Nepal due to lack of employment opportunity, poverty and political instability. In rural areas of Nepal, emigration has created a serious problem. Rural areas are becoming youth- less these days. So in the short run emigration may relief the problem of unemployment but in the long run it will create a serious problem for mobilizing natural resources and its implications on development process of national plan and policies.

On the other hand, the contribution of remittances in mainly depends on its role-play in increasing employment or the national income. This crucially depends on the productive use of remittances of investment in the economy. It has been found that about 80 percent of remittances as used on repaying the debt, consumption purposes like purchasing land, more expensive education for the children, expenditure on social function like marriage and other ceremonies etc. Only remaining 20% is used for productive purpose like small business, investment in the industries agricultural, business etc. Therefore some author believes that remittance has greater negative impact in the economy including the unproductive expenditure and the demonstration effect of the migrants and nationally it affects domestic currency appreciation and inflation. The human and social aspects of migration are also an important factor which should not be neglected (Pant, 2008). On this ground, the study areas Chidika VDC as well as most of the VDC of Arghakhanchi district are losing their youth (male) day by day in the name of migration for short time as well as long time. Which brings a serious problem in rural economy such as security, loneliness; affects on agriculture production, hamper on children's education etc. are the prime problem of the rural area. So, this study tries to shows that in which socio- economic sector has

significantly affected by remittance with using hypothesis testing (Z- test and t- test) are used with addressing the following research questions;

- a) What is the current scenario of labor migration?
- b) What are the positive and negative affects occurred by labor migration in the society?
- c) What is the nature of remittance?
- d) How is remittance income used by households?
- e) How is the socio- economic significance of remittance in the study area?

The above mentioned research questions tries to justify that remittance is the backbone of the Nepalese economy. Around 23 percent contribution of remittance in Nepalese GDP. As economic growth of the country remained hobbled by the long run insurgency and political instability. This status of Nepalese economic reveals that the state is being unsuccessfully to foster development, in such miserable situation remittances been playing a pivotal role in the country's economic development by relaxing the foreign exchange constraints. The inflow or remittance not only fulfilled the economic needs of the country but huge amount of foreign currency also gathered. Remittance inflow has not only increased the foreign exchange earnings and regulating the current economy. But due to the strong base of the remittance income Nepalese economy, industry, internal trade, business, bank and other financial institution imported trade etc. are regulated. Nation is earning revenue from these sources too. In such adverse situation of the national economy total GDP has been increased positively due to remittance inflow. A detail empirical analysis evidently proved that income is playing crucial role in minimizing the ability of the economy and also supporting long term growth to some extent. (Kanel & Khanal, 2005). Thus various uses of remittance funds are very significant to reduce poverty and create economic security for the household & community (Pant, 2006).

One the other hand, male labor force migrant is the subject of prime concern in the economic analysis if countries to analyze the economic condition of the country with the study of economic status of the nations. The size of the labor force in Nepal is increasing rapidly each and every year due to high population growth caused by high fertility rate. The significance of both (remittance & labor migration) in micro level of

study is theoretical as well as applied. The study may be supplementary sources of information to understand causes, imports volume of emigration and economic characteristics of emigrates and trends of remittance. Therefore, this study testing significance using through various hypothesis on the base of rural economy in where, how the remittance income and labors are mobilized.

Hence, this study hope that should be meaningful and efficiency.

1.3 Objective of the Study

General Objectives

This study tries to generalize the nature and role of remittance in Nepalese economy as well as to examine the socio- economic impacts of migration and remittance in rural economy.

Specific Objectives

The specific objectives are;

- a) To analyze the nature & role of remittance in Nepalese economy;
- b) To study the composition and pattern of male labor migration in the study area; and
- c) To examine the socio-economic impact of remittance on households.

1.4 Limitation of the Study

Almost all the studies have some sort of limitation and this study is not an exception on this fact. So this study has limitation which mentioned below.

- ❖ First this study being purely academic and limited to time and resources so this study does not cover all the aspects of related topic. However, it focuses on some of its major important aspects.
- ❖ This micro level study is limited to Chidika VDC Arghakhanci district not as a whole/ comprehensive due to various constraints.
- ❖ This study mainly focused on some remittance receiving households and some remittance non-receiving households.

- ❖ Most of the analysis is based on primary data so distortion of the reality from this study may be due to biasness of respondents.
- ❖ This study only concern in overseas for foreign employment but not concern in India.
- ❖ The analyzed the nature and role of remittance explained during, (2000/2001-2008/2009).

1.5 Organization of the Study

The first chapter is the introductory chapter. This chapter contains the general background, statement of problem, objective of the study, limitation of the study, organization of the study. In the second chapter, review of literature, this is studies, the situation of labour migration and remittance in the context of Nepal as well as the world. The third chapter includes the research methodology. In the fourth chapter, presented Nature and role of remittance in National economy this shows the role of remittance in Nepal. The fifth chapter includes the socio-economic demographic status of the study area. The six chapter includes data analysis with flow a migration, it trend, composition and destination and in the last seventh, the survey result presented with summary, conclusion and recommendation.

CHAPTER-II

Review of Literature

In general review means a looking back on retrospective view of survey, as past event of experience. So that every scientific research must be based on past knowledge. The previous studies cannot be ignored because they provide the foundation for present study. So in this chapter contain review of the relevant literature found by the published book, journals, articles, thesis, newspaper, websites and previous theoretical and empirical research work which are related to support the present study.

2.1 Theoretical Review of Migration & Remittances

Historically, Nepalese people established their business and work with the neighboring countries like Tibet, China and India. In Lichhavi period, promoted Nepalese arts and popularity by Bhirkuti in China and many artists designers worked there. Artsties Araniko invited by Kuble Khan for the constructing temples & stupas in China. These histories shows that at the Nepalese were working in neighboring countries and sent the earned amount to their motherland. At that period,Nepal was rich for culture, arts, heritage and also economically Malla regime too. Nepalese carried on the job continuously focusing trade between neighboring countries.

Lewis (1954) in 'Economic Growth with Unlimited Supply of Labor' distinguishes subsistence sector and developed sector within the economy. In the other words the first is agro-based, unemployed or rural area and second is industrial, developed or urban territory. The prime reason for migration is due to wage difference. Unlimited supply of labor force prevailing at low wage rate is attracted into industrial sector until subsistence sector provides equal wage rate like that of urban sector, i.e. migration exists whenever wage differential exists and of such differential causes to end labor mobility.

Todaro (1976) in his study international migration and developing countries clarifies that migration is stimulated primarily by rational economic consideration of relative benefit of which are mostly financial. Decision to migrate is influenced by the difference between expected incomes of two places. He adds that probability of getting jobs in new area is inversely related to unemployment rate in the new area.

It is found that the origin of Nepalese emigration be after the Anglo-Nepali war in 1914 and was totally for recruitment purpose. The Indian authority was not only open to them but also manage for their permanent settlement. The Prime Minister Bir Samsar JBR for the first time relaxed the policy and encouraged the people to join in the British recruitment. So two million people (especially Nepalese male) joined the British regiment ever during the First World War. The Anglo –Nepal convention held on 15th May 1815, created alternative labor market to the Nepalese and India. The emigration to India accelerated because of opportunities growth and miserable day to day life of Nepalese in hill area (Kansakar, 1993).

Revenstein (1985) was the first person to attempt forming migration theory. Revenstein's law of migration is also known as push –pull factor of migration, still pre dominates as framework of migration analysis, push factor are; land tenure system, unfavorable form of trade, wide dispersion of poverty & income, pressure of rural poverty in income, pressure of rural poverty in general & so on. Pull factor are employment, education & other facilities are opportunities known as 'bright light' of the towns. On the other hand push factor migrant from their place of origin & on the other hand pull factors migrant to pace of destination.

As stated in the BOP manual (5th edition) states workers remittance cover current transfer income by migrants who are employed in new economies and considered residents there. A migrant is a person who covers to an economy & stay or is expected to stay for a year or more. Workers remittance often involves related person, who work for and stay in new economies for less than a year are considered as non residents. So their transactions are appropriate mainly to the components for compensation of employees (IMF, 1993).

Addisin (2004) in his research paper observed that remittance have for several generations been an important means of support for family members remaining at home. As migration continue to increased come to constitute a critical flow of foreign currency into many developing countries and Africa is particular policy maker in developing countries have started to streamline financial system, removing controls & creative incentive with the aim of attractive remittance especially through official channels. Generally remittance creates a positive impact on the economy through various channels. The general understanding among various economic thinkers is that

remittance can impact on economy through saving, investment, growth, consumption, and poverty and income distribution. The importance of remittance flows becomes critical in economy with credit market imperfection as in the case in most developing countries.

Nepalese migration as limited employment opportunities in government and private sector. Underdevelopment of industries and rudimentary service sector provided limited numbers of job to ever increasing labor force. In the farm sector, this conventionally used to absorb almost all the 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 least from legal means by going overseas for menial work prompted to exit numbers of worker from rural Nepal (Khetry, 2004)

Panta (2006) make a study on his article defines that remittance refers to that portion of migrant earnings sent from the migration destination to the place of origin. The term 'remittance' is normally limited to denote monetary and other cash transfer transmitted by the migrant's worker to their families and communities. Remittance fall under the BoP standard measures based on the items in report as incorporated in the form of (a) workers remittance (money sent by workers living abroad for greater than a year) (b) compensation of employees (gross earning of foreigners living abroad for less than a year) and (c) migrant transfer (net worth of migrants moving from one country to another)

Remittance is one of the major sources of income of the country can be further increased if new potential destination of foreign employment like Korea apart from the traditional employment destinations such as Arab countries could be explored and utilized (MOF, 2006/07)

Sigdel (2006) conducted a study entitled 'An overview of remittance economy of Nepal' with the evaluating the significance of inward remittance in the overall economy developed of the economy of the country. Employment in abroad has not only helped Nepal ever growing unemployment problem but it has also injected much needed to foreign currency in our economy to fill up foreign exchange & investment gap, thereby helping Nepal avoid a major BoP crisis.

Remittance now a day is considered one of the six pillars of economy other being investment, trade, water, and tourism. At the household level its helps to smooth the consumption & investment in human and physical capital. Remittance also generates benefits to the communities if they are spent on locally produced goods & services, and helps poverty reductions since money utilized for rural development. In Nepal's case penetration of remittance of the remittance in to the remote villagers has helped in poverty reduction. The IMF's country stated that in the absence of remittance the percent of local poverty would be 36 to 37. (IMF, 2006 as cited in Shrestha 2008)

2.2 Empirical Review of Migration & Remittances in International Context

Several studies were conducted to examine the impact of remittance and migration so here prescribed some important reviewed.

Coss (2006) argues that remittance may raise per capita income and reduce poverty in some countries. For instance a ten percent increase in the share of remittances to the GDP in the given country would lead to a 1.6 percent decline in the share of people living in poverty. Remittance also improves human development outcomes. Generally remittance recipients household spend more on health care and have higher school attendance rate. Studied based on households survey in EL Salvador and Sri-Lanka show that children from remittance receiving households have a lower school dropout rate and that, these households spend more on private tuition for their children. Human improvements are not associated with the sending of remittance alone. Remittance assists the poor during the macroeconomic shocks. In many cases remittance are counter cyclical as migrant are prone to send more money to their families and friends in crises. He also states that, there is evidence that remittance can have negative effect, making receipts dependent on these flows without leveraging them to additional income. Families can tend to take these resources for granted and grow dependent on them, undermining the motivation to develop additional work skills or make investment to generate additional income. In Guatemala, there is a perception that migration and remittances are leading young people to drop out of school and aspire to migrate. Many youth do not study or work but rather wait they are old enough to migrate.

S. Rajan (2009) have presented a working paper in Colombo about the India (Kerala) experience with using random sampling method with adopted probability proportional to no. of households which sample drawn from 300 panchayats (localities) used mention sample method in fifty households. He found that average age of emigrants 28, average age at return 44, life in Gulf 16, unemployment rate before emigration 23 and unemployment rate after return 29.

In study found that most of the Keralian male worker migrant in Gulf countries to search the appropriate employment opportunities, and they earned money and sent back their home country its impacts particularly 1.28 times more than the government revenue recipient, four times more than the transfer from central government, 1.5 more than the government expenditure and 15 to 18 times more than the receipts cashew, marine products. At last of the study remittance impact on poverty, unemployment, standard of living, ownerships of houses, consumer durables and social mobility with income distribution. On the other hand, impact of migration on women, elderly people & children due to loneliness. (www.ips.lk)

Amjad (2009) in the case of Pakistan prescribed working paper in Colombo to assess the influence of remittance in economy with using time series data set includes 34 observations over the period of 1975-2008. Data collected from various sources like as remittance series (total & by region), GDP per capita from various issues of economic survey of Pakistan, poverty estimate are various sources of Ajmad and Kemal, Economic surveys missing data for poverty has been interpolated and extrapolated as well as intercepts Dummies have been used to capture the impact of variation on remittance over the three decades 1980's, 1990's & 2000.

This study found that impact of remittance on poverty inversely and negatively related and studied find that some female headed households are in worst position due to they received only 38% of remittance. He declined in the remittance inflows a major contributory factor in explaining the size of poverty in Pakistan during 1980's. He added some observable recommendation for well developed data set and keep well documentation of overseas migration. Remittance encourages migrants to send their remittance through legal channels.

Salim (2009), presented in the case of survey in Bangladesh with using time series econometric analysis linking remittance and economic growth in Bangladesh over period 1981-2006. Likewise using CGE (computable general equilibrium) to analysis with view to explaining the impact of remittance growth in poverty reduction during 2000 and 2005. And a cross-sectional econometric analysis explaining the link between remittance and poverty for the household using the latest survey dada. (HIES 2005).

Table 2.1 Empirical results a time series regression for Bangladesh (1981-2006)

Explanatory variable	Coefficient standard error	t-value	P> t
Constant	-0.036(0.024)	-1.44	0.164
Remittance	0.151(0.021)	6.44	0.000
Investment	0.412(0.233)	7.52	0.000
No of observation = 26			

From the above result it is evident that a 10% growth remittance – GDP ratio will lead to 105% growth in per capita GDP.

A CGE analysis shows that headcount poverty declined from 49% in 2000 to 40% in 2005 envisaging a 9 percentage point reduction in poverty over the five year period. The annualized rate was 1.8% point. Moderate but stable economic growth was one of the key factors for reducing poverty the average economic growth was around 5.5% and population growth was 1.2%. The annualized growth of per capita income was 4.2%. During the same time remittance recorded a phenomenal growth. Inflow of remittance increased from million US\$ 1949 in 2000 to million US\$ 3848 in 2005 implying a 97% growth over the period. The annualized growth of remittance was around 20%. And in the end HIES 2005 data set observing around 1800 household only 905 household receive international remittance while rest do not receive any international remittance. At the first step they separated all household those are receiving international remittance. In the second step they have identified those household who do not receive remittance but they found similar probability of receiving remittance after controlling for different household characteristics. Finally study found that remittance is an importance factor in the poverty reduction, macroeconomic stability and economic growth.

Sonam Tobgay (2009), opened a working paper in Colombo conference about Bhutan the economic impact of remittance particularly in households income, assets, foreign exchange (BOP), social security and discriminations. The comprehensive analytical study was based on the survey of RUM, PPD and MOA-2005 and found that some key issues are high transaction cost for visa and documentation, remittance transfer cost charge by banks, lack of legal framework as assess of poor people in migration. This study suggested some viable recommendations are to promote the competition in remittance industry, protect of migrant worker and other related enabling policy environment needed to adopt it.

Nisa, Priyanka and Dushn (2009) presented a paper about Sri-Lankan economy in international conference to examine the impact of migrant and remittance on economy using the survey of central banks time series data of 2003- 2004. The study examines the macro level (economic stability, national saving and labor market) and micro level (household expenditure, household income and people's welfare). They found that macro economic impact of remittance flows to strength economic through steady sources of funds, FDI, portfolio and remove external shocks (i.e. natural disorder, financial crisis and political conflict etc.). Micro impact of remittance on HHs income and expenditure with reducing poverty and improving health education and standard of living.

The study concludes and policy implemented that majority of low skill migrant but over time skill migrant. Remittance have provide significant in BOP support FDI improve national saving and policy implementation on domestic reform with skill developed of migrants and well documented system.

Deshal de Mel and Suwendrani (2009) studied in Maldives propose of assess the impact of remittance in poverty and consumption using time series data in period 1997- 2005. They found that significant role of remittance to remove poverty (i.e. 10% increases in remittance leads to 3.5% declined in poverty) and internal migration another important aspects to remove inequality. The study suggested some policy implication to keep well documentation of migrant people, encourage sending money through legal channel and building strong policy framework needed for management of foreign employment.

Tilani and Roshini (2009) presented a work paper in Colombo about analytical studies on the impact of migration in Afghanistan using cross-sectional data from the National Risk and Volatility Survey (NRVA) 2003 and 2005. The survey of NRVA 2003 conducted with covered 11227 households out of the total households 2332 number of households had at least one member who migrated during the last year. Similarly survey of NRVA 2005 conducted with main objectives to gather information update and guide policy maker in their developmental decision about the migration and remittance.

This study found that remittances are the most tangible result of migration and direct link to development. Remittance has direct positive impact on poverty alleviation, access to education and health facilities.

2.3 Empirical Review of Migration and Remittance in National Context

There were several studies have been conducted to impact of migration and remittance in national context. So, here some important studies are reviewed.

Karna (2004) on his study argues that, after the Second World War, employment opportunities in India grew significantly and increasing no. of Nepalese went there to find work, mainly in lower paid and menial jobs. This was widely considered a manifestation of Nepal's lack of development and helped encourage an emerging critique of Rana's failure to promote development in Nepal. After Indian independence (1947) and treaty of friendship (1950) with India. There were few travelling restrictions and no. of special permits required. Work could even be found in the public sector in the Indian army, the police force and civil service. Many Nepalese joined the Indian army and police force on even larger no. sought employment in the private sector. He also argues that, there are diverse migration pattern in Nepal.

1. There is substantial internal migration from rural to urban areas and even within rural areas, driven by poverty, internal conflict and a search for jobs and better earnings.
2. There cross-border migration mainly to India
3. Nepalese workers move to the Middle East and Asian countries for temporary employment.

4. There is a flow a skilled emigration to more developed countries.

For labor migration is subject to considerable risk and uncertainly and for those with very few resources. It is often more secured to remain at home as lesson from Iraq incident. It is the remittance of Nepalese engaged in dirty, dangerous and demanding occupation that has kept the economy afloat. Only 42 percent remittance enters the Nepal through legal channels.

A small study conducted by the Research Department of Nepal Rasta Bank a some years ago (2003), covering 10 districts and 160 sample households, using both primary and secondary data and disclosed that the remittance were primarily invested for household purposes, purchase of real estate and house paying off the loan, purchase of jeweler and as bank deposit.

The study conclude that the impact of remittance have demonstrated that apart from possibly increasing inequality and dependency, remittance make a pivotal contribution to reducing poverty and vulnerability in most household and communities (Pant, 2005).

The Nepal Labor Force Survey, NLFS (2008) collected data on remittance received by the surveyed households from absentees and from others during the last 12 months. It does not include all transfer income (from sources other than persons). Also, remittances paid out by the household are not collected in the survey.

The proportion of households receiving a remittance (from either an absentee or from another person) was 30 percent of all households. The average amount received over all households in the last 12 months was Rs 19,721. Most remittance incomes were received from outside Nepal (including India, Malaysia, Saudi Arabia and Qatar) with 83.2 percent of all remittance income (absentees and others combined) coming from outside. The share of remittance received from abroad comprised of 13.4 percent from India and followed by 19.2 percent, 14.9 percent, 2.2 percent and 29 percent from Malaysia, Saudi Arabia, Qatar, United Kingdom, and other countries respectively. The survey collected data on the district from which the remittance was sent but this is insufficient to distinguish remittance from urban and from rural areas. Moreover the per capita remittance for the entire country is 4042 NRS.

Shrestha (Malla, 2009) have studied on to review the trend of foreign employment and remittance in Nepal using the analytical approach taken the data during 1990-2006/07. Especially she tries to show the contribution/import of remittance to GDP ratio. Her study shows that the remittance to GDP ratio was only 0.5% in 1990/91. Recently the remittance to GDP ratio increased from 10.34 in 2001/02 to 15.11 accounted highest in 2005/06. But the share of remittance to GDP has decreased to 14.83 as compared to previous year. It indicates that contribution of remittance in Nepal is immense justifying the fact that Nepal's economy is 'remittance economy'.

Dahal (2010) make with the objectives to highlight the importance of youth and remittance in Nepalese economy and suggest some measures to maintain youth and remittance. For this purpose he used the data from 1995/96 in his study. This study shows about 2 million youth worker abroad and send foreign currency as remittance, which is being mostly used in buying land and investing agriculture and industries. Finally he found that 37% of Nepalese remittance receipts are used on consumption, 21% on loan repayment and 16% on education. 6% is saved, housing absorbed 8% and 8% spent on health.

The survey done by Department of Women Development under Ministry of Women, Children and Social Welfare, GoN on empowerment of women in Nepal highlighted the role of foreign employment in the rural households. According to survey foreign employment is a major coping strategy for survival for the poor rural households. About 33% of the surveyed households (600HHs) of the far western region reported one or more than one migrated outside Nepal for employment. The survey documents the positive impacts of remittance on the incidence of poverty amongst the survey households. (ADB TA 3872, 2003 cited by Shrestha)

Rajkarnikar (2009) have analyzed the case study of in Siddipur VDC of Lalitpur district with purpose of examine the socio-economic consequences of foreign employment on household level and national economy using both primary and secondary data among the 936 households, 104 households were selected for sample. The major finding of the study an impact on household level due to male migration were loneliness, adverse effects on children's education, added responsibilities, financial gain not up to expectation and insecurity feeling and anxiety etc.

Adhikari (2009) presented a working paper in Colombo conference the analytical result of NLSS 1995/96 and 2003/04. Similarly, prescribed the various survey conducted in households level with the cross-sectional data of Kaski district in different VDCs through the primary and secondary data followed the idea of NLSS. The analytical and empirical result found that negative impact of labor sending country like as social and family breakdown, labor shortage, production decline and entering the dangerous diseases (HIV/AIDS, TB etc) and positive impact of remittance and poverty reduction and social welfare.

NLSS I and II (1995/96 and 2003/04) have studied for the purpose examine the effects of remittance on poverty reduction using three methods to evaluate the effects of migration and remittance on households. Consumption and poverty a household level analysis of migration choices estimated jointly with household consumption in each of the states using simultaneous switching regression model, a panel analysis of 72 districts of Nepal and a cross country model relating growth poverty and remittance. The survey using the simultaneous switching regression model shows that poverty would have declined by 7.1% points instead of the observed 11 percentage points if the incidences of remittance has remains unchanged between 1995-96 and 2003-04.

Table 2.2: Effect of change in the incidence of remittance on poverty rates

Household type (in 2003-04)	Headcount poverty rate in 2003-04			Change in headcount poverty rate(percentage point)
	Actual	Estimated Remittance are at actual 2003-04 level and 1995-096 level	Actual	
No migrants	32.2	31.3	31.3	0.0
With migrants, with in Nepal	22.8	23.6	27.8	-4.2
With migrant outside Nepal	31.1	29.9	49.4	-19.5
All households	30.9	30.1	34.0	-3.9

Source: Staff Estimates based on NLSS I & II 2003-04

Table 2.3 presents the simulated effect of change in the incidence of received remittances between 1995-96 and 2003-04 on headcount poverty rate of different types of households according to their migration status in 2003-04.

Estimation based on the NLSS district panel data shows that poverty would have declined by 4.8 percentage points instead of the observed 11 percentage points if the amount of remittances had remained unchanged between 1995-96 and 2003-04.

A cross-country model relating growth, poverty and remittances predicts that on average a 10 percent increases in total remittances should reduce poverty by 0.9%. The study summarized that there need to reform public sector, bilateral agreements, financial education etc. (CBS, 2004)

Seddon (2000) examine the how many people were migrated and which destination and house do they organize remittance through official channel or not? Around the mention matter he found that 2-3 million need migrants now leave developing country each year (legally or illegally). At the beginning of the Millennium, Nepalese workers are employed mainly in Gulf (200,000 plus) and Malaysia (50,000 plus), with least 500,000 (probably 1 million and possibly 2 million) working in India. Most of the migrant people specially Malaysia used informal channel Hundi and from India also used hand carriage system only few people used formal channel like as banking and financial addressed such problem and make appropriate policy towards the benefits of migrant people.

A case study of the Pundi-Bhundi VDC of Kaski district using primary and secondary data found that mostly used of remittance areas are to buy essential food and maintain the house expenses of the first priority of remittance user. Only few portion of remittance used in children education and health. Therefore government should create suitable environment as well as policies that may encourage foreign migrant workers to invest their remittances in productive works (Ale, 2004).

A case study of Sandhikharkha VDC in Arghakhanchi district to propose examine the access in foreign employment using both primary and secondary data found that rich families and households in a villagers were able to obtain access to better paying and more secure employment abroad (Ghimire, 1996)

According to Economic Survey, the total of 1,620,370 workers migrated for foreign employment during the till eight months of current fiscal year. (MOF, 2009/10). Similarly according to Research Department of NRB based on annual recorded remittance amount of 2009/10 was 23175.3 and projected amount based on the second month data of till February 2010/11 would be 38399.5 (NRB, 2010/11).

The statement by Hon'ble Mohamad Aftab Aalam, Minister for Labor and Transport Management of Nepal at the 99th International Labor Conference, on June 16, 2010, in Geneva prescribed that at a time when approximately four hundred thousand workforces enter the labor market annually in Nepal. The challenges in ensuring descent employment to many of our workers abroad. As the migrate workers contribute significantly to the economics of both of the countries of origin and destination, only through our joint efforts. He emphasized that to address the problem of maltreatment; exploitation and discrimination with ensure compliance with the International labor standards (MOL, 2010).

Nepal has done labor with 107 countries for foreign employment in the world. Nepalese employees have gone 75 countries for foreign employment till now. The total number of Nepalese in foreign employment are 1429423 who taken the labor agreement paper (till 2009, June/July). The total numbers of foreign employee are around 2.5 million. This has become 10% of the total population (Bhattarai, 2010).

Foreign Employment Act, 2008 prescribed some policies by the government for foreign employment. We analyze these policies in following ways.

-) The government policies have not been able to accommodate the holistic aspects of foreign employment. Most of them are focused with training, information and discrimination of remittance. Therefore integrated policies needed to which should accommodate all migration cycle including the positive aspects.
-) The government has not been able to introduced long term policy the government has not been able to done provide alternative employment in the country and overall policy should be done with action plans.

) Even though various policies regarding foreign employment is prescribed by the government but there is no effective implementation of laws and labor are being exploited by the manpower agencies and local brokers. It needs strong implementation of formulated policies.

Conclusion

From the above findings international labor migration is of great importance for receiving high degree of remittance. The Nepalese immigrant sent a considerable remittance back their home which play vital role for their overall development. In case of Nepal one of the major exports is labor and most of the households now depend on at least one members earning from abroad. Generally the Nepalese labor force is comparatively low skilled in terms of education and vocational training. Thus a higher qualification could be beneficial at foreign as well as national labor market. Most of the previous studies were impact of remittance on poverty and education but present study tries to show role of remittance in national economy as well as socio-economic role in household's level. Likewise study also tries to analyze actually which age more attracted in foreign employment and what type of extension faced to do reach there is a major concern of the study.

Thus, this study work is a case study in which the impact of migration and remittance has been discussed. The next chapter will give the detailed information in research methodology.

CHAPTER III

RESEARCH METHODOLOGY

The methodology section of the study has been divided into four different sections. These sections are research design, sample selection procedure, data collection and data processing/analysis.

3.1 Research Design

Research design is the framework for controlling the collection of data. Designing provides a picture to the entire research has been designed to fulfill the objectives set in the first chapter of this study. This study is the case study of Chidika VDC is considered as a case of micro level study. It has been intended to analyze the socio-economic of remittance in the specific study area. For this, the unit of information is households and type of data collection explorative and descriptive research designs have been adopted to analyze and interpret the qualitative and quantitative data collected from the concerned field.

3.2 Sample Selection Procedure

The study is carried out on the basis of purposive sampling. Under this method, nine wards are selected, from each wards sample are drawn systematically on the basis of table 3.1. In each ward categorized; migrant Vs non- migrant households. Among the migrated households (289 HHs), first sample drawn by using simple random sampling and remaining sample drawn with systematic sampling in each wards of the study area 20 percent (54 sample) presenting as sample size using PPS (Probability Proportion to Size) and in case of non- migrant households (705 HHs) same sample approach followed but only around 6 percent (47 sample) due to the variability of households distribution. In order to collect the data and information 101 households of nine wards are visited. The prepared structured questionnaire is filled up only after asked with household head.

During the interview period, the respondent of households reported the asking questions in certain time. So, might be proxy limited to it, but this study report try to

make more reliable and efficient from generalization of information. Hence, detailed procedure of selection sample mention in table 3.1.

Table 3.1: Distribution of Total and Sampled Household of Chidika VDC

Ward No.	Total no. of HHs	Migrated HHs	Sample HHs	Non-Migrated HHs	Sample of Non-Migrated HHs
1	143	35	7	108	6
2	216	42	8	174	9
3	142	48	9	94	5
4	87	22	4	65	4
5	94	43	8	51	5
6	93	20	4	73	6
7	84	18	3	66	5
8	61	29	5	32	4
9	74	32	6	42	3
Total	994	289	54	705	47

Source: - Field Survey-2011 and VDC Profile-2010

3.3 Data Collection

3.3.1 Primary Data Collection

Among the selected households members were interviewed with sampled household questionnaire and relevant information collected through the medium of questionnaire. The questionnaire includes both open and closed types. The researcher took personal interview and fill up the questionnaire. Cross check, editing and indirect question were also done some time to check the validity and relevancy of questionnaire. The format of the questionnaire is given in the Annex.

3.3.2 Secondary Data Collection

Besides, primary data secondary data also needed to fulfill the research objectives. The relevant data taken from publication of National Planning Commission Secretariat, Central Bureau of Statistics (CBS), Budget speech of GON, Economic Survey, Annual publication of Nepal Rasta Bank, Books, Reports, Magazines,

Seminar Papers, Reports of Research Center's data and information from donor agencies like WB, ADB, IMF, IDA, UNDP etc.

3.4 Data Processing/Analysis

After completing the fieldwork, all information of the filled up questionnaires in presented master table which are identified by the respondent number and the variable related. Some variable after editing and cross checking. Data processing is done with the help of scientific calculator and computer with using different variable related simple graph, tabulation, frequency distribution, means, percentage are sketched and calculated in possible area.

To measure the socio- economic impact of remittance in households using simple statistics tools relevant hypothesis testing which represent the significant of the remittance. The analysis has been done with the help of simple statistical tools. Descriptive as well as highly inferential statistical tool has been used. To test the hypothesis whether there is significant statistical difference in the economic behaviors between two groups of household due to remittance the mean difference test was applied using. For this **Z test and t test** were used to measure if there is any statistical difference between remittance receiving households (RRHH) and remittance non-receiving households (RNRHH). Under such condition, in migrant households their living standards (food, clothing and education) is relatively better or not than before remittance receiving? For this testing **Z test** is applying.

Z test is given by;

$$Z = \frac{P_1 - P_2}{\sqrt{PQ \left(\frac{1}{N_1} + \frac{1}{N_2} \right)}}$$

Where,

P_1 = Observed sample proportion of before receiving remittance from first population.

P_2 = Observed sample proportion of after receiving remittance from second population.

To test the significance of remittance receiving households (RRHH) and remittance non- receiving households (RNRHH) using some economic variable (saving and expenditure) are test with the help of *t test*.

t test is given by;

$$t = \frac{X_1 - X_2}{\sqrt{S^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}}$$

Where,

X1 = mean of the variable 1, i.e. remittance receiving households (RRHH).

X2 = mean of the variable 2, i.e. remittance non- receiving households (RNRHH).

$\sqrt{S^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}$ = Standard error of difference of different variable (X₁-X₂) of two samples means.

Here t is based on (n₁+n₂-2) degree of freedom

Setting Hypothesis

Null hypothesis H₀: there is no significant difference between two samples.

Alternative hypothesis H₁: there is significant difference between two samples.

CHAPTER-IV

NATURE AND ROLE OF REMITTANCE IN NEPALESE ECONOMY

Foreign Employment

In Nepalese context remittance has become one the major sources of foreign exchange earning it plays a very significant role for the development of the developing countries like Nepal. Foreign employment in Nepal started after the Nepalese army headed by Kajeer Amar Singh Thapa was defaced by the British East India Army in 1814. The convention (May-1875) between Kajeer Amar Singh Thapa and major John Ochterlony of east India Company came to consensus that Nepalese deserved to join the British East India Company(Sanwal;1965). Because of that provision the Nepalese emigration process was initiated for Military purpose to outside the country but as invisible emigration to India and for eastern part of India was encouraged by promoting tea plantation and settlement in the forested area (Dixit, 1997). During the period of Nepalese migration to India and Nepal in 1950 promoted free movements between two countries and previous agreements were further consolidated.

It was after the establishment of democratic system in Nepal in 1990 that Nepal integrated herself to the world and then diversities dimension of emigration occurred. Enactment of foreign labor employment act 1985 realized the importance of emigration through unofficial channel and recognizes the future of foreign labor employment. Search of employment outside the country was entrusted to manpower agencies.

4.1 Foreign Labor Employment: Trend and Composition

After restoration of multiparty democracy in 1990's opened the door to International labor market. In the later part of 1990's, movements of Maoist rebels across the country disturbed the peace and employment situation in Nepal. This situation worked as the 'push' factor to migrate Nepali labor force for the employment outside country. Thus, the pace of migration of Nepali youth for foreign employment increased dramatically. This conflict also resulted in increased flow of migrants from the mid-west and Far- west region to India. The supply of Nepalese youth in foreign countries in search of work is increasing day by day at a high rate; which is unstoppable in this

present trend of migration. This trend of migration of Nepalese youth for foreign employment as shown by the population census of 2001 is given table 4.1.

Table 4.1: Number of Migrant Nepalese Worker in Different Countries in 2001

S. No.	Country	No. of People	Percent
	<i>Asian Countries</i>		
1	India	589050	77.2
2	Japan	3720	0.49
3	Singapore	3363	0.44
4	Hong-Kong	12001	1.97
5	Korea	2679	0.35
6	China	1354	0.17
7	Other Asian Countries	3849	0.51
	<i>Gulf Countries</i>		
1	Saudi Arab	67460	8.85
2	UAE	12544	1.65
3	Qatar	24397	3.19
4	Kuwait	3688	0.48
5	Bahrain	2737	0.35
	<i>Malaysia</i>	6813	0.9
	<i>Australia</i>	2497	0.32
	<i>European Countries</i>		
1	United Kingdom	7271	0.95
2	Germany	1638	0.21
3	France	250	0.03
4	Russia and Other	747	0.09
5	Other European Countries	1998	0.26
	<i>USA, Canada and Mexico</i>	9557	1.25
	<i>Other Countries</i>	1877	0.24
	Total	762181	100

Sources:-CBS-2001(National Report)

Table 4.1 shows total absentees is estimated to be 762181. Out of this number 589050 (77.3 percent) people of total absentees have gone to India. This indicates that India is still the most favored destination for the out migrant population in Nepal. Other major destination of Nepalese migrants included Gulf countries, South Asian Countries, European Countries and other developed American Countries with accounted 173131 (22.71 percent) Nepalese absentees except India. This brings the fact that Nepalese emigrants are mainly in these countries.

4.2 Most Favored Destination of Nepalese Workers

The most favored destination countries for Nepalese workers for foreign employment is defined from the prospective of the number of workers in that country. It might be either related to the level of skill needed to enter into the country for any type of work or it might be related to the conditional ties and cost to the entry to that particular country. In other part of this discussion the wage factor might be also the main issue of the workers.

Generally the Nepalese workers are either unskilled or semi –skilled so they prefer those counters for the foreign employment where they can adjust with their qualification. So, the Gulf or Arabian countries are being the easiest destination for Nepalese workers to get employment and earn some money. The countries which have maximum of Nepalese workers in different FY are given in table 4.2.

Table 4.2: Numbers of Nepalese Workers in Different Country in Different FY and Growth

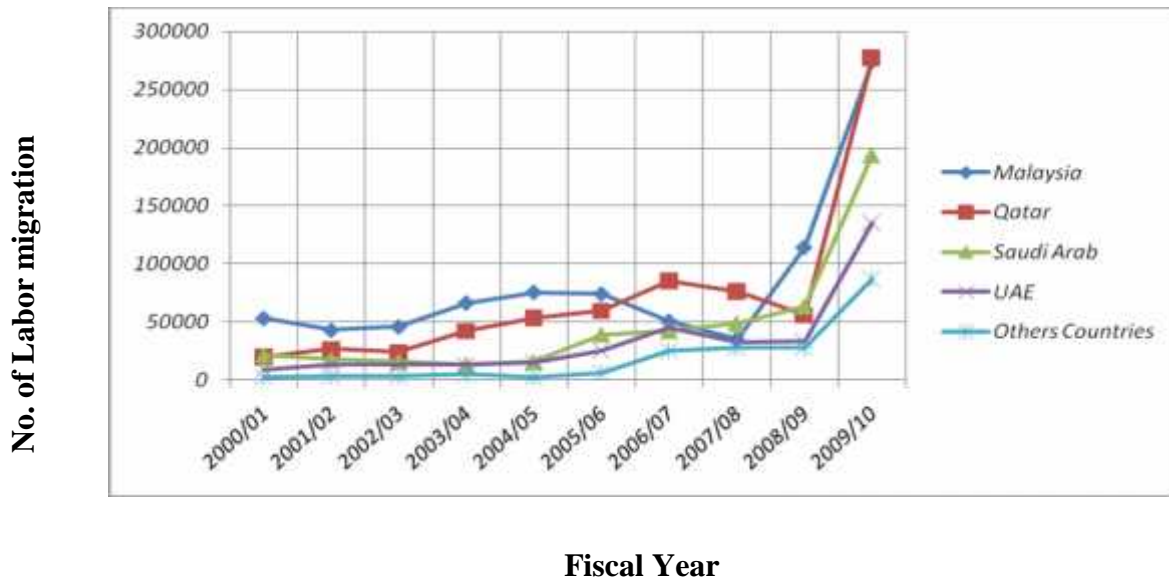
FY/Country	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Malaysia	52926	42812	45760	66291	75526	74029	50554	35070	113982
Qatar	19895	26850	24128	42394	53892	59705	85442	76175	55940
Saudi Arab	21094	17990	16175	13336	15813	39279	42394	48749	63400
UAE	8411	12650	12760	12726	15137	25172	45342	31748	33188
Kuwait	378	907	3194	1789	640	2441	5099	2291	8253
Bahrain	695	818	606	536	540	1200	1967	6360	4234
Hong-Kong	482	564	672	523	140	361	199	65	102
Israel	16	55	433	815	876	405	110	3378	316
Oman	96	44	73	330	28	509	2626	4247	3285
Macaw	50	41	68	83	122	330	272	559	100
Afghanistan	0	72	327	0	32	182	1400	1538	735
Maldives	42	15	29	27	15	69	1116	377	335
America	34	39	46	101	12	35	545	354	274
Russia	2	0	0	0	150	51	83	39	32
Others Countries	615	1186	1689	737	149	765	11902	9075	9918
Total	104736	105043	106660	139718	165252	204533	249051	219965	294094
Growth rate	–	0.293	1.54	30.99	18.27	23.77	21.76	-11.67	33.7

Sources: Labor and Transportation Management Office & Department of Foreign Employment 2010

Table 4.3: Most Favored Destination for Nepalese Migrants

FY/Country	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Malaysia	52926	42812	45760	66291	75526	74029	50554	35070	113982
Qatar	19895	26850	24128	42394	53892	59705	85442	76175	55940
Saudi Arab	21094	17990	16175	13336	15813	39279	42394	48749	63400
UAE	8411	12650	12760	12726	15137	25172	45342	31748	33188
Other Countries	2410	3741	3137	4941	2704	6348	25319	28283	27584

Most Favored Destination for Nepalese Migrants



The growth of labor migration in the last one and half decades is highly inconsistent. There are some possible reasons for these fluctuating growth rates in labor migration. First, the record keeping system of concern government department is not systematic one. At the same time, workers licensing and work permit system is also inconsistent. Sometimes, therefore, many Nepali laborers fly from India without work permit due to lengthy and complicated administrative procedure to get the official permit. Secondly, international demand for Nepali workers, mainly from Gulf countries and Malaysia, has not been consistent due to their own domestic policy and labor requirements. In table 4.2 shows that the number of migrant people visiting abroad for foreign employment during FY 2000/01 was in total 104736. During the FY till 2008/09 the foreign migrant workers is in total 294049. By the above table we can say that Malaysia has covered the top share of foreign employment among others. But after the FY 2006/07 Qatar has been taken the higher place for it. And the Saudi Arabia and UAE are also followed them nearly. The share of other countries rapidly increases for foreign employment when the Nepalese workers started to go South Korea after implemented the EPS system in FY 2007/08, which has also helped to grow to share of Nepalese workers are being Gulf countries. It might be related to the level of skill required or the level of wage earned by unskilled Nepalese workers. To analyze the growth of migrant people in various FY shows that it increasing trend except FY 2007/08, which is clearly shows in figure 4.2 also. In this period the growth rate seems to be negative. It might due to this stopped conflict for ten years in

Nepal by Moist and the government. Nepalese were realize peace and they hope to get job opportunities in own country. So Nepalese migrant did not like to go abroad for their work in this period. But political situation not followed proper way till these days, after that the growth rate increased rapidly, it is about 35 percent till 2008/09. This trend shows that, the supply of Nepalese youth in foreign countries in search of work is increasing day by day at a higher rate.

4.3 Global Trends and Impact of Remittance

International migrant remittances have become important sources of external finance in developing countries. South Asian countries acknowledge that that emigration helps to promote economic growth, eases the pressure of unemployment and much needed foreign exchange through remittances and increases consumption, savings and investment at both household and macro levels (Pant, 2006). A recent study of World Bank (2009) estimated the remittance flows to developing countries at \$ 328 billion in 2008, which is relatively more stable flow of financing than foreign direct investment, portfolio equity and foreign aid. India, China and Mexico retained their position at the top recipients of migrant remittance among developing countries in 2008.

Table 4.3: Flow of Remittances to Developing Countries, 2004-2009(*In \$ billions*)

Inflows	2004	2005	2006	2007	2008	2009	Change 2004-09
Developing Countries	116	144	161	191	221	240	107%
East Asia & Pacific	29	35	39	47	53	58	97%
Europe & Central Asia	14	17	21	29	35	39	175%
Latin America & Caribbean	28	35	41	49	57	60	115%
Middle East & North Africa	15	20	23	24	27	28	86%
South Asia	24	30	29	33	40	44	81%
Sub Saharan Africa	5	6	8	9	10	11	116%
Low income countries	32	39	40	46	56	60	88%
Middle income countries	84	105	121	145	166	179	114%
Lower middle income countries	55	68	76	90	102	112	103%
Upper middle income countries	29	37	45	55	63	67	136%
World	170	206	231	263	297	318	87%

Sources:-World Bank staff estimate based on IMF BOP year Book 2009 country sources.

Table 4.3 shows that in the developing countries the recipient of remittance was \$ 116 billion in 2004; it became \$ 240 billion in 2009. The remittance receipt by developing countries increased by 107 percent in the period of 2004-09. In the respect of East Asia and Pacific received \$ 29 billion in 2004 and reached \$ 58 billion in 2009 with increased by 97 percent from 2004-09. Similarly in the case of Europe and Central Asia's inflows changed by 175 percent during period 2004-09. The case of Latin America and Caribbean changed by 115 percent in this period 2003-09. Middle East and North Africa's inflow changed by 86 percent during the period of 2004-09.

Likewise, the case of low income group countries changed by only 88 percent during that period 2004-09 and middle income group countries changed their inflows by 114 percent during the estimation period. Lower middle income group countries have changed their inflows by 103 percent during that period and upper income group countries received 136 percent during the period 2004-09. Hence there occurred highly inflow in Europe and central Asia with 175 percent and lower inflow in South Asia with only 81 percent in the review period.

Table 4.4: Comparatively Analysis of High and Low Remittances Receiving Countries

High Recipient Developed Countries	Percent	Low Receipt Least- Developed Countries	Percent
India	27.0	Bangladesh	6.4
China	25.0	Nepal	1.6
Mexico	25.0	Yemen	1.3
Philippines	17.0	Haiti	1.2
France	12.5	Sudan	1.2
Spain	8.9	Senegal	0.9
Belgium	7.2	Uganda	0.9
Germany	7.0	Lesotho	0.4
United Kingdom	7.0	Cambodia	0.3
Romania	6.8	Togo	0.2

Source: Migration & Remittance Fact Book the World Bank, 2009

In table 4.4 the highest remittance recipient country was India receiving 27.0 US \$ billion followed by China US \$ 25.7 billion. Mexico got US \$ 25.0 as third highest recipient. Philippines US \$ 17 billion as fourth highest recipient. Similarly France, Spain, Belgium, Germany, UK, Romania, Bangladesh and Pakistan dominant by getting 5th, 6th, 7th, 8th 9th and 10th position respectively. In the case of least developed countries are; Bangladesh got US \$ 6.4 billion, Nepal got US \$ 1.6 billion, Yemen got US \$ 1.3 billion, Haiti got US \$ 1.2 billion, Sudan got US \$ 1.2 billion, Senegal got US \$ 0.9 billion, Uganda got US \$ 0.9 billion, Lesotho got US \$ 0.4 billion, Cambodia got US \$ 0.3 billion and Togo US \$ 0.2 billion.

4.5 Remittance in Nepal

Remittance brought by British Gorkha Soldiers the wage earned in different part of India by seasonally employed Nepalese labors were significant in the Nepalese economy since earlier period but no due attention was given to it. There was no accounting of Nepalese employed in India. British Gorkha Soldiers brought remittance in hard foreign currency. Later on in 1990's when there was massive out flux of Nepalese labor in the Gulf countries and Malaysia. Foreign currency brought by them attracted national attention. Internal Army conflict started in 1995 had negative impact on several sector of the economy such as industry, tourism, and even agriculture. The sustainability of Nepalese economy depends mostly in foreign aid and remittance. This is how remittances got prime attention in Nepalese context and several countries were opened for foreign employment. The importance of the remittance on Nepalese economy can be judged by the growth. The volume of growth remittances flowing into Nepal from migrant workers abroad is significant and increasing rapidly. The detail record of remittance inflow to Nepal is not available. The volume of remittance income can be shown only the amount entering through the banking system though description of remittance inflow through others various mediums also discussed in brief on the available estimates. The amount of workers' remittances was received \$2738.3 million in the year 2008/09. It was only \$535.6 million in the year 2000. Thus, the absolute increases of workers remittance recorded 411.3 percent in the nine years from 2000 to 2009. However the annual growth rates show the inconsistency in this period (Table 4.6)

Table 4.5: Inflows of Workers Remittance in Nepal (*In million US\$*)

Year	Workers Remittance	Annual Growth Rate (%)
2000	535.6	-
2001	642.6	20.0
2002	621.1	-3.3
2003	700.0	12.6
2004	797.2	14.0
2005	910.6	14.2
2006	1356.2	48.9
2007	1430.2	5.5
2008	2188.1	53.0
2009	2738.3	25.2

Sources: NRB Quarterly Economic Bulletin mid Jan 2009 and 2010

In table 4.6, this inconsistent growth rate of remittance inflow may have some possible reasons. The migrant workers do not send their earning in regular and scheduled mode. The important reasons can be medium of transfer of remittance since some mediums they use are unofficial illegal for which there is no record in the banking system.

4.5.1 Growth of Remittance

Remittance provides not only the significant portion of GDP but it also contributes in savings and investment. The growth of remittance depends on the numbers of labor force working outside the country, the level of earnings, the portion of income that is sent back home. Other sources of remittances such as government transfer, investment made by nation in other countries. The size of remittance also determines the availability of foreign currency in the country. Nepal Rasta Bank, the Central Bank of Nepal publishes data related to remittances continuously. The growth of remittance and sources of remittances is given the below table. The category of other remittance includes the money remitted by the labor employed in foreign land. It is only the money sent through formal channels.

Table 4.5.1: Growth and Composition of Remittances (*In Millions*)

FY	Total CFE Receipt	Total Remittance	Gorkha Remittances	Other Remittance	Percentage of other Remittances	Percentage of Remittance in CFE	Annual Growth
2000/01	89823.2	9797.6	3557.5	6240.1	63.7	10.91	-
2001/02	76153.30	14859.8	4334.2	10525.6	70.8	19.5	68.67
2002/03	98681.8	411630.0	4221.4	37408.6	89.8	42.1	255.4
2003/04	120643.2	56629.8	45055.6	52125.0	90.04	46.9	39.33
2004/05	123268.5	61784.8	5012.8	56772.0	91.89	50.12	8.9
2005/06	157297.3	92748.6	5231.1	87517.5	94.36	58.96	54.15
2006/07	179967.2	107417.6	5856.3	101561.1	94.55	59.69	16.05
2007/08	236982.4	142682.7	7071.4	135011.3	95.05	60.22	33.52
2008/09	234454.9	209698.5	2753.1	206945.4	98.68	89.44	52.60

Sources: NRB Quarterly Economic Bulletin mid Jan 2009 and 2010

Table (4.5.1) shows that the Convertible Foreign Exchange (CFE) grew from Rs. 89823.2 in 200/01 to Rs. 234454.9 million in 2008/09 which is about 2.6 times more. Similarly remittance increased 21.3 times. It indicate that when remittance is increased then convertible foreign exchange also increased, because the increasing rate of remittance contributes to increasing rate of convertible foreign exchange. The share of remittance also shows it in convertible foreign exchange. Initially it was 10.91 percent but it was highly jumped in twice of 89.44 percent in 2008/09. The other remittance grew from Rs.6240.8 million in 2000/01 to Rs.206945.4 million in 2008/09 which is around 32.5 times more. It share of total is appreciable. Initially the share of other remittance in total was 63.7 percent, which 98.68 percent in 2008/09. From the FY 2000/01 it increased at high rate till 2008/09. The annual growth rate of other remittance, the rate of change is extra ordinary which was 255.0 percent in 2002/03. So the flow of other remittance has been favorable to increase in Convertible Foreign Exchange (CFE) and in total remittance.

4.5.2 Percentage Share of Remittance in Major Macro Economic Variables

From the mid 1990's remittance was viewed as a significant contributor to the national economy. It also increased domestic saving and investment. Investment

depends on domestic saving and foreign assistance since there is increase in domestic savings due to remittances, it has helped in the investment and growth of economy.

Table 4.5.2: Composition of GDP, Saving, Investment and Remittance in Nepal in Different Fiscal Year

(In Millions)

FY	GDP in Product Price	Domestic Saving	Investment	Remittance	Remittance as percentage of GDP	Remittance as Percentage of Saving	Remittance as Percentage of Investment
2000/01	441519	51501	98649	9797.6	2.3	19.02	9.93
2001/02	459443	43600	93020	14859.8	3.34	34.08	15.97
2002/03	492231	42141	105383	41630.0	8.79	98.19	39.5
2003/04	536749	63064	131671	56629.8	10.93	89.19	43.00
2004/05	589412	68110	155907	62784.8	10.9	90.71	39.62
2005/06	654184	58757	176533	92784.8	14.72	157.9	52.55
2006/07	727827	71453	207830	107417.4	15.41	149.3	51.68
2007/08	815663	80193	260170	139421.5	17.6	152.01	53.58
2008/09	991316	96298	338957	209698.5	21.15	217.75	61.86

Sources: - NRB Quarterly Economic Bulletin mid Jan 2009 and 2010

Above table shows that the GDP grew from Rs. 441519 million in 2000/01 to Rs. 991316 million in 2008/09 which is about 2.82 times more. Similarly the saving increased by around two times more and investment increased by around 3.38 times more. Initially the contribution of remittance in GDP was only 2.3 percent which grew to the tone of 21.15 percent proving its importance. Remittance as the percentage of saving has increased from about 19.02 percent in 2000/01 to more than 217.75 percent in FY 2008/09. If we compare the contribution of remittance in the investment portfolio, it has increased from 9.93 percent in 2000/01 to 61.86 percent in the FY 2008/09. It indicates that if remittance is increased it has support to increase domestic saving. If domestic saving increased, investment also increased and if investment increased GDP also increased. But the ratio of remittance to saving, investment and saving investment gap is increasing with higher rate of growth of remittances. Thus, the positive relationship of these sectors is found each other. When

observed the contribution of remittance to gross domestic product (GDP), it is more than 10 percent in the later years under study. From all above data, whether it is economic or economic vulnerability of the country in a conflict ridden situation remittance has played a significant role. Thus, we can easily say that the proportion of remittance is increasing significantly in the later years.

4.6 Conclusion

As summary it is clearly shown that national GDP rate is directly related to the various factor like total saving of the economy and total investment of the economy. On the other hand, saving is the determinant of investment, without which the economy cannot get higher GDP growth rate. The investment the country like Nepal is directly dependent on the remittance invested into the economy. Therefore, we can say that the remittance is the major factor of the development of the country like Nepal. There is gap between saving and investment, thus uses of remittance in investment is a great need of today e.g. development process, etc...

In the world economy, remittance plays a pivotal role and in the developing nation it has its own value. To go further the economy of their countries has been gradually changing into remittance economy.

CHAPTER-V

SOCIO-ECONOMIC AND DEMOGRAPHIC FEATURES OF THE STUDY POPULATION

The study area is Chidika VDC of Arghakhanchi district. The Arghakhanchi district lies in the western part of Nepal. Its headquarter Sandikharka is approximately three hundred fifty kilometers from capital city Kathmandu. The district area covered 1193 sqkm with located latitude 27⁰54'-28⁰06' north and longitude 82⁰45'-83⁰23' east and average temperature 6.5⁰ to 40⁰ centigrade. In district with 42 VDC, 11 *Illka* and two political region. In broder of the district Palpa, Puthan/Dang, Kapilvastu/Rupandehi and Gulmi in east, west, south and north respectively. According to CBS census 2001, the total population of the district was 209034 where male were 98980 and female were 112054 with 40807 households. The main religion of the district is Hindu with covering 98.86 percent and reaming Islam 1.08 percent, Budda 0.04 percent and Jain & Others 0.02 percent is inhabitant.

Among the 42 VDC's the study area is Chidika VDC which lies the eastern part from district headquarter Sandikharka which is approximately eleven kilometers. The study area covered almost thirty sqkm in an average with moderate temperature. The study area is divided into nine wards with 994 households. According to Population Census 2001, the enumerated population of VDC was 5980 in which male were 3093 and female were 2887. In the VDC all basic facilities are reachable such as road, electricity, drinking water, health post, postal office and high school. Different cast represented in this VDC like as Brahmin, Sarki, Magar, Newar, Kumal, Kami, Chhetri and Muslim however dominant by Brahmin. Mainly two religions Islam and Hindu adopted by the people in the study area. Although, different facilities reachable most of the poor family not properly used all facilities due to lack of education and awareness. In now a days, from most households at least one youth migrated to foreign employment with dreaming high earning female negligible. Due to this there appears positive and negative impacts which tries to shows by this research work. In survey to gain the information we need the general information of the households.

In the area of the general information adopted socio-economic and demographic features of population. These features reflect the exact scenario of the population. It

helps generalization to other supplementary characteristics which can't gain easily from questionnaire. So, these study most viable generalization for further analysis.

5.1 Demographic status

According to CBS census 2001, the total population of this VDC was 5980 out of which 3093 were males and 2887 were females. The total households were 994. The following table represents the demographic information of sample households.

5.1: Demographic features of sampled households

Ward no.	Total HHs	Migrated HHs	Sample of migrated HHs Members	Population			Non-migrated HHs	Sample of non-migrated HHs Members	Population		
				Male	Female	Total			Male	Female	Total
1	143	35	7	17	25	42	108	6	19	22	41
2	216	42	8	19	17	36	174	9	32	28	60
3	142	48	9	26	22	48	94	5	26	19	55
4	87	22	4	15	10	25	65	4	14	18	32
5	94	43	8	24	30	54	51	5	21	32	53
6	93	20	4	11	14	25	73	6	24	23	47
7	84	18	3	9	13	22	66	5	23	26	49
8	61	29	5	23	22	45	32	4	11	9	20
9	74	32	6	19	23	42	42	3	9	12	21
Total	994	289	54			339		47			378

Sources:-Field survey-2011

Table 5.1 shows that the total population of selected migrant sampled households is 339 and non-migrant sample household's population is 378. Hence the result shows that the population size of family an average in non-migrant appears greater than migrant family due to may be delay marriage and fertility gap in migrant households.

5.2 Family Size

The following table shows that no. of family members in sampled households.

5.2: Distribution of sampled households by family size

Family Size	Migrant Households		Non-migrant Households	
	Frequency	Percent	Frequency	Percent
1-2	3	5.5	4	8.5
3-4	6	11.1	3	6.3
5-6	11	20.3	22	46.3
7-8	19	35.1	6	12.7
8-9	9	16.6	7	14.3
10 Above	6	11.1	5	10.6
Total	54	100	47	100

Sources:-Field survey-2011

Table 5.2 indicates that the highest of the family size is 7-8 numbered in migrant family, which is 35.1 percent and lower no. of family size 1-2 numbered only 5.5 percent. Similarly, in the non migrant households the highest percent 46.3 in family size 5-6 numbered and 8.5 percent in lower size of family 1-2 numbered. Nowadays the young and educated parents do not have more than two children because of family planning. However, more HHs has more than two children because of their ignorance desire and emphasis on male child rather than female child and child marriage etc.

5.3 Ethnic/Caste Composition

In the study area people of different caste are residing and in following table prescribed the sampled HHs respondent by different ethnic composition

5.3: Distribution of Sampled HHs by Caste

Ethnic Group	Migrant Households		Non-migrant Households	
	Frequency	Percent	Frequency	Percent
Brahmin	8	14.8	16	34.0
Magar	13	24.0	11	23.4
Kumal	4	7.4	3	6.3
Muslim	14	25.9	5	10.6
Dalits (Sarki/Kami/Damai)	15	27.7	12	25.5
Total	54	100	47	100

Sources:-Field survey-2011

Table 5.3 shows that among the migrant households most dominant by Dalits and Muslims with 27.7 and 25.9 respectively. Similarly among the non- migrant households highest 34 percent were Brahmin, 25.5 percent were Dalits and remaining percent covered by Magar, Kumal Muslim etc. However, there occurs clear that most of the migrants were from low caste and ethnic group.

5.4 Religion Situation

In the study area mainly two religion are dominant i.e. Hindu and Muslim. Among the Sampled HHs most of HHs adopted Hindu religion and rest of HHs adopted the Muslim religion which shown in below table 5.4

5.4: Distribution of Sampled HHs by Religion

Main Religion	Migrant Households		Non-migrant Households	
	Frequency	Percent	Frequency	Percent
Hindu	39	72.2	42	89.3
Islam	14	25.3	5	10.6
Mixed	1	1.8	-	-
Total	54	100	47	100

Sources:-Field survey-2011

5.5 Households Status

This title gives the information about the economic situation of sampled HHs from the structure and condition of their houses.

Table 5.5: Sampled Households made by Different Types

Types of Houses	Migrant Households		Non-migrant Households	
	Frequency	Percent	Frequency	Percent
Made with Rod, Concrete & Cement (RCC)	8	14.3	4	8.5
Made with Stone, Mud & Roof of Tin and Slate	41	75.3	39	82.3
Made With Stone, Mud and Thatched Roof	5	9.2	4	8.5
Total	54	100	47	100

Sources:-Field survey-2011

Table 5.5 indicates that different kinds of households among the sampled households, in migrant households 75 percent have made with stone, mud and roof of tin and slate, 15 percent are made with RCC (rod, concrete and cement) and 10 percent houses are made with stone, mud and thatched roof. In the case of non- migrant households 83 percent made with stone, mud and roof of tin and slate, 9 percent are made with RCC (rod, concrete and cement) and thatched roof. It clearly indicates that with RCC houses are increasing it might be the influence of remittance.

5.6 Land Ownership

In the study area land includes total ownership of land i.e. Khet, Bari and Pakhoo. In remittance holding most HHs has *Gaderi* in Tarai as well as some non –remittance HHs also. Some people have little ownership of land which resultant not maintains production for at least six months. In details table 5.6

Table 5.6: Distribution of Land Ownership among Sampled HHs

Size of Land Holding (<i>In Ropani</i>)	Migrant Households		Non-migrant Households	
	Frequency	Percent	Frequency	Percent
Landlessness	-	-	1	2.1
Below 2	1	1.8	2	4.5
5-10	4	7.4	2	4.2
10-15	9	16.6	15	31.3
15-20	26	48.1	21	44.6
Above 20	14	25.3	6	12.7
Total	54	100	47	100

Sources:-Field survey-2011

Table 5.6 shows that most of the people have average land holding (15-20 Ropani) between migrant and non- migrant households with covering 48.1 and 44.6 percent respectively. However, some remittance receiver households have *Ghaderi* in city also.

5.7 Educational Status

Education is a key indicator of the economy. Its increasing return to scale in long term and sustainable. So educated person found suitable job in domestic as well as foreign employment. In the various kind of schools like as primary, lower-secondary and secondary level. However some HHs children out of school environment till these now days due to the lack of awareness and poverty. So it is also searchable factor for appropriateness of the study.

Table 5.7: Educational Status of Sampled Households (6 Yrs and Above)

Educational Status	Male		Female		Total Population of sampled HHs	Total Percent
	No.	Percent	No.	Percent		
Illiterate	48	18.8	57	22.1	105	20.5
Literate	63	24.8	72	28.0	135	26.4
Education up to I.A.	116	45.6	96	37.3	212	41.4
Well Educated	27	10.6	10	12.4	59	11.5
Total	254	100	257	100	511	100

Sources:-Field survey-2011

The above table 5.7 shows that out of 511 population 20.5 percent are illiterate, literate are 26.4 percent, education up to I.A. 41.4 percent and well educated are 12 percent. Most of the people reach to S.L.C. then break down their study. So educated people are comparatively low.

5.8 Occupation Status

The following table 5.8 shows that in sampling HHs members engaged in different occupation i.e. agriculture and non- agriculture except foreign employment. Non-agriculture sector include that public services, business and study etc.

Table 5.8: Distribution of HHS and Population according to major Occupation except Foreign Employment

Main Occupation	No. of Households	Total population	Active Population (15-59 Yrs)	Percent
Agriculture	62	323	217	67.1
Non-agriculture	39	194	109	56.1
Total	101	517	326	63.0

Sources:-Field survey-2011

From the above table 5.8 shows selecting from sampled HHs active population in agricultural sector 67.1 percent and non- agricultural sector 56.1 percent. So result indicates that involve in agricultural is higher than non agricultural sector.

5.9 Average Income

It is clear that income is the prime variable to measure the economic condition of HHs in study area. Unemployment plays the major role for migration to the other places from their native place. In this study found that the main cause for youth migration is unemployment. They earned average income from foreign employment.

Table 5.9: Regular Monthly Average income of Sampled HHs

Monthly Income in an Average (In Rs)	Migrant Households (<i>Except Remittances</i>)		Non-migrant Households	
	Frequency	Percent	Frequency	Percent
Less than 5000	21	38.3	6	11.1
5000-10000	27	50.0	18	38.2
10000-20000	4	7.4	13	27.6
20000-50000	2	3.7	9	19.1
Above 50000	-	-	1	2.1
Total	54	100	47	100

Sources:-Field survey-2011

Table 5.9 represents the exact economic picture of migrant households and non-migrant households. In the case of migrant households except remittance income having average Rs 5000-10000 in a month by 50 percent households. Similarly, in non-migrant households 39 percent earned Rs 5000-10000 and 28 percent earned Rs 10000-20000 in a month. Remaining percent of houses earned more than and less than that.

5.10 Water Sources

In the study area to measure the health and sanitation situation reflect the using sources of water. So in the study area found following sources of water.

Table 5.10: Using the Water Sources in Study Area

Sources of Water	Migrant Households		Non-migrant Households	
	Frequency	Percent	Frequency	Percent
Stream/River	2	3.7	1	2.1
Well (<i>Padhera</i>)	9	16.6	11	23.4
Tap	43	79.6	35	74.4
Total	54	100	47	100

Sources:-Field survey-2011

Table 5.10 shows that most of the HHs uses the water from tap in both households (Migrants Vs Non-migrants) which distributed from community tank in where water kept safe without any infection. Only few percent of households are uses the water from stream/river.

5.11 Energy Sources

In the study area most of the HHs consummated electricity from national grid. Only few people have alternative sources like bio- energy and solar. These items specially use for lighting purpose.

Table 5.11: Distribution of Energy in Different Sampled Households

Sources of Energy	Migrant Households		Non-migrant Households	
	Frequency	Percent	Frequency	Percent
Kerosene	3	5.5	2	4.2
Bio-energy	1	1.8	2	4.2
Solar	2	3.7	1	2.1
Electricity	48	88.8	42	89.3
Total	54	100	47	100

Sources:-Field survey-2011

Table 5.11 shows that among migrant households around 89 percent households as source of energy and remaining 11 percent are using other sources Kerosene, Bio-energy and Solar. Similarly, 90 percent of non-migrant households are consumption electricity and 10 percent households are using alternative sources.

5.12 Toilet Status

In the study area most of HHs manage toilet in own house which indicates that people are aware in health and hygiene.

Table 5.12: Distribution of sampled Households using Toilet

Toilet Status	Migrant Households		Non-migrant Households	
	Frequency	Percent	Frequency	Percent
With Flash (Safety Tank)	16	29.6	12	25.5
General	35	64.3	34	72.3
No	3	5.5	1	2.1
Total	54	100	47	100

Sources:-Field survey-2011

Table 5.12 prescribed that in migrant households 65 percent have general toilet and 30 percent have flash toilet with safety tank and only 5 percent have not any toilet. Likewise in non- migrant households 73 percent have general toilet, 25 percent have with flash safety tank toilet and only 2 percent have not any toilet. However, people are consensus about health and hygiene.

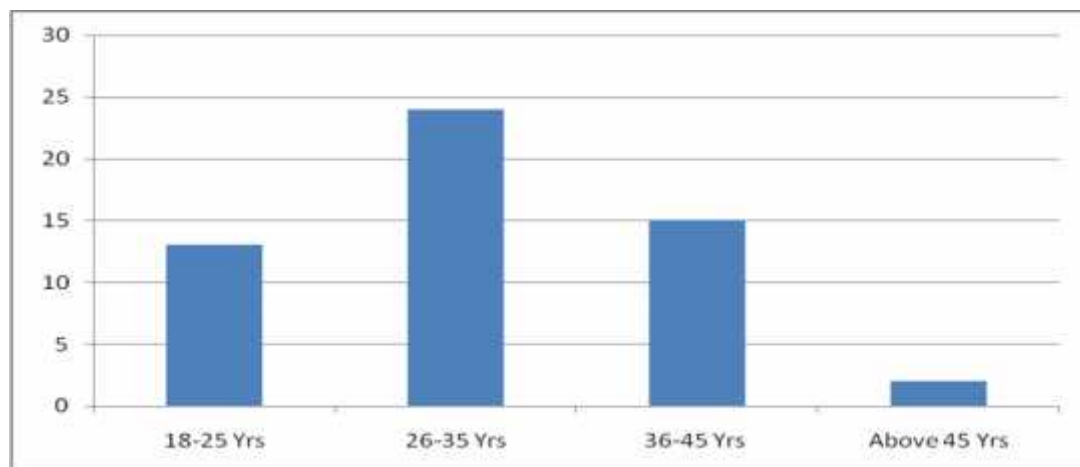
CHAPTER-VI

PRESENTATION AND ANALYSIS OF DATA

Section: A Composition and Pattern of Labor Migration

This chapter categorized into different section. Each section have own value. From field study data were processing and analyzing through various statistical implementation such as mean, percentage, graph and table are using in this chapter to fulfill the primary objectives. In (section-A), represents the composition and pattern of labor migration, in (section-B), demonstrates the socio economic impact of remittance in households sector within before remittance receiving and after remittance receiving with the help of statistical test Z test (Double Proportion). Similarly in (section-C), represents the test of significance between RRHH and RNRHH and last section express the impact of labor migration in study area according to multiple responses of respondent in open type question. Therefore, this chapter is very important and viable than other chapters.

Fig:-6.1



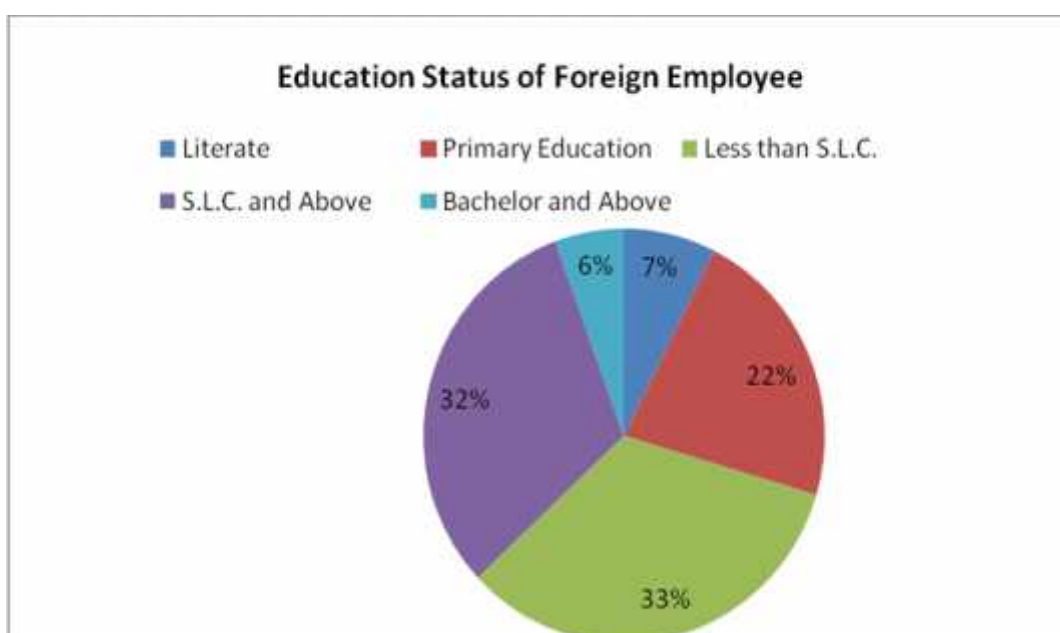
Source: Based on Annex-1

Out of the foreign employees, 24 percent are in the age between 18-25 years, foreign employees within the age of 26-35 are 44.4 percent. Age between 36-45 covered 27.7 percent of total migrant. Accordingly, the data shows that age above 45 years covers 2 percent. These features indicate that most of the youth age group is migrated in increasing order.

6.2 Education Status of Foreign Employee

Education is the light of life. Education develops the human ability enables owns skill. Education sharpens our knowledge and makes us able to perform any kind of duty. Only able person can perform their duty accordingly. So education is the basic requirement to develop human knowledge and skill. In the study area found following statement.

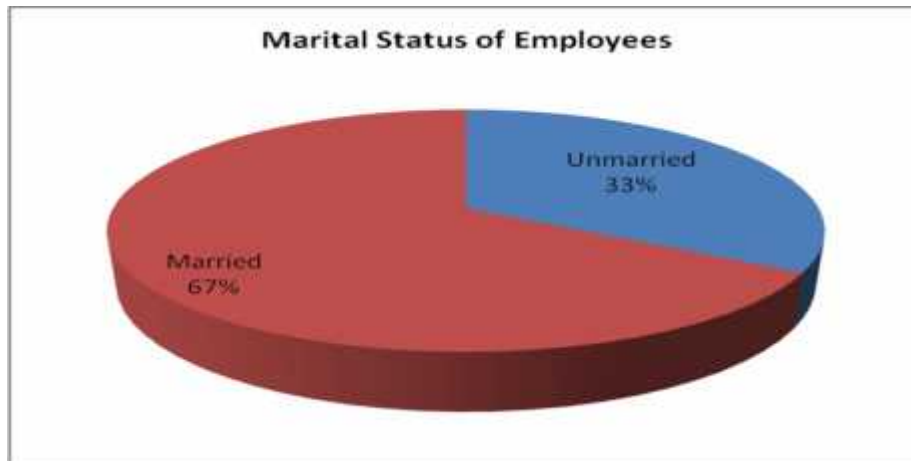
Fig 6.2



Source: Based on Annex-2

Out of 54 foreign employees, 7 percent of them are literate only, 22 percent of them have primary and general education, 33 percent of them are less than S.L.C., 32 percent of them have got S.L.C. and above and 6 percent of them have got Bachelor and above .In this regard education less than S.L.C. 63 percent and above have 37 percent. This figure clearly indicates that most of the foreign employees have not sufficient education i.e. they are below the school level certificate due to so they can't meet appropriate jobs in foreign market.

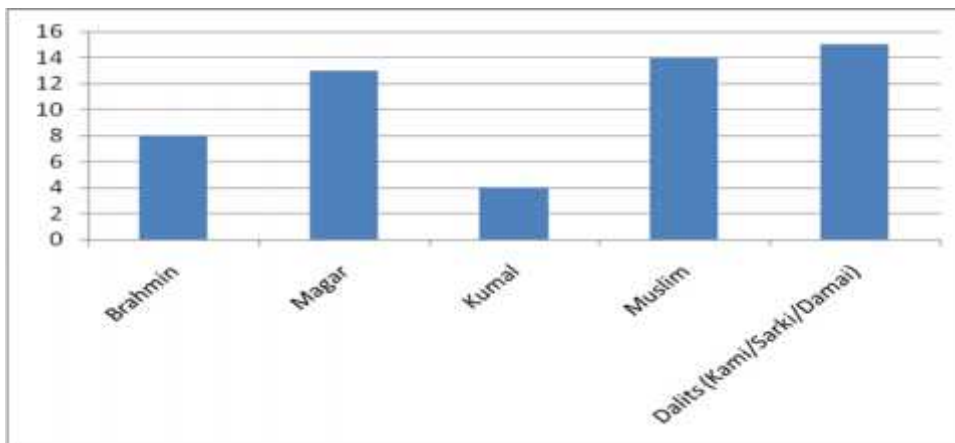
Fig-6.3



Source: Based on Annex-3

From the above result among the migrant people 67 percent are married and only half percent 33 percent are unmarried, which refers to dominant of migrant youth are married due to this might be negative impacts in households like as; loneliness, impacts on children education and burden of work at home etc.

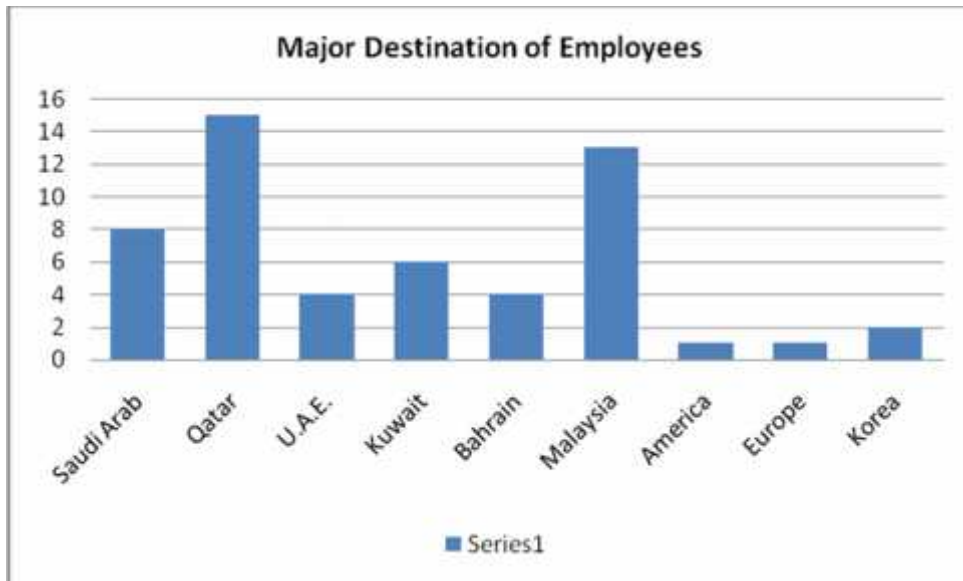
Fig-6.4



Source: Based on Annex-4

As for the caste and ethnicity group of the foreign employee out of sample households 14.8 percent are Brahmin, 24 percent are Magar, 7.4 percent are Kumal, 25.9 percent Muslim and 27.7 percent are Dalits. Among the Migrants households most of them are backward caste and ethnic group due to the lack of opportunity and equality.

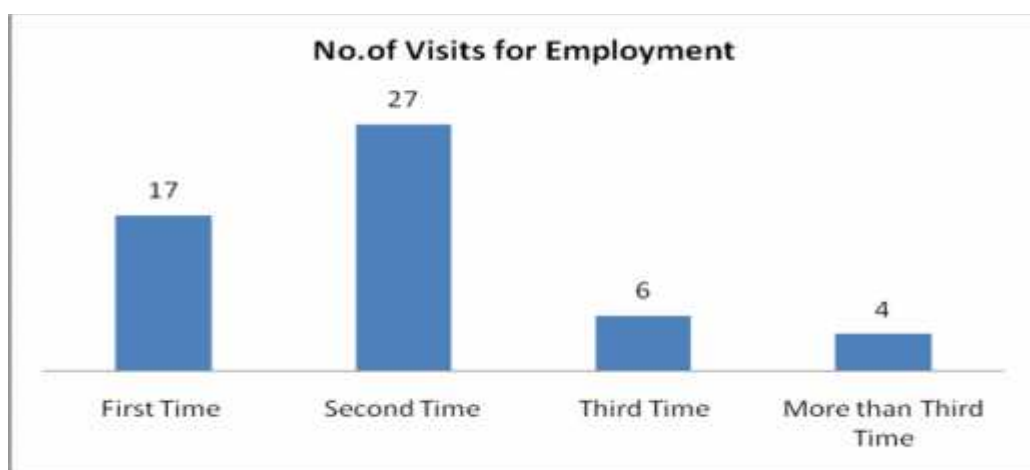
Fig 6.5



Source: Based on Annex-5

From above results 68 percent employee are work in Arabian countries (Gulf), 24.07 percent of them are work in Malaysia, 1.8 percent are in America and Europe 3.7 percent are work in EPS system. This scenario indicates that more labor visits to Gulf countries as well as Malaysia due to the reasons of according to respondents analyzed in table 6.7.

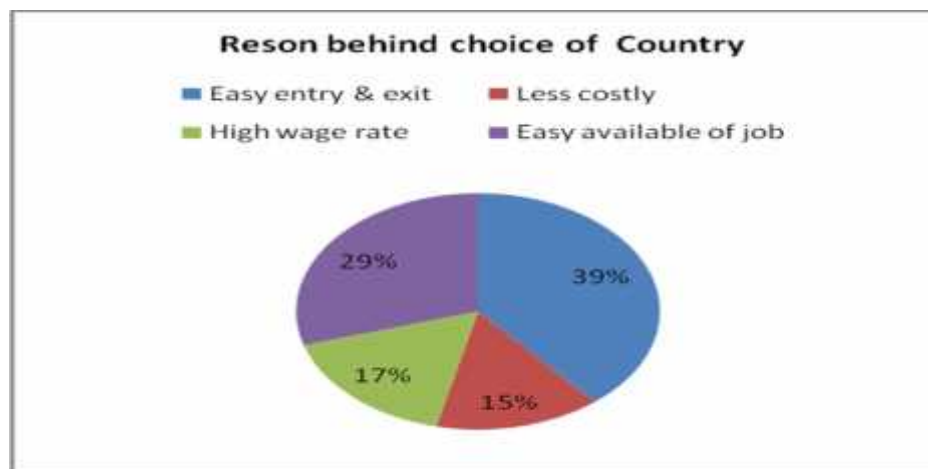
Fig 6.6



Source: Based on Annex-6

The above results explained that of 54 employees, 50 of them are second time in foreign job, 31.4 percent of them are first time , 11.1 percent of them are third time and 7.4 percent are more than third time to return back to work again for foreign employment. In the study area found more than two times visits foreign employees rate is high due to the lack of alternative sources of income and opportunity in country as well as according to respondents view analyzed in table 6.8 with the help of closed/open type of questionnaire.

Fig. 6.7



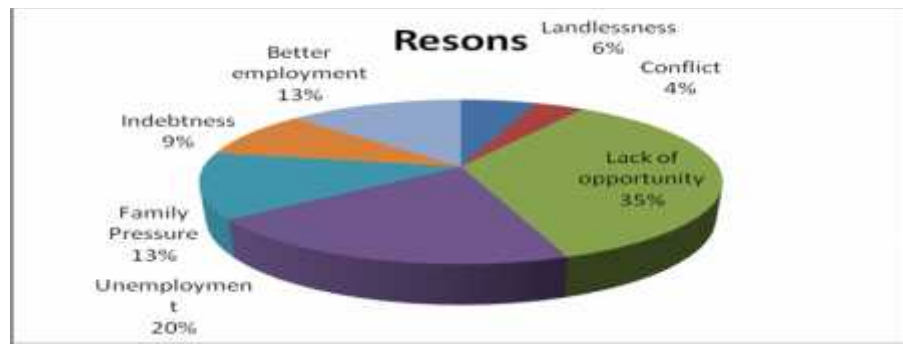
Source: Based on Annex-7

Easy entry and exit is the main cause of choosing the country for foreign employment dominant with 39 percent. Second prime cause is for foreign employment easy available of job with 29 percent, third cause select the foreign job high wage rate with 17 percent and final cause to select the destination less costly with 15 percent. As frequency of time to visit is high absolutely they are felling easy entry and exit.

6.8 Reason for Foreign Employment

There must be several reasons of seeking foreign employment. The reason might be economic, social and political. There might 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 mentioned at table 6.8.

Fig 6.8



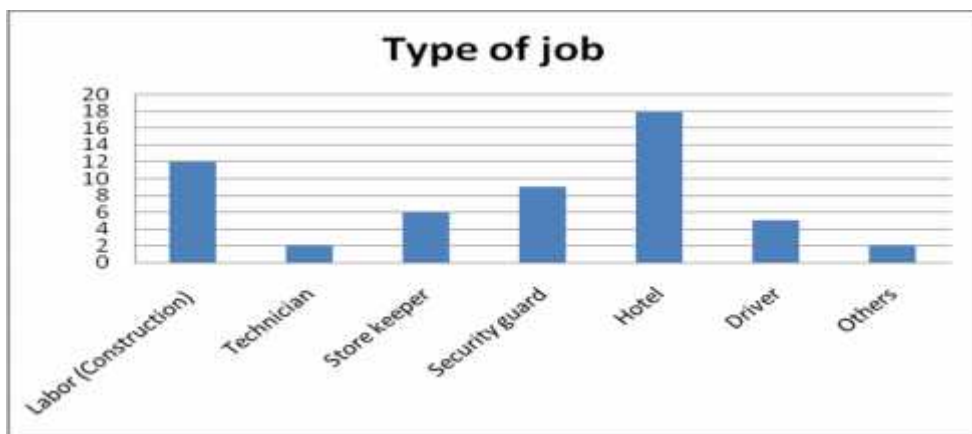
Source: Based on Annex-8

Lack of the opportunity is the main variable for foreign employment. Similarly, unemployment and family pressure are the major factor for the foreign employment. Indebtness and landlessness are also prime factor for seeking foreign employment. Better employment is another pull factor for foreign employment. In the study due to the lack of opportunity and unemployment there is high outflow of migrant in foreign employment it may be beneficial for short term approach but in long term it would be hazardous for economy so government should step to solve it.

6.9 Type of Job of Foreign Employee in Sampled HHs

Since the skill of Nepalese workers is low most of them get employment in an average earning job. To find out the types of jobs the respondents were asked to give the type of work they did while being employed in foreign country the response classified into six different groups state at table 6.9.

Fig 6.9



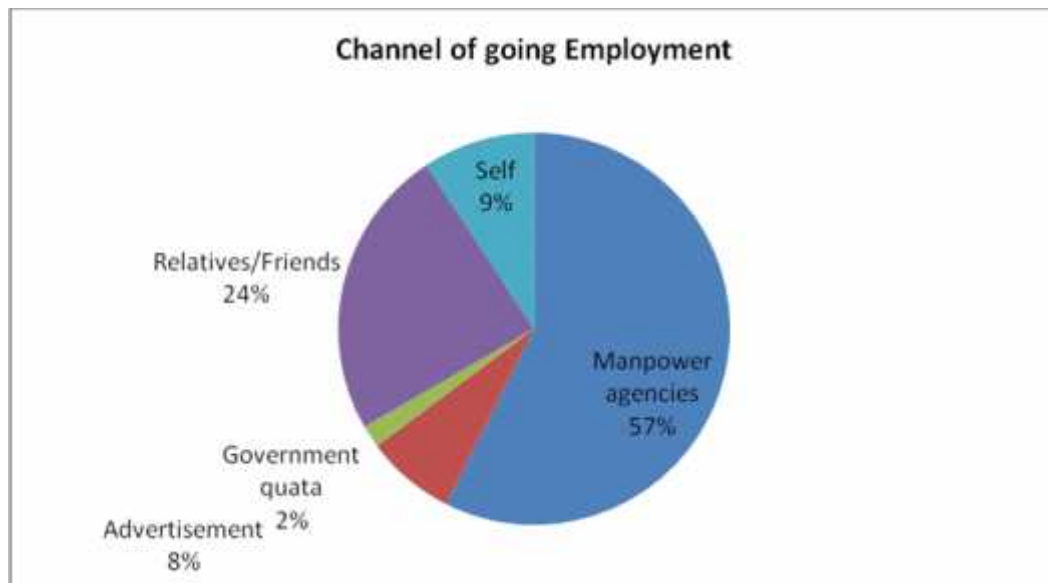
Source: Based on Annex-9

Out of 54 workers, 33.3 percent in hotel, 22.2 percent construction, 16.6 percent in security in security guard, 11.1 are in salesman, 9.2 percent in driving, 3.7 percent are in technician and others. This study shows that most of the workers are unskilled or semi- skilled resultant they are compelled to low level of work in hotel and construction. So related authorities attention should address these problem in time to make more beneficial and appropriate to foreign employment.

6.10 Channel of to go for Foreign Employment

Individuals who want foreign employment need to know the job, salary, the nature contract and the cost of getting employment opportunity. Generally, registered manpower agencies are supposed to carry the needs for foreign employment seekers. Besides this, other way used to for foreign employment which explained at table 6.10.

Fig 6.10



Source: Based on Annex-10

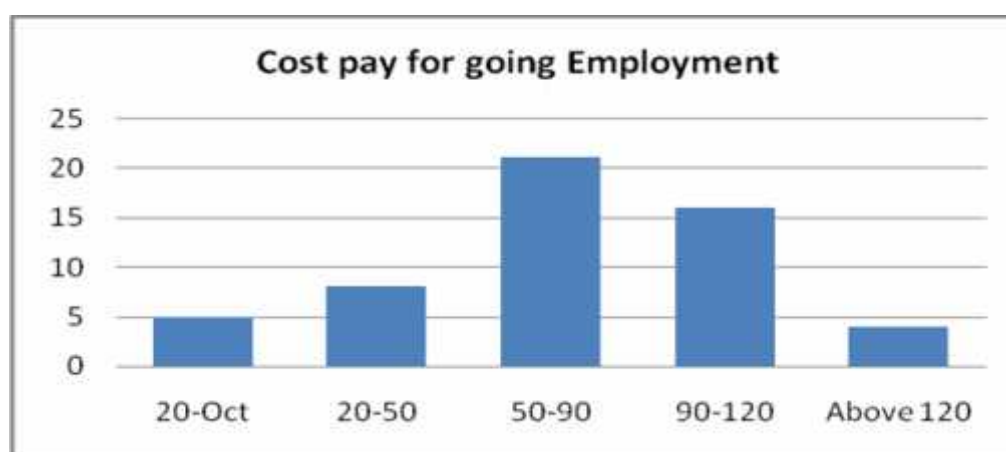
The prime channel to go for foreign employment appears in selected HHs through manpower agencies with dominant by 57 percent. Among remaining 24 percent through relatives and friends, 9 percent self, 7.4 percent through advertisement and 1.8 through government quota. It clearly explained that rural people are fully unknown about the public quota. To give the compensation for migrant labor government search new contracts and destination for send Nepalese workers in cheap

cost than table 6.11 mentioned like EPS Korea and JITCO Japan system so that rural migrant labor are also benefited to this dimension.

6.11 Expenditure in Charged for Seeking Foreign Employment

A sizeable amount of money needs to be invested as a cost of foreign employment. The cost started from obtaining a passport, medical check up, manpower agency, commission, visa fees, air fare, cost of internal travel and hotel charge in Kathmandu at the time of processing the foreign employment. In totality explained at table 6.11 according to respondents.

Fig 6.11



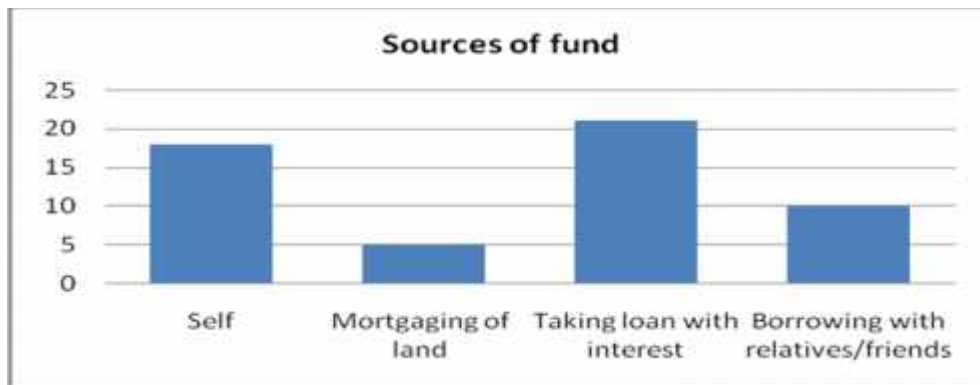
Source: Based on Annex-11

Among the sampled HHs 50-90 thousand cost paid for foreign employment by 38.8 percent, 90-120 thousand had paid to foreign employment by 29.6 percent. 20-50 thousand cost paid by 14.8 percent. Only 9.2 percent of foreign employee paid 10-20 thousand and 7.4 percent of them paid above the 120 thousands. Among the foreign employee, most of the employees are compelled to pay than government determination due to the lack of monitoring upon manpower and local brokers.

6.12 Sources of Fund to go for Foreign Employment

Most of the rural people of Nepal who want to go for foreign employment use several sources of financing. To find out the extent of sources used by respondents they were asked to provide their sources of fund the foreign employment. The information collected from the interview is presented in table 6.12.

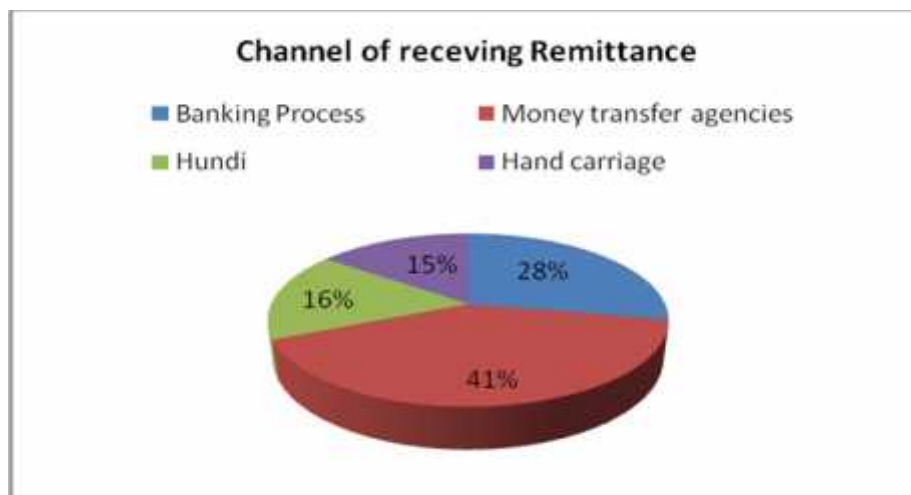
Fig 6.12



Source: Based on Annex-12

The prime sources to manage the amount out of sampled HHs loan with interest is 38.8 percent, 33.3 manage by self, 18.5 percent manage from borrowing with relatives and friends and remaining 9.2 percent only manage from mortgaging of land. Most of the employees take to loan with interest resultant they have long time to fulfill that loan and expenditure habits increases on unproductive sector due to so remittance less effective in rural areas for productive approach. Hence, to make productive in all sector of economy it mobilize properly till remote areas.

Fig 6.13

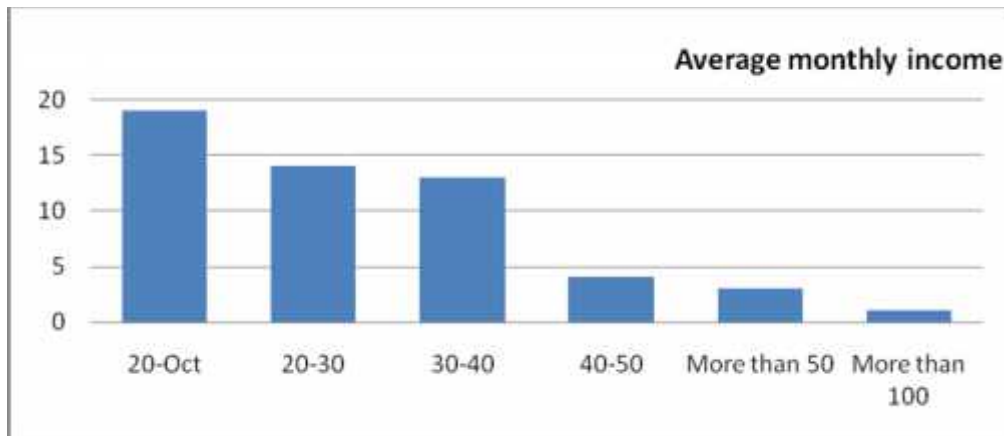


Source: Based on Annex-13

Out of 54 households, receiving remittance through money transfer agencies have 41 percent, 28 percent are using the means of banking process, 16 percent receiving by the means of hundi and 15 percent receiving by hand carriage. Till these days

employees are using the informal channel like a hundi and hand carriage; it does not accounted in legal government account resultant difficult to calculate exact entering remittance. Therefore, related agencies quick diagnosis this problem through wider advertisement and open legal money transfer agencies till rural areas.

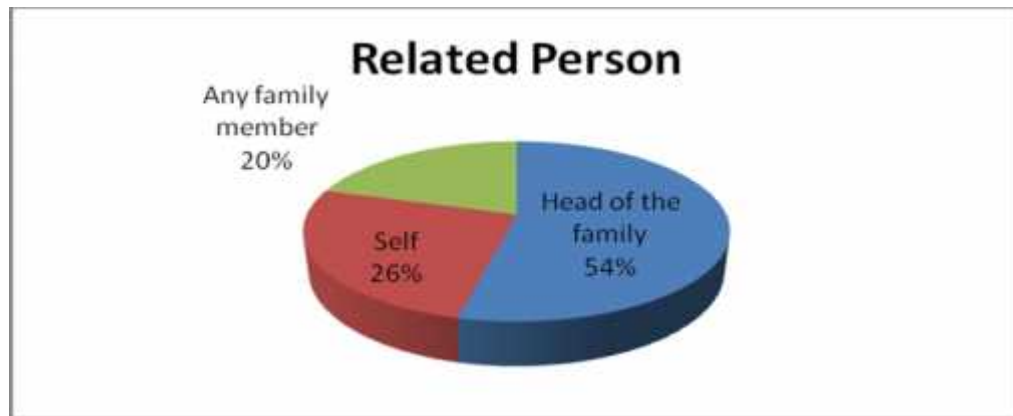
Fig 6.14



Source: Based on Annex-14

Nepalese workers get low paying job in overseas. So they earn less money than other countries labor. To find out the income earned by the Nepalese labor in abroad the respondent were asked to give their monthly salary earnings. 35.1 percent of them got income ranging from 10-20 thousand I Nepalese currencies per month, 26 percent of them got income range from 20-30 thousands in Nepalese rupees, and 24 percent of them got income ranging from 30-40 thousands per month. And 7.4 percent of them get income ranging from 40-50 thousands; more than 50 thousands got by only 5.5 percent and remaining one percent get more than hundred thousand. This study recorded that most of the migrant workers are earn below the 20 thousands due to the lack of skill and education so skill should be needed before going to foreign employment for high earning and security.

Fig 6.15



Source: Based on Annex-15

Among the Sampled migrant HHs expenditure decision by head of the family 54 percent, in 26 percent household expenditure decision by self and any family members of the households expenditure decision with 20 percent and there is no any decision of relatives and friends.

Table 6.16: Problem Faced on Foreign Job

Problem faced seeking foreign employment	Frequency	Percent
Cheated in the process of to go foreign job	2	3.7
Cheated in remitting process	1	1.8
Hard working	7	12.9
Salary no paid regularly in time	4	7.4
No problem	40	74.0
Total	54	100

Source: - Field Survey-2011

The response of according to migrant households family members 74 percent have not any problem, 12.9 percent have hardworking problem, 7.4 percent get not salary in time, 3.7 percent cheated to process of foreign employment and remaining 1.8 percent cheated in the remitting process. This study shows that high rate of employees have not any problem according to the reporting of respondent. So, it might be proxy, but it is indispensable aspects to generalize other supplementary aspects.

Table 6.17: Sources of Income other than Remittance in Migrant HHs

Sources	Frequency	Percent
Business	9	16.6
Public Services	4	7.4
Agriculture	29	53.7
No sources	12	22.2
Total	54	100

Source: - Field Survey-2011

Among the migrated households 53.7 percent having income from agriculture, 22.2 percent have not any alternative sources, 16.6 percent having income from business and remaining 7.4 percent households having income from public services. From the study they are not properly mobilize of remittance in productive sector resultant no more expansion of their alternative. To extend it remittance should be properly mobilize through modern technology even in agriculture due to the Nepal is agro – based country.

Section B: Impacts of Remittance in Migrants Households

Remittance is a key variable to upgrading the living standard of rural households. Living standard of households is usually analyzed in terms of food practices, sheltering and clothing etc. Here both quantitative and descriptive tools are used to see the living standard has changed from before and after in remittance receiving households. Among quantitative tools *Z test* is used for food practices and clothing pattern of remittance receiving households which are important dimension of living stranded.

6.18.1: Changed in Food Practices of Family Members by Remittance Changed food practices before and after in remittance receiving households

Category	Before Remittance Receiving	After Remittance Receiving
Lack of sufficiency food & nutrition	42	15
Sufficiency food & nutrition	12	39
Total	54	54

Source: - Field Survey-2011

Table 6.18.1 itself represents the picture of the living standard has increased after the remittance receiving. It can be proved from the statistical tools also. Whether the number of respondents who have perceived positive change in food practices significant or not has been tested with Z test as follows.

The usual notation

$$N_1=54=N_2$$

P_1 = Sample proportion of relatively sufficient food and nutrition before receiving remittance. $(12/54)= 0.22$

P_2 = Sample proportion of relatively sufficient food and nutrition after receiving remittance. $(39/54)=0.72$

Now setting hypothesis;

Null hypothesis H_0 : $P_1=P_2$, there is no significant difference between the proportion of before and after remittance receiving.

Alternative hypothesis H_1 : $P_1<P_2$, there is significant difference between the proportion of before and after remittance receiving. (Left tailed test)

Since $N=54$, we use Z test

$$Z = \frac{P_1 - P_2}{\sqrt{PQ\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

Level of significance: 5 percent i.e. $\alpha = 0.05$

Where, Population proportion $P = \frac{N_1 P_1 + N_2 P_2}{N_1 + N_2}$

$$= \frac{54 \times 0.22 + 54 \times 0.72}{54 + 54}$$

$$= 0.47$$

And $Q = 1 - P = 1 - 0.47 = 0.53$

$$\text{Now } Z = \frac{0.22 - 0.72}{\sqrt{0.47 \times 0.53 \left(\frac{1}{54} + \frac{1}{54}\right)}}$$

$$= -7.36$$

Hence $Z = 7.36$

Z tabulated value at 5% level of significance for left tailed test is 1.645

Decision

Since computed Z (7.36) is greater than that tabulated value 1.645, null hypothesis is rejected or alternative hypothesis is accepted and we can conclude that the foreign remittance is significant in increasing the no. of food sufficiency households after receiving remittance.

Table 6.18.2: Changed in Clothing Pattern of Family Members by Remittance

Category	Before remittance receiving	After remittance receiving
Insufficiency of clothing	35	23
Sufficiency of clothing	19	31
Total	54	54

Source: - Field Survey-2011

Table 6.18.2 itself represents the picture of the living standard has increased after the remittance receiving. It can be proved from the statistical tools also. Whether the number of respondents who have perceived positive change in clothing practices significant or not has been tested with Z test as follows.

The usual notation

$$N_1=54=N_2$$

P_1 = Sample proportion of clothing pattern before receiving remittance. $(19/54)= 0.35$

P_2 = Sample proportion of clothing pattern after receiving remittance. $(31/54)=0.57$

Now setting hypothesis;

Null hypothesis H_0 : $P_1=P_2$, there is no significant difference between the proportion of before and after remittance receiving.

Alternative hypothesis H_1 : $P_1<P_2$, there is significant difference between the proportion of before and after remittance receiving. (Left tailed test)

Since $N=54$, we use Z test

$$Z = \frac{P_1 - P_2}{\sqrt{PQ\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

Level of significance: 5 percent i.e. $\alpha=0.05$

Where, Population proportion $P = \frac{N_1 P_1 + N_2 P_2}{N_1 + N_2}$

$$= \frac{54 \times 0.35 + 54 \times 0.57}{54 + 54}$$

$P = 0.46$

$Q = 1 - P = 1 - 0.46 = 0.54$

$$\text{Now } Z = \frac{0.35 - 0.57}{\sqrt{0.54 \times 0.46 \left(\frac{1}{54} + \frac{1}{54}\right)}}$$

$$= -4.89$$

Hence $Z = 4.89$

Z tabulated value at 5% level of significance for left tailed test is 1.645

Decision

Since computed Z (4.89) is greater than that tabulated value 1.645, null hypothesis is rejected or alternative hypothesis is accepted and we can conclude that the foreign remittance is significant in increasing the no. of households who put clothing after receiving remittance.

Table 6.18.3: Changed In the Institution of Education before and after receiving Remittance in Sampled HHs

Category	Before Remittance	After Remittance
Normal education from public school	46	11
Quality education from private school	8	43
Total	54	54

Source: - Field Survey-2011

Table 6.18.3 represents the picture that the status of quality education has increased after getting remittance. From this to some extent positive impacts of remittance follows on education activities is found. On the other hand this study shows that other thing remaining the same, with the increase of level of education of households head sending their children in private school has increased which means most of the remittances receiving households are ready to spend more money for quality education because they have understood the importance education. It can be proved from statistical tools Z test also used as follows.

The usual notation

$$N_1=54=N_2$$

P_1 = Sample proportion of clothing pattern before receiving remittance. $(8/54)= 0.15$

P_2 = Sample proportion of clothing pattern after receiving remittance. $(43/54)=0.79$

Now setting hypothesis;

Null hypothesis H_0 : $P_1=P_2$, there is no significant difference between two proportion of before and after remittance receiving.

Alternative hypothesis H_1 : $P_1<P_2$, there is significant difference between the proportion of before and after remittance receiving. (Left tailed test)

Since $N=54$, we use Z test;
$$Z = \sqrt{\frac{P_1 - P_2}{PQ\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

Level of significance: 5 percent i.e. $\alpha=0.05$

Where population portion $P = \frac{N_1P_1 + N_2P_2}{N_1 + N_2}$
$$= \frac{54 \times 0.15 + 54 \times 0.79}{54 + 54}$$

$P = 0.47$

$Q = 1 - P = 1 - 0.47 = 0.53$

Now $Z = \sqrt{\frac{0.15 - 0.79}{0.53 \times 0.47 \left(\frac{1}{54} + \frac{1}{54}\right)}}$

$Z = -8.32$

Hence $Z = 8.32$

Z tabulated value at 5% level of significance for left tailed test is 1.645

Decision

Since computed Z (8.32) is greater than that tabulated value 1.645, null hypothesis is rejected or alternative hypothesis is accepted and we can conclude that the foreign

remittance is significant in increasing the no. of households who take better education from private school after receiving remittance.

Section C: Test of Significance between RRHH and RNRHH

Level of Saving and Remittance

Saving is also an indicator of household propensity and it's indicate that the standard of living. In the study area, the two groups of household have different level of saving. Among the 101 sampled HHs, 59 HHs have not any more saving almost are suffering recovery period they spend more than saving. Only 42 HHs have some amount of saving annually and they well developed all economic infrastructure and they aware about future than they start to saving. Whether remittance receiving households (RRHH) and remittance non receiving households (RNRHH) saving pattern is significantly differ or not? To test this student test (*t- test*) applying here which shown manner.

Setting hypothesis

Null hypothesis $H_0: \mu_1 = \mu_2$ There is no significant difference between RRHH and RNRHH in saving pattern.

Alternative hypothesis $H_1: \mu_1 > \mu_2$ there is high saving pattern of remittance of RRHH than RNRHH. (Right tailed test)

Computation using following formula of *t test*

$$t = \frac{X_1 - X_2}{\sqrt{S^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}}$$

Where, X_1 = mean of the variable 1, i.e. remittance receiving households

X_2 = mean of the variable 2, i.e. remittance non- receiving households.

$\sqrt{S^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}$ = Standard error of difference of different variable ($X_1 - X_2$) of two samples means.

Here t is based on $(n_1 + n_2 - 2)$ degree of freedom.

Table 6.18.4: Analysis of Result (From appendix-1)

Categories of HHs	No. of HHs	Mean	Mean difference	S.E.	t
RRHH	24	68250	4530	15520	0.301*
RNRHH	18	63720			
Total	42				

Source: - Field Survey-2011

*indicate that 5 percent level of significance

For one tailed test, the tabulated value of t at 5% level for significance for 40 (=24+18-2) d. f. is 1.684

Decision

Since the calculated value of t = (0.301) is less than tabulated value (1.684) the null hypothesis is accepted or alternative hypothesis is rejected, i.e. there is no significant difference between the saving pattern of RRHH and RNRHH. Hence we conclude that RRHH more spend than saving. So remittance has not dynamic role to saving money it increased the expenditure habits in rural households sector basically in ornaments, marriage, imitation and other religious activities etc.

Expenditure Pattern and Remittance

Average expenditure is found difference between remittance receivers and non receiver's households in the study area. To look at the difference in household expenditure between these households among 101 sampled HHs 54 getting remittance through foreign employment and 47 HHs has not getting any remittance from foreign sources. So whether annually average expenditure pattern on food and non- food activities of both groups are significantly differ or not? To test this T test apply as follows.

Hypothesis setting

Null hypothesis H_0 : $\mu_1 = \mu_2$ There is no significant difference between RRHH and RNRHH in expenditure pattern.

Alternative hypothesis H1: $\mu_1 > \mu_2$ there is high expenditure pattern of RRHH than RNRHH. (Right tailed test)

Computation using following formula of *t test*

$$t = \frac{X_1 - X_2}{\sqrt{S^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}}$$

Where, X1 = mean of the variable 1, i.e. remittance receiving households

X2 = mean of the variable 2, i.e. remittance non- receiving households.

$\sqrt{S^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}$ = Standard error of difference of different variable (X₁-X₂) of two samples means.

Here t is based on (n₁+n₂-2) degree of freedom.

Table 6.18.5 Analysis of Result (From appendix-2)

Category	No of HHs	Mean	Mean difference	S.D.	t
RRHH	54	183660	49200	28696.47	1.71*
RNRHH	47	134460			
	101				

Source: - Field Survey-2011

*indicate that 5 percent level of significance

For one tailed test, the tabulated value of t at 5% level for significance for 99 (=54+47-2) d. f. is 1.664

Decision

Since the calculated value of t = (1.71) is greater than that tabulated value (1.664) null hypothesis is rejected or alternative hypothesis is accepted i.e. there is expenditure pattern of remittance receiving household is higher than that remittance non remittance households. Remittance receiving families are lavishly spending

remittance money as they have received free of cost. A recently concluded household survey report has revealed that 30 percent of the total households in the country have at least one member working outside the country (NRB, 2008). These family members are sending money regularly to their families. The recent Economic Survey (MoF, 2009) has shown that the level of consumption of Nepali people has increased by 6 percent in 2008/09 compared to the previous year. The price of goods and services is increasing every day in the market. Therefore, remittance make productive government again brought distributive and populist program from increased revenue. But the country is losing its own productive capacity since the investment of remittances is not made in productive sector. Import volume is increasing every year. It is thus felt that the country is entangled in such a cycle. The poverty has been reduced significantly but the gap between remittance receiving and non- receiving families is widening.

A part from the migration of youth outside country, there is heavy flow of rural- urban migration within the country also, and shortage of labor is expiring in rural agricultural families. It is argued that there are only women, children and elderly population residing in the rural areas. Shortage of labor compelled to keep the agricultural land barren. This has resulted in declining agricultural output and productivity leading to food shortage. However in the study area found multiple responses to these areas which detail prescribed in section D.

Section D: Impacts of Labor Migration

Labor migration not only directly react over to the remittances inflows, it also affects to the family as well as society or nation as a whole. In the study area, the respondents have multiple viewed on the topic of course, these impacts are reflection of current situation of family or society that being faced by them which mentioned below.

Table 6.19.1: Percentage Distribution of Social Impacts by Respondents

Social impacts	Frequency	Percent
Affect to children's education	10	18.5
Rise in prestige	13	24.0
Increase in robbery rate	4	7.4
Women are going financially strong	5	9.2
Increase in social violence	2	3.7
Increase in security problem	3	5.5
Increase in prostitution	1	1.8
Violence over women	-	-
Decrease in male population	11	20.3
Upgrading of backward society	3	5.5
No change	2	3.7
	54*	100*

Source: - Field Survey-2011

*Note: - Because of multiple answer, the total is more than hundred percent

Table 6.19.2: Percentage Distribution of Economic Impacts by Respondents

Economic impacts	Frequency	Percent
Increase in income level	9	16.6
Good economic status	4	7.4
Increase in investment level	6	11.1
High consumption level	3	5.5
Financial status are growing	1	1.8
Women groups are going financially sound	3	5.5
Economic freedom	1	1.8
Free from burden	4	7.4
Rise in establishment of co-operation organization	4	7.4
Improve in infrastructure	6	11.1
Better living standard	5	9.2
Able to solve unemployment problem	2	3.7
Could make fulfill basic needs	6	11.1
No change	-	-
	54*	100*

Source: - Field Survey-2011

*Note: - Because of multiple answer, the total is more than hundred percent

Table 6.19.2: Percentage Distribution of Positive Impacts of Respondents

Positive impacts	Frequency	Percent
Changing income level & consumption	10	18.5
Decrease in unemployment rate	8	14.8
Increase in foreign currency	7	12.9
Change in skill	5	9.2
Increase in different income sources	4	7.4
Flourishing status of backward society	8	14.8
Increase in investment/saving level	7	12.9
Proper utilization of manpower	2	3.7
No answers	3	5.5
	54*	100*

Source: - Field Survey-2011

*Note: - Because of multiple answer, the total is more than hundred percent

Table 6.19.2: Percentage Distribution of Negative Impacts by Respondents

Negative impacts	Frequency	Percent
Rising discriminating problem	2	3.7
Lack of manpower	4	7.4
Increase in robbery and social violence	5	9.2
Loneliness	12	22.2
Migrant skill worker	8	14.8
Deficiency in local development activities	11	20.3
Feeling insecurity	6	11.1
Homesick problem	2	3.7
No answers	4	7.4
	54*	100*

Source: - Field Survey-2011

*Note: - Because of multiple answer, the total is more than hundred percent

From the above analysis impacts of labor migration has social and economic effects as well as positive and negative impacts are occurs there. Increase in income level,

changing in consumption level and decrease in unemployment rate are the positive outcomes of the migration in the study area. Foreign employment has helped to increase the economic condition of the in study area. From the observation there found more remitting money spend in maintenance of house, construction of new building and purchase of land. All these investment are considered unproductive investment in economic terms. Social impacts of migration could be considered indirect impacts of migration. Such impacts can be seen in women groups of the family. The absence of husband, not only cause hardship to the women, it also brought opportunities. As problem among the migrants wives, loneliness and affect to children education are the more serious than anything else.

6.20 Conclusion

It may be observed that, migration and remittance has generated positive effects on the economy through various channels such as saving, investment, growth, consumption, and poverty and income distribution. Though it has positive impacts, its major contribution is visible at households and community level only. It has not created socio-economic impacts and long term development of the country due to the lack of proper research and information about many issues are not came out in a publication. The main issues of foreign employees are fraud, deception, exploitation, sexual harassment, physical and mental torture, restriction of free mobility, poor working and living conditions, longer working hours than agreement, non- provision of salaries and lack of medical treatment are all problems of which a majority of labor migrants have faced. Due to this around 200 Nepali labors die each month, and ferrying those bodies back to Nepal for proper funeral rites takes more than a year without any kind of compensation. Many of the Nepalese worker destination countries has not Embassy resultant worker are faced various problem. The recent event of Labia, Bahrain and Saudi Arab represent the real condition of Nepalese workers. On The other side in Japan also from natural disaster earthquake affects to Nepalese worker and students. Therefore to solve these problems Nepal must act quickly and safely for productive as well as efficiency in long term. For this, Nepal needs bilateral agreements with labor receiving countries to protect labor interests, government tries to effective implementation of foreign related Act and Regulations and government must be developed specific policy documents related to foreign employments.

CHAPTER-VII

SUMMARY, CONCLUSION AND RECOMMENDATIONS

7.1 Summary and Major Findings

The prime objective of this study is to assess the impact of labor migration and remittances in study area. The study also attempts to examine the nature and role of remittance in Nepalese economy.

To fulfill above mentioned objectives of the present study, Chidika VDC of Arghakhanchi district was selected and 101 households were interviewed following PPS (Probability Proportion to Size) method. Secondary data were also used to analyze and compare the composition of foreign employment and remittance in national level as well as the local level in the study. Data are analyzed by using simple statistical tools like as frequency distribution, mean, percentage and high inferential tools like *t and Z test* have been used to test the formulated hypothesis. From the study following conclusion are drawn.

7.1.1 Major Findings of the Study

- The Malaysia, Qatar, Saudi Arab and UAE are the most preferred countries for Nepalese workers during 2000/01-2008/09.
- Accounted the top ranks destination are for foreign employment Malaysia, Qatar, Saudi and UAE.
- In 2007, India was the largest country, which earned US \$ 27.0 billion, which is the largest remittance inflow of the world.
- Inflow of remittance in developing countries changed by 107 percent during the period 2004-09.
- In 2007, Bangladesh earned US \$ 6.4 billion and Nepal US \$ 1.6 billion and became the first and second in the world among the least developing countries.
- Till during the FY 2008-09 accounted 209698.5 million remittances with highly inconsistency in annual growth.

- The remittance as percentage of saving is 217.75 and the remittance as percentage of investment is 81.86 in Nepal till last fiscal year 2008/09. The environment should be positive for remittance investment.
- The contribution of remittance as percentage of GDP is 21.15 in during 2008-09 which is continually increasing in the later years.
- The ratio of remittance to saving, investment and saving- investment gap is increasing with higher rate of growth of remittances.

7.1.2 Findings from Study Area

- 26-35 age group male contribution 45% of the labor gone in foreign employment.
- Out of total foreign employees, 32% of them are SLC passed in the study area and around 6% are Bachelor and above. It means migrated labors have not sufficient education.
- Out of total migrants, among sampled households 34% are unmarried and 67% are married. Majority of the married employees in the study area.
- The rate of people who are engaged in foreign employment are respectively the Brahmin 15%, Magar 24%, Muslim 26%, Kumal 8% and Dalits (Kami/Sarki/Damai) are 28%. The majority of low caste and ethnic groups in study area.
- The report of the case study shows that most of the destination countries are Qatar, Malaysia, Saudi- Arab and Kuwait with 28%, 24 %, 15% and 11% respectively. Only remaining percent of the respondent had gone into Europe and other developed country.
- The numbers of time to visits for foreign employment in study area 50% are second time, 32% are first time, 11% are third time and 8% are more than three times. It indicates that there is dominant of second time frequency.
- The choice of destination for foreign employment 39 % are easy entry and exits, 30% are easy available of job, 16% are high wage rate and 14% are less costly found in study area.

- Major reason to seek foreign employment includes unemployment, family debt burden, lack of opportunities and family pressure in study area.
- Likewise, it shows that mostly, who perused in foreign employment especially for hotel service, laborers and security guard are 33%, 22% and 17% respectively. It shows that they have low skill or semi- skilled and compelled to low level of work like as construction and hotel.
- The means to go for foreign employment of most of the sample 58% respondents were manpower agencies. Other went either unregistered agents or personal initiative but around 2% went through government quota. There is insufficiency of government quota to encourage the labors.
- The average cost paid for foreign employment by the respondents of the study area 39% paid ranging Rs 50-90 thousands, 30% paid ranging Rs 90-120 thousands and 20-50 thousands paid by around 15%. Workers are compelled to pay high cost than government limitation.
- Sources of financing for foreign employment was 39% taking loan, 33% self manage and 10% mortgaging of land. There is no any compensation for workers to take loan in cheap interest.
- The 69% foreign employees send the money they have earning through formal channel and 31% workers used informal channel like as hundi and hand carriage. Till now workers are unknown about formal channel.
- The average monthly salary of foreign employees in the study area 35% earned around Rs 20 thousands, 25% nearly Rs 30 thousand and 24% earned approach 40 thousands. The workers are earned more income in developed countries than Gulf country, South Asia and other countries.
- Expenditure decision of remittance in household's sector 54 percent decision depends on households head, 25% self and 21% decision depends on any family members. Data conclude that in expenditure decision majority of household's head.
- The problem faced by employees in foreign job, 13% have hard work, 8% of them salary can't pay in time, 4% cheated in going process and 2% in remitting

process. It means that highly percent recorded of no problem might be the proximity of respondents.

- Sources of income other than remittances in the study area agriculture (53%), business (16%) and public jobs (8%); means there is no active population to grow agricultural productivity.
- The impacts of male migration in the study area especially on children's education, increase in robbery rate, lack of active people and loneliness etc. are the main responsible factor to occur bitter sides and positive impacts on especially macro variables like as income, consumption and expenditure etc.
- The impacts of remittance in study area by testing hypothesis tools there found positive impacts of remittance on standard of living like as food, clothing and education are highly affected. However on the other hands, remittance has not significant role to encourage saving instead of increases expenditure habits of people on unproductive sectors like as loan repayments, family expenditure, house construction and other rituals and habitual expenditure.

7.2 Conclusions

In Nepal, remittance has emerged as one of the major sources of foreign exchange. In recent years it is being an important avenue of support for family members remaining at home. From the test of mean difference in saving and expenditure indicators in household's economic status, it is difficult to conclude that remittance has played significant role to enhance the productive cycles of rural economy. For instance, present study found that there is no significant difference between remittance receiving households (RRHH) and remittance non receiving households (RNRHH) through highly inferential statistical t test. To be this, there might be several reasons to behind it such as small sample size, proxy response, micro level study and test of few indicators (saving and expenditure). Although there is positive impact of remittance on living standards (food, clothing and education) of people from the use of Z test tools. It may be observed that household receiving remittance has not shown much response to strengthen their productive activities except than maintain living standard. The remittance has not been properly channelized in the domestic economy productive activities rather than non productive venture buying land, buying ornaments, and to celebrate better fest and festivals. So, further researcher area might

be role of remittance to make women financially empower and study on status, problems & potentialities of the returning migrants.

To make the remittance income more productive in macro level to carry out effective and efficient public policies to channelize remittance in productive projects, the government has to look at what motives Nepalese to send their money at home particularly beyond individual family remittances, and crafts its policies to take advantage from it. Therefore, to keep sustain foreign employments and income government of Nepal (GoN) must adopted peace and sound policies to getting multiplier effect from it especially on macro variables like as to maintain BoP, investment, saving and expenditure etc. Its role some extent in rural area for poverty reduction through solving hand mouth problem but it is not sufficient, to make more beneficiaries in nationwide proper channelize needed in it. Thus, government must think to that direction in forthcoming days.

7.3 Recommendations

- Since most of migrant Nepalese workers have gone to gulf countries and Malaysia. So, their destinations are congested area of the Nepalese workers resultant more agents have cheated to maximum workers. On the other side, in these countries workers are not earning much more money than government of Nepal should make new policy to identify the new potentialities destination and create better opportunities.
- There is high outflow of active population due to this even rural areas are also becoming youth less day by day. It might be harmful for economy in long term. To remove from this there need to employment opportunity in home country.
- Majority of unskilled or semi- skilled and low educated in migrating process. They faced hard work in there. So, orientation program needed before migration to the destination countries.
- In the study area, high outflow married workers to solve the hand mouth problem. Some workers might have involve unsafe sexual intercourse in there resultant HIV attract to them. To prevent this awareness program should be extended.

- Lack of education and opportunity backward caste and ethnic groups are highly recorded in migrating process. So they need to special package program for addressing them.
- Workers are compelled to gone frequently in foreign employment. There need to be suitable environment (social, political and economic) for stay in home country.
- Workers are compelled to pay high cost to visits foreign employment, so government should provide to them loan facilities at least minimum rate and quota separated to them according to access.
- Although poverty is declining by remittance but inequality is increasing, hence proper judgment needed to make more advantage for marginal people.
- An analytical result shows that there is no significant difference between RRHH and RNRHH in variable saving and significant difference between RRHH and RNRHH in variable expenditure. Saving habit should be encouraging through micro finance program, co-operatives and micro saving program till rural areas.
- However, national level remittance has significant role but rural area not found productive role than basic activities. It might the lack of proper calculation of remittance income. There need to exact calculation system of remittance entering in rural areas by various channels.
- Preparation and recording of the returnees, their skill and resources at this disposal and plan for small scale investment program for them.
- Control of migration through unofficial channels.
- Government and Manpower Company should provide opportunity to marginalized group so that these groups can boost up economically.
- In these days, most of the people facing problem to get MRP (Machine Readable Passport) through capital. So, government concern must to make decentralize distribution to it.
- Nepal government should establish Nepalese Embassy where Nepalese labor work and should effectively monitoring over the activities of employing companies.

- Nepalese economy has received large amount of remittance but remittance are still being transfer through informal channels. Formal channel should be promoted. At least one formal institution must be established to facilitate transfer of remittance in each destination.
- Nepal needs to bilateral agreements with labor receiving countries to protect the labor interests.
- Most of Nepalese people have come from rural areas and of low income. Therefore government should make favorable policy to facilitate them by providing loan in minimum interest rate.
- In these days most of the Arabian countries like as Labia, Bahrain and Saudi are suffering worst condition due to internal conflict of the nation. It might hamper to Nepalese workers. So, Nepal government should take step to keep safe and rescue to Nepalese workers.
- Hot line phone should be provided for 24 hours to rescue to those who suffered in problem in foreign land.
- The Nepalese employees, who are in jail in to some causes in abroad, should be return back by applying right judicial process.
- In rural area, receiving remittances should pay attention to utilize the remittance in more productive activities so that they and their children need not to go abroad again and again in future.
- Government of Nepal should negotiate with countries of destination about migrant workers in cheap cost and high salary like as EPS Korea system.
- There must be decentralizing of Manpower Companies in rural area so that people not obligated for process in Kathmandu.
- At least three dead bodies entering in International Airport everyday without any compensation which is the major problem of foreign employments. So GoN should take step to avoiding this problem.
- Brain- drain is the major problem of developing country like Nepal. To protect from this problem government should provided golden opportunities for educated people.

- In the migrating process most of the workers used illegal ways through India and Pakistan Airport to control this there must develop hard checking in broader check- post and encourage to them go through Nepal's Airport.
- At last the concept of economic diplomacy should be implemented from the GoN to increase the demand of labor in the foreign labor market.
- The workers are facing to do 3D (dirty, dangerous and difficult) problem in foreign employment so government should immediately addressed to it.

Finally this study entitled case study of foreign job seekers by the primary sources, which is important current issue of nation is very significant, while the study in conducted in small size and may not be sufficient to generalize for the whole nation about labor migration. By this study researcher confident that it would be certainly beneficial to the people of Chidika VDC and neighboring VDC also.

Annex-1

6.1 Age Description of the Workers in Foreign Employment

Age Group	Frequency	Percent
18-25	13	24.0
26-35	24	44.4
36-45	15	27.7
Above 45	2	3.7
Total	54	100

Source: - Field Survey-2011

Annex-2

Table 6.2: Education Status of Foreign Employee

Education Background	Frequency	Percent
Literate	4	7.4
Primary Education	12	22.2
Less than S.L.C.	18	33.3
S.L.C. and Above	17	31.4
Bachelor and Above	3	5.5
Total	54	100

Source: - Field Survey-2011

Annex-3

Table 6.3: Marital Status of Foreign Employee

Marital Status	Frequency	Percent
Unmarried	18	33.3
Married	36	66.6
Total	54	100

Source: - Field Survey-2011

Annex-4

Table 6.4: Caste/Ethnicity of Foreign Employees

Caste	Frequency	Percent
Brahmin	8	14.8
Magar	13	24.0
Kumal	4	7.4
Muslim	14	25.9
Dalits (Kami/Sarki/Damai)	15	27.7
Total	54	100

Source: - Field Survey-2011

Annex-5

Table 6.5: Country- wise Record of Foreign Employee in Sampled HHs

Country	Frequency	Percent
Saudi Arab	8	14.8
Qatar	15	27.7
U.A.E.	4	7.4
Kuwait	6	11.1
Bahrain	4	7.4
Malaysia	13	24.0
America	1	1.8
Europe	1	1.8
Korea	2	3.7
Total	54	100

Source: - Field Survey-2011

Annex-6

Table 6.6: Frequency of Visits for Foreign Employment

No. of Times	Frequency	Percent
First Time	17	31.4
Second Time	27	50.0
Third Time	6	11.1
More than Third Time	4	7.4
Total	54	100

Source: - Field Survey-2011

Annex-7

Table 6.7: Choice of the Country for Foreign Employment

Causes	Frequency	Percent
Easy entry & exit	21	38.8
Less costly	8	14.8
High wage rate	9	16.6
Easy availability of job	16	29.6
Total	54	100

Source: - Field Survey-2011

Annex-8

Table 6.8: Reason for Foreign Employment

Description	Frequency	Percent
Landlessness	3	5.5
Conflict	2	3.7
Lack of opportunity	19	35.1
Unemployment	11	20.3
Family Pressure	7	12.9
Indebtness	5	9.2
Better employment	7	12.9
Total	54	100

Source: - Field Survey-2011

Annex-9

Table 6.9: Type of Job of Foreign Employee in Sampled HHs

Type of job	Frequency	Percent
Labor (Construction)	12	22.2
Technician	2	3.7
Store keeper	6	11.1
Security guard	9	16.6
Hotel	18	33.3
Driver	5	9.2
Others	2	3.7
Total	54	100

Source: - Field Survey-2011

Annex-10

Table 6.10: Channel of to go for Foreign Employment

Channel	Frequency	Percent
Manpower agencies	31	57.4
Advertisement	4	7.4
Government quota	1	1.8
Relatives/Friends	13	24.0
Self	5	9.2
Total	54	100

Source: - Field Survey-2011

Annex-11

Table 6.11: Expenditure in Charged for Seeking Foreign Employment

Cost Description (In 000)	Frequency	Percent
10-20	5	9.2
20-50	8	14.8
50-90	21	38.8
90-120	16	29.6
Above 120	4	7.4
Total	54	100

Source: - Field Survey-2011

Annex-12

Table 6.12: Sources of Fund to go for Foreign Employment

Sources	Frequency	Percent
Self	18	33.3
Mortgaging of land	5	9.2
Taking loan with interest	21	38.8
Borrowing with relatives/friends	10	18.5
Total	54	100

Source: - Field Survey-2011

Annex-13

Table 6.13: Channel of Remittance

Channel	Frequency	Percent
Banking Process	15	27.7
Money transfer agencies	22	40.7
Hundi	9	16.6
Hand carriage	8	14.8
Total	54	100

Source: - Field Survey-2011

Annex-14

Table 6.14: Monthly Salary in an Average according to Respondent

Description of average salary (in 000)	Frequency	Percent
10-20	19	31.1
20-30	14	25.9
30-40	13	24.0
40-50	4	7.4
More than 50	3	5.5
More than 100	1	1.8
Total	54	100

Source: - Field Survey-2011

Annex-15

Table 6.15: Expenditure Decision in Migrant Households

Related Person	Frequency	Percent
Head of the family	29	53.7
Self	14	25.9
Any family member	11	20.3
Friends and relatives	-	-
Total	54	100

Source: - Field Survey-2011

Average Annually Expenditure Pattern of RRHH and RNRHH (in Rs 000)
APPENDIX-2

X	X	X- X	(X- X) ²	Y		Y-	(Y-) ²
235	183.66	51.34	2635.796	90	134.46	-44.46	1976.692
165	183.66	-18.66	348.1956	110	134.46	-24.46	598.2916
211	183.66	27.34	747.4756	140	134.46	5.54	30.6916
720	183.66	536.34	287660.6	250	134.46	115.54	13349.49
56	183.66	-127.66	16297.08	325	134.46	190.54	36305.49
110	183.66	-73.66	5425.796	150	134.46	15.54	241.4916
212	183.66	28.34	803.1556	135	134.46	0.54	0.2916
115	183.66	-68.66	4714.196	140	134.46	5.54	30.6916
120	183.66	-63.66	4052.596	225	134.46	90.54	8197.492
350	183.66	166.34	27669	320	134.46	185.54	34425.09
72	183.66	-111.66	12467.96	440	134.46	305.54	93354.69
74	183.66	-109.66	12025.32	550	134.46	415.54	172673.5
112	183.66	-71.66	5135.156	210	134.46	75.54	5706.292
150	183.66	-33.66	1132.996	75	134.46	-59.46	3535.492
53	183.66	-130.66	17072.04	35	134.46	-99.46	9892.292
158	183.66	-25.66	658.4356	40	134.46	-94.46	8922.692
450	183.66	266.34	70937	80	134.46	-54.46	2965.892
52	183.66	-131.66	17334.36	90	134.46	-44.46	1976.692
550	183.66	366.34	134205	81	134.46	-53.46	2857.972
155	183.66	-28.66	821.3956	75	134.46	-59.46	3535.492
200	183.66	16.34	266.9956	180	134.46	45.54	2073.892
135	183.66	-48.66	2367.796	90	134.46	-44.46	1976.692
160	183.66	-23.66	559.7956	175	134.46	40.54	1643.492
80	183.66	-103.66	10745.4	71	134.46	-63.46	4027.172
85	183.66	-98.66	9733.796	75	134.46	-59.46	3535.492
75	183.66	-108.66	11807	83	134.46	-51.46	2648.132
400	183.66	216.34	46803	80	134.46	-54.46	2965.892
250	183.66	66.34	4400.996	100	134.46	-34.46	1187.492
45	183.66	-138.66	19226.6	95	134.46	-39.46	1557.092
65	183.66	-118.66	14080.2	98	134.46	-36.46	1329.332
70	183.66	-113.66	12918.6	78	134.46	-56.46	3187.732
90	183.66	-93.66	8772.196	112	134.46	-22.46	504.4516
110	183.66	-73.66	5425.796	150	134.46	15.54	241.4916
120	183.66	-63.66	4052.596	200	134.46	65.54	4295.492
145	183.66	-38.66	1494.596	165	134.46	30.54	932.6916
160	183.66	-23.66	559.7956	140	134.46	5.54	30.6916
110	183.66	-73.66	5425.796	95	134.46	-39.46	1557.092
75	183.66	-108.66	11807	96	134.46	-38.46	1479.172
500	183.66	316.34	100071	105	134.46	-29.46	867.8916
50	183.66	-133.66	17865	56	134.46	-78.46	6155.972
60	183.66	-123.66	15291.8	40	134.46	-94.46	8922.692

95	183.66	-88.66	7860.596	80	134.46	-54.46	2965.892
110	183.66	-73.66	5425.796	35	134.46	-99.46	9892.292
150	183.66	-33.66	1132.996	55	134.46	-79.46	6313.892
120	183.66	-63.66	4052.596	70	134.46	-64.46	4155.092
40	183.66	-143.66	20638.2	140	134.46	5.54	30.6916
550	183.66	366.34	134205	95	134.46	-39.46	1557.092
85	183.66	-98.66	9733.796				
90	183.66	-93.66	8772.196				
100	183.66	-83.66	6998.996				
105	183.66	-78.66	6187.396				
98	183.66	-85.66	7337.636				
520	183.66	336.34	113124.6				
750	183.66	566.34	320741				

Note: - \bar{X} = Expenditure of Remittance Receiving HHs and \bar{X} = Mean of X
 \bar{Y} = Expenditure of Non- Remittance Receiving HHs and \bar{Y} = Mean of Y

Average Annually Saving Pattern of RRHH and RNRHH (in Rs 000)
APPENDIX-1

X	X	X- X	(X- X) ²	Y		Y-	(Y-) ²
144	68.25	75.75	5738.063	60	63.72	-3.72	13.8384
105	68.25	36.75	1350.563	75	63.72	11.28	127.2384
210	68.25	141.75	20093.06	72	63.72	8.28	68.5584
75	68.25	6.75	45.5625	105	63.72	41.28	1704.038
66	68.25	-2.25	5.0625	102	63.72	38.28	1465.358
52	68.25	-16.25	264.0625	52	63.72	-11.72	137.3584
55	68.25	-13.25	175.5625	14	63.72	-49.72	2472.078
42	68.25	-26.25	689.0625	11	63.72	-52.72	2779.398
22	68.25	-46.25	2139.063	35	63.72	-28.72	824.8384
35	68.25	-33.25	1105.563	44	63.72	-19.72	388.8784
250	68.25	181.75	33033.06	18	63.72	-45.72	2090.318
33	68.25	-35.25	1242.563	29	63.72	-34.72	1205.478
24	68.25	-44.25	1958.063	56	63.72	-7.72	59.5984
18	68.25	-50.25	2525.063	93	63.72	29.28	857.3184
21	68.25	-47.25	2232.563	112	63.72	48.28	2330.958
77	68.25	8.75	76.5625	82	63.72	18.28	334.1584
82	68.25	13.75	189.0625	91	63.72	27.28	744.1984
92	68.25	23.75	564.0625	96	63.72	32.28	1041.998
53	68.25	-15.25	232.5625				
44	68.25	-24.25	588.0625				
51	68.25	-17.25	297.5625				
62	68.25	-6.25	39.0625				
15	68.25	-53.25	2835.563				
10	68.25	-58.25	3393.063				

Note: - X = Average Saving of Remittance Receiving HHs and \bar{X} = Mean of X
Y = Average Saving of Non- Remittance Receiving HHs and \bar{Y} = Mean of Y

Questionnaire for Household Survey -2011
Central Department of Economics
Tribhuvan University
For the purpose of M.A. Thesis
An Impact of Male Labor Migration & Remittance
A case study of Chidika VDC, Arghakhanchi

Thesis /Research Supervisor: Prof. Dr. Devendra P. Shrestha

Researcher: Kamal Banjade

Section-A

Part-I (Socio-Economic & Demographic Information of Respondent)

Name:

Address:

Age:

Religion:

Education:

Occupation

Cast:

Marital Status:

Mother Tongue:

Family Members:

Male ()

Female ()

Total ()

Detail information about family members:-

S. No.	Name	Sex(M/F)	Yours Relation	Current Age	Educational Qualification	Marital Status	Occupation
1							
2							
3							
4							
5							
6							

7							
8							
9							
10							
11							
12							
13							
14							

Household Ownership:

- a) Private b) Rent c) Other Specify.....

Land Ownership:

Unit	Ropani	Aana	Paisa
Area			

Structure of House:

- a) RCC b) Wood c) Clay d) Tile e) Other.....

Water Sources:

- a) Tap b) Tube well c) Well d) Stream/River e) other.....

Energy Sources:

- a) Electric b) Kerosene c) Bio-Energy d) Other
Specify.....

Toilet Status:

- a) With Flash (Public Sewage) b) With Flash (Safety Tank) c)

General

- d) No.

Basic Facilities:

- a) Radio b) T. V. c) Telephone/ Mobile d) Vehicle e) Motorbike
f) Bicycle
g) Refrigerator h) Washing Machine i) Other Specify.....

Part-II (Questionnaire on Migrating Nature)

1. In which country have your family member gone?

.....

2. Did he go before for foreign employment?
 a) Yes () b) No ()
3. If yes, how many times?
times
4. Why did he select that country?
 a) Easy entry & exit b) Less costly c) High wage rate d) other
 specify.....
5. When did he go there?
 month ago
6. What are the causes for going foreign employment?

Push Factors:

Pull Factors:

- | | |
|-------------------------|-----------------------|
| a) Landlessness | a) Better employment |
| b) Lack of opportunity | b) other specify..... |
| c) Unemployment | |
| d) Political conflict | |
| e) Family pressure | |
| f) Ineptness | |
| g) Other (specify)..... | |

7. Did he take any vocational training before go there?
 a) Yes () b) No ()
8. If yes, what type of training he had?
 Specify.....
9. Did he find suitable job related to his skill or qualification?
 a) Yes () b) No ()
10. If yes, what kind of job?
 a) Labor b) Technician c) Storekeeper d) Armed force e) Security guard
 f) House worker/Care giver g) Cook/Waiter h) Driver i)
 Other(specify).....

Part-III (Migration Process)

1. By which process he go for foreign employment?
 a) Manpower agencies
 b) Advertisement
 c) Government quota
 d) Relatives/friends

- e) Self
 - f) Other (specify).....
2. Did he get any job immediately after reaching there?
 - a) Yes () b) No ()
 3. If no how long did he waiting for?
 - a).....days b)months
 4. How much did he pay to go there?
Rs.....
 5. How did he manage the amount for going abroad?
 - a) Self b) Mortgaging of land
 - c) Taking loan with interest d) Borrowing with relatives or friends
 - e) Other specifies
 6. Was he cheated in the process of going foreign employment?
 - a) Yes () b) no ()
 7. If yes, who cheated him?
 - a) Manpower companies b) Local broker/agencies
 - c) Employment companies d) Friend/relationships
 - e) Other specify.....
 8. How much money was he cheat?
Rs.....

Part-IV (Impacts of Migration)

1. Do you have any impacts/burden due to your family member migration?
.....
.....
2. What is your view on foreign employment?
.....
.....

Group-B (Questionnaire related to Remittance & its Impacts)

Channelize of Remittance and Non- Remittance Income

1. How did you get remittance?
 - a) Banking process b) Money transfer agencies c) Hundi
 - d) Hand carriage e) other (specify).....
2. Which remitting process do you think more secure?

- a) Banking process b) Money transfer c) Hundi d) Friend/relatives e) other (specify).....
3. Have you ever cheated by remitting process?
a) Yes () b) No()
4. If yes, which process had cheated you?
Specify.....
5. Are there any other revenue sources than remittance?
a) Yes () b) No ()
6. If yes, which sources?
a) Business b) public services c) agriculture
d) Other specify.....
7. How much receive as an average alternative income per month?
Rs.....an average per month.
8. In which sector, particularly use of alternative income?
a) Regular household expenditure b) saving and investment
c) Children's education d) Health e) other specifies.....

Part-V (Remittance & its Using and Impacts)

1. How much remittance have you received till now?
Rs.....
2. Who is the person to decide how to expenditure the remittance?
a) Head of the family b) self c) family member
d) friend and relatives e) other (specify).....

Average Expenditure on Major Economic Variables

Major Economic Variables	Average Expenditure in per year (In Rs)
Education	
Health	
Food	
Investment / Saving	
Others Physical Assists	

In which sector do you spend more remittance income for?

Directly Productive Sector (Multiple Responses Possible)

- a) Buying agriculture Land
- b) Investment in business
- c) To return land,(Bandaki Nikhanna)
- d) Invest for interest

Indirectly Productive Sector (MRP)

- a) Educational Expenditure
- b) Bank Deposit
- c) To buy Land (Ghaderi) in City

Non- Productive Sector (MRP)

- a) Loan repayment
- b) Family expenditure
- c) House construction
- d) Expenses on health
- e) Expenses on marriage
- f) Expenses on other purpose (Other rituals, habitual expenses)

3. Do you think have you invested on productive sector?

- a) Yes ()
- b) No ()

4. If no, why did not you have?

- a) Lack of opportunities
- b) lack of market access
- c) Lack of sufficient capitol
- d) lack of knowledge and awareness
- e) Other specifies

Some economic indicator before and after overseas employees

Major indictor	Before	After
Land ownership (in Unit)		
Average income(in Rs Yearly)		
Institution of Education (Pvt/Gov)		
Saving (in Rs Yearly)		
Investment (in Rs Yearly)		
Food/Nutrition sufficiency		
Clothing sufficiency		

1. In your opinion, in which sector more affected by remittance income?
.....
.....
.....
2. Do you have any suggestion for remittance income to make more productive?
.....
.....
.....
3. Do you find any positive or negative impacts by the labor migration in your village/society?
 - a) Positive affects.....
.....
 - a. Negative affects.....
.....
4. Did you find any social and economic impacts occurred by labor migration on your family/society/
 - a. Social affects.....
 - b. Economic affects.....

Questionnaire Related to Non- Migrant Households
Group –B (Socio-Economic & Demographic Information)

Name:

Address:

Age:

Religion:

Education:

Occupation

Cast:

Marital Status:

Mother Tongue:

Family Members:

Male ()

Female ()

Total ()

Detail information about family members:-

S. No.	Name	Sex(M/F)	Yours Relation	Current Age	Educational Qualification	Marital Status	Occupation
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							

Household Ownership:

a) Private

b) Rent

c) Institutional

d) Other

Specify.....

Land Ownership:

Unit	Ropani	Aana	Paisa
Area			

Structure of House:

- a) RCC b) Wood c) Clay d) Tile e) Other.....

Water Sources:

- a) Tap b) Tube well c) Well d) Stream/River e)
Other.....

Energy Sources:

- a) Electric b) Kerosene c) Bio-Energy d) Other
Specify.....

Toilet Status:

- a) With Flash (Public Sewage) b) With Flash (Safety Tank) c) General
d) No.

Basic Facilities:

- a) Radio b) T. V. c) Telephone/ Mobile d) Vehicle e) Motorbike f)
Bicycle g) Refrigerator h) Washing Machine I) Other
Specify.....

Part-I (Questionnaire on Household Income/Expenditure, Saving and Debt)

1. What type of job is he doing here?

- a) Office Clark b) Farmer c) Driver d)

Others.....

2. How much is his income level?

Rsper month

3. In which sector do you spend more income for?

Directly Productive Sector (Multiple Responses Possible)

- a) Buying agriculture Land
b) Investment in business
c) To return land,(Bandaki Nikhanna)
d) Invest for interest

Indirectly Productive Sector (MRP)

- a) Educational Expenditure

- b) Bank Deposit
- c) To buy Land (Ghaderi) in City

Non- Productive Sector (MRP)

- a) Loan repayment
- b) Family expenditure
- c) House construction
- d) Expenses on health
- e) Expenses on marriage
- f) Expenses on other purpose (Other rituals, habitual expenses)

Average Expenditure on Major Economic Variables

Major Economic Variables	Average Expenditure in per year (In Rs)
Education	
Health	
Food	
Investment / Saving	
Others Physical Assists	

1. Can the family sustain from his income?

Yes () No ()

If no, what are the alternative sources of income?

Specify

2. Have you taken loan to run their family?

Yes () No ()

If yes, from which sector?

a) Bank b) Merchant c) Financial institutions

d) Other (specify).....

3. Have you sufficient from production to your all family?

Yes () No ()

Specify

4. How much average saving of income in an annually?

Rs.....annually.

Thanks for information.

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