

**ROLE OF FOREIGN EMPLOYMENT ON ECONOMIC  
STATUS OF RURAL HOUSEHOLDS:**

**A Case Study of Bagmati Rural Municipality-3, Lalitpur**

**A Thesis Submitted to  
The Department of Rural Development,  
Mahendra Ratna Multiple Campus,  
in partial fulfillment of the requirements for the  
Degree of the Master of Arts (M A)  
in  
Rural Development**

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**February, 2021**

## DECLARATION

I hereby declare that the thesis entitled **Role of Foreign Employment on Economic Status of Rural Households: A Case Study of Bagmati Rural Municipality-3, Lalitpur** submitted to the Department of Rural Development, Mahendra Ratna Multiple Campus, Ilam is entirely my original work prepared under the guidance and supervision of my supervisor. I have made due acknowledgements to all ideas and information borrowed from different sources in the course of writing this thesis. The result of this thesis have not been presented or submitted anywhere else for the award of any degree or for any other purpose. I assure that no part of the content of this thesis has been published in any form before.



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## RECOMMENDATION LETTER

The thesis entitled **Role of Foreign Employment on Economic Status of Rural Households: A Case Study of Bagmati Rural Municipality-3, Lalitpur** has been prepared by **Tayama Rai** under my guidance and supervision. I here by forward this thesis to the evaluation committee for the final evaluation and approval.

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## APPROVAL LETTER

The thesis entitled **Role of Foreign Employment on Economic Status of Rural Households: A Case Study of Bagmati Rural Municipality-3, Lalitpur** submitted by **Tayama Rai** in partial fulfillment of the requirements for the Master's Degree (M.A.) in Rural Development has been approved by the evaluation committee.

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I appreciate the kind help of all my friends during the preparation of this thesis.



Tayama Rai

February, 2021

## ABSTRACT

*The study entitled “Role of Foreign Employment on Economic Status of Rural Households: A Case Study of Bagmati Rural Municipality-3, Lalitpur” has been studied for partial fulfillment for the master degree in Rural Development. The general objective of this study is to assess the contribution of remittances in economic status of rural households in the study area. The specific objective was to examine the utilization pattern of remittance in the study area and to analyze the socio-economic status of migrant household before and after recipient of remittance. This study is based on the explorative as well as descriptive type of research design. 50 households had been taken among 280 migrant households from ward no. 3 of the study area by using systematic random sampling design. This study is based on primary data and secondary data in order to meet stated objective of the study. The structured questionnaires are used to collect data through field survey.*

*The study found that the sampled respondents were spending more of the income for the purchase of real estate followed by basic consumption and to pay the loan which is considered as unproductive sector. Regarding investment, the respondents were spending money on business purposes by starting up of small businesses like hotel, cosmetic shop, grocery shops etc followed by expenditure on agricultural tools and for the purpose of education of the family members which is considered as productive sector. Thus, it can be concluded that the average annual investment on a productive sector is lower than the average annual expenditure on unproductive sector. It may be due to lack of knowledge and lack of proper policy of government for the contribution of remittance.*

*This study also found that remittance from foreign employment has helped the respondents to receive some wide range of benefits and improve their financial, social and economic condition but it cannot be said that it has improved their life tremendously. On the other hand, because of lack of knowledge about proper investment and utilization of remittance, long term benefits are not observed. Thus, vocational training should be provided to the family members and returnees in order to make investments on profitable businesses either individually or in a group of likeminded people.*

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## LIST OF ABBREVIATIONS/ACRONYMS

ADB	:	Asian Development Bank
BOP	:	Balance of Payment
CBS	:	Central Bureau of Statistics
CFE	:	Convertible Foreign Exchange
DFID	:	Department for International Development
FDI	:	Foreign Direct Investment
FY	:	Fiscal Year
GDP	:	Gross Domestic Product
GNI	:	Gross National Income
GON	:	Government of Nepal
HDR	:	Human Development Report
ILO	:	International Labor Organization
IMF	:	International Monetary Fund
KSA	:	Kingdom of Saudi Arabia
MOF	:	Ministry of Finance
MPA	:	Man Power Agencies
NLSS	:	Nepal Living Standard Survey
NPC	:	National Planning Commission
NRB	:	Nepal Rastra Bank
SAARC	:	South Asian Association for Regional Cooperation
SLC	:	School Leaving Certificate
SEE	:	Secondary Education Examination
UAE	:	United Arab Emirates
UK	:	United Kingdom
UNDP	:	United Nations Development Program
USA	:	United States of America
US\$	:	United State Dollar
VDC	:	Village Development Committee
WB	:	World Bank
WDR	:	World Development Report
VDC	:	World Trade Organization
HIES	:	Household Integrated Economic Survey
HHs	:	Households

NRVA	:	National Risk and Vulnerability Assessment
MoLESS	:	Ministry of Labor, Employment and Social Security
RUM	:	Rural Urban Migration
PPD	:	Policy and Planning Division
MOA	:	Ministry of Agriculture