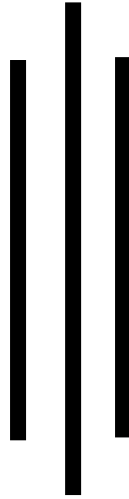
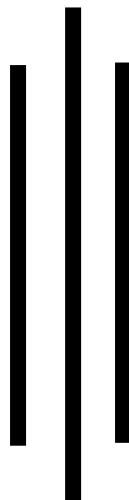


**LABOR MIGRATION AND ROLE OF REMITTANCE:
A CASE STUDY OF
BHOKSING VDC, PARBAT**



A Dissertation Submitted to
Department of Sociology/Anthropology Faculty of Humanities & Social
Sciences
Prithvi Narayan Campus, Pokhara, Nepal
In the Partial fulfillment for the Master's Degree in Sociology



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LETTER OF RECOMMENDATION

This dissertation entitled "**Labor Migration and Role of Remittance**": A case study of **Bhoxing Village Development Committee, Parbat** has been prepared by **Mr. Gobinda Prasad Gurung** under my supervision and guidance. I, hereby, recommend it for the approved by the thesis committee.

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Date: 21 March, 2013

APPROVAL SHEET

We certify that the thesis entitled **Labor Migration and Role of Remittance: A case study of Bhoksing Village Development Committee Parbat**, submitted by **Mr. Gobinda Prasad Gurung** to the Department of Sociology and Anthropology, Faculty of Humanities and Social Sciences, P.N. Campus, Pokhara in partial fulfillment of the requirement for the degree of Master Arts in Sociology and Anthropology has been found satisfactory in scope and quality. Therefore, we accept thesis as a part of the said degree.

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Gobinda Prasad Gurung

CHAPTER - I

INTRODUCTION

1.1 Background

Globally speaking, modern world is highly affected by technological advancement. People, capital goods as well as the opportunities available are highly interlinked, circulated and distributed. Having different sorts of potentialities and ultimately resulting the situation of the one nation, one society and one family system, no state in the world is isolated at present. Since the very beginning of the civilization, migration of people has been seen. The migration was for the search of food and exploring new places for the security purpose. Gradually migration took the shape in different form and has become very essential variable of the universe. Millions of people around the world are leaving their place of origin of residence in search of better job opportunities and in order to fulfill the necessary daily needs of their family. There can be various pull and push factors in relation to migration and basically in search of better opportunities of employment. Then the place of origin is one of the factors behind migration if the trend of migration is analyzed globally as well as locally. Generally, migration takes place from developing country to developed country and it happens particularly in the search of better foreign employment yielding better financial and economical status of migrant.

Migration of Nepalese people for foreign employment outside the country started before 19th century when the first Nepalese traveled to Lahore to join the Army of Sikh ruler Ranjit Singh. Specially, labor migration started after Anglo-Nepal Treaty of Peace and Friendship of 1816 AD that recruited 3,000 Nepalese soldiers in British Regiment. Signing of Peace and Friendship Treaty between India and Nepal in July 1950 was the turning point in the movement of Nepalese workers for employment in India. With the enactment of Foreign

Employment Act 1985, Nepalese started to migrate beyond India, particularly to the Gulf countries when oil boom has created massive demand for foreign labor. Labor surplus economics of South Asia were able to supply cheaper labor to meet the growing labor demand in the Middle East Asia, although Nepal was late entry in taking advantages of labor demand. There were significant growths of Nepalese migrants in East Asia, South East Asia and the Gulf countries. The migration of Nepalese youth for foreign employment rapidly increased after the restoration of the multiparty system and adaptation of liberalization policy in Nepal as Nepal is labor surplus economy. Nepalese economy is increasingly becoming dependent on the remittance sent by migrant workers (Chaudhari, 1993).

The major factor contributing to large scale out migration from Nepal is higher growth of labor force and limited employment creation within the country. About 3 per cent annual growth of labor force is not matched by addition job creation, moreover the low salary structure in the economy, insurgency in the rural areas and the higher demand for labor in the industrialized Asian and Middle East countries are the main contributing factors. Political instability and long insurgency was the one of the factors which contributed to labor migration for overseas employment. Since the beginning of the insurgency, the number of migrants as well as volume of the remittance was increased rapidly. Facing the absence of the investment friendly environment and cordial relation between the management and workers have generally pushed the Nepalese youths to the abroad for employment. Despite above, higher level of unemployment within the country, security situation, boundary less state as well as the excessive publicity of the foreign employment opportunities have been other pushing factor responsible for increased number of migration to abroad. Demonstration effect on society and desire to change the

living standard of people within the very short period encouraged Nepalese migrants to migrate for overseas employment.

1.2 Statement of the Problem

The wave of globalization paved the way to the Nepalese manpower for their betterment of life standard. In the process of globalization, people started to move one place to another place. Due to the growing population, increasing manpower and the lack of the employment opportunities within the country, labors migrated to other countries. The trend of migration continued because of lack of opportunities especially in the rural areas of the country and various insecurity causes such as long internal conflict in the past one decade. Definitely, remittance has greater supplication and place in economy. There is no question that it has second largest contribution to GDP ratio after agriculture sector.

Nepalese rural socio-economy seems to be fundamentally supported by the external as well as internal remittances. Due to the lack of alternative sources of income in their native village, people leave their home and move to other places, such as urban and rural areas within the country and to other countries to better their life style.

People use remittances for various purposes, such as to repay the loans, maintain family expenses, buy land, to celebrate festivals, construct new house, etc. They spend a large portion of remittance on the unproductive activities, so there may raise issues related to remittances in the rural socio-economy.

From the very beginning to till now, Nepalese migrants are associated with the foreign employment either as "Gurkha Lahure" after the Anglo-Nepal Treaty of Peace and Friendship of 1816 A.D. in British Regiment or as manual workers in various Gulf countries and others. They have contributed in large

scale to overcome the balance of payment deficit in macro level and supported their families in specific level.

So, there are many issues related to foreign employment. But only few of studies have been conducted to understand and explore the various dimensions of foreign employment and remittances in household economy of Nepalese. In such a situation, the present study has been conducted to understand and analyze various issues of overseas labor migration and remittances, i.e. volume and trend of remittances and its two way effects on socio-economic and educational status of people of Bhoksing VDC of Parbat District, Dhaulagiri Zone.

Therefore, this research was concentrated on the following facts as the central problems:

-) What is the socio-economic status among the people of study area?
-) What is the contribution of remittances towards education and economic status?
-) What are the main causes of going to foreign employment?
-) Are there any difference between Remittance Receiving Household and Remittance Non-Receiving Households?

Thus, the main assumption of this study was, change in foreign migration and remittance is directly affected to the socio-economic and education status.

1.3 Objectives of the Study

The general objective of this study was to find out the impact of foreign remittances in Bhoksing VDC of Parbat district. Other specific objectives were as follows:

-) To explore the socio-economic and educational status of the study area.
-) To analyze the contribution of the remittances in socio- economic and educational sectors in the study area.

1.4 Significance of the Study

The role of remittances in rural economy of Nepal is increasing tremendously since last decade. It has been emerging as an alternative source to sustain agricultural activity for the increasing number of households. But there are few empirical studies have been carried out that provides the evidence and information of the changing aspect of rural economy with remittance.

Generally, Nepalese communities associated with international labor migration and external remittances since very beginning to till now. In such a situation, findings generated by this study would be beneficial to know the nature and significance of remittances received from international labor migration in the context of rural economy of study area. It is expected that this study and its findings would be useful to give insight about the international labor migration, external remittances and socio-economic as well as educational status of study area.

1.5 Limitation of the Study

Many facts and aspects have involved in the rural economy in relation to remittance. This study has covered the status of remittances receiving of Bhoksing VDC of Parbat District. It has included internal remittance of the study area as well. It was totally based on oral information (interview-schedule) from the respondents. This research work has been prepared for the partial fulfillment of the course of Master Degree and with the time and budget limitation this research work has become micro level study and might not cover all the aspects of the foreign employment and remittances in the study area. Thus, the findings of this study might not be generalized in other societies.

Above all, the study does not follow any particular theatrical model, even though it is related to the World System Model and the Dependency Theory.

However, it highlights on the cause and effect of foreign migration and role of remittances in study area's people with their interrelations.

1.6 Organization of the Study

The whole study has been organized in line with prescribed format and structure into six sections. Chapter one includes introduction of the study background, statement of the problem, objectives of the study, significance of the study, limitations of the study and organization of the study. Chapter two focuses on the review of the related literature of the related field being conducted by the previous researchers and writers. Chapter three explains the research methodology employed to conduct the study, tools and techniques used in the collection and analysis of data. This chapter includes research design, sources of data, sample design, selection of the study area, selection of the households and respondents and analysis of the data. Chapter four presents the analysis of the collected data from the primary sources to derive the conclusion as per the objectives that show the impact of the remittance and foreign employment to the respondents. And chapter five includes the summary, findings, conclusion derived from the whole study work, major findings from the analysis of the data collected from both sources and recommendations.

At the end of this study reference and appendixes have presented.

CHAPTER -II

LITERATURE OVERVIEW

Remittances are generally defined as that portion of migrants' earnings from the migration destination to the place of origin. Although they can also be sent in kind, the term remittances is usually limited to refer to monetary and after cash transfer transmitted by migrant workers to their families and communities back home.

Remittances are the portion of international migrant workers earnings sent back from the country of employment to the country of origin. Depending on the exact definition adopted, remittances are usually calculated as the combined value of "workers' remittances" and "labor income" or "compensation of employees" for migrants working abroad for either more or less than on year. Besides this, remittances reflect the monetary dimension in the complex web of linkages that exist between migrant and their home countries. The term remittance is normally limited to denote monetary and other cash transfers, transmitted by migrant workers to their families and communities. (NLSS, CBS, 1996)

Workers' remittances are current transfer by migrants who are employed or intend to remain employed for more than a year in another economy in which they are considered as resident. Some developing countries classify workers' remittances as a factor income receipt (and thus a component of GNI). The world Bank here to international guidelines in defining GNI and its classification of workers' remittances may therefore differ from national practices. This item shows receipts by the reporting country. The variable is expressed as a percent of the GDP. (IMF, 2004)

Remittances are basically foreign exchange, which is remitted by people who are living abroad to their own countries. The earnings of a country by

remittances are shown in Balance of Payments (BOP) statistics of each country and the accounting is prepared according to guidelines prepared by International Monetary Fund (IMF). The IMF separates remittances into three categories.

Workers remittances from migrant workers who have lived abroad for more than one year, is recorded under the heading current transfer in the current account of the balance of payment.

Wage, salaries and other workers' compensation received by seasonal and other workers, who have lived abroad less than a year are recorded under the 'income' subcategory of the current account.

Although the headings migrants remittances goes to the workers who lived abroad more than one year but other heading captures the extent of workers remittances better than the data reported under the heading of workers remittances alone.

Flexible flow of factor of production across the border became possible due to the adoption of four sector economy by the majority of the global nations. Especially, the easy movement a bit difficult in the past because of must of reasons such as social bindings, socialization problem, culture, psychology, religion, controlled economic policies, high cost of immigration, etc. As the industrial revolution and new industrial revolution viz. massive development of information communication technology took place, the world has integrated economically and socially and transformed into a global village. Competitive advantage theory of imperatival flow has further propelled the mobility of factor of production became easy.

In the contrast of lack of economic opportunities in the home countries have further encouraged the movement of workers from under developed countries of perceived "developed" or "nearly developed" countries. Global opportunities and liberal economic and social policy have now explored the

most countries that has contributed lots of the home countries to subsidize in some extent the unemployment problem and contributed in maintaining current account balance formable.

2.1 Theoretical Concept

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

Revestein (1985) developed the theory "Law of Migration" and probably he was the first person to attempt to form migration theory. In this theory he says that the migration happened due to push factors and pull factors in which land tenure system, unfavorable forms of trade, pressure of rural poverty, disparity and income are push factor and employment, education and other facilities are pull factors, those acts create migration. The push factor, push the migrants from their place of origin and the pull factors pull them the place of destination.

Choudhari (1993), has quoted five different researches conducted by

- i) H Rempell, R. Cobdell
- ii) G.E. Johnson and Whitelaw in Kenya
- iii) Remple and Cobdell in Pakistan
- iv) B. Banarjee in Delhi, India
- v) ILO and presented by A.S. Oberai and HKM Singh

Their common idea is propensity to remit of all migrant and proportion of remittance is equal and depends on the types of work received abroad, level of education of migrants, marital status origin of migrant; rural or urban. The proportion of income remitted is more or less same of all types of migrants, but amount of remittance is certainly not equal. He concludes that first, initial consumption pattern largely affected the use of it. If the recipient is below the

poverty line his/her elasticity of demand on necessary things is high. i.e. it encourages local consumption expenditure. It makes above the poverty line; it makes her/him rise in income status, so consumption pattern shifts to goods for facility and luxury. Secondary, expenditure of remittance in receiving households depends upon availability of desired commodities or service too. If they are not available they lead to establish wholesale and retail unit. Thirdly, the use of it depends upon the propensity to save and it is affected by level of income and ceremonial duties like marriage. If they are high one's prosperity it invest reduce.

United Nation (2002), has been affording to study about labor migration in different parts of the world. United Nation's international migration report (2002) states that the basic characteristics of people are their movements from place to place. International migration can have positive impacts on both the communities of origin and destination. Migration also has potential of facilitating to cultural enrichment. Majority of migrants are making meaningful contribution to their host countries. At the same time, however, international migrants entail the loss of human resources for many countries of origin and many give rise to political, economic or social tension in countries of destination. This reports also states that policies in the area of labor migration over the past three decades have developed along four major facts; growing restrictiveness and selectiveness in the admission of labor migrants in developing countries, a significant increase number of countries, particularly developing country that have become host to foreign workers the rising recognition that the rightly of migrant workers and their families need to be protected and the adoption of regional agreements on the free movement of person.

Pant (2005), in her article entitled "Remittance and Development in Developing Countries" argues that in developing countries only a small

percentage of remittances are used for saving and used in productive investment such as income and employment generation activities. The biggest contribution of remittances is to the welfare and improved livelihood of receiving household, be in terms of basic necessities such as food, clothing better health on education. She also points out that some researchers view migrant activities as a drain on the labor and capital. Resources of migrant sending areas characterized as the 'Dutch Disease' since they argue that per capita income actually fall when migrants leave. To them, poverty may still increase if migrants originate from poor household or if the farm becomes less productive as a result on the lost migrants labor. Decrease in production and income may create negative multiplier and even a downward spiral in local economic activities which adversely affect the poor. Growing income inequality from the migrant remittances in a community such as price increase for land, rising wage rates and as well as demonstration effect in contrast to the simpler life and poverty in the village. In her article she has point out the following characteristics and determinate of remittance.

Characteristics of Remittance:

- i) Remittance is one of the fluctuating sources of foreign exchange earnings for developing countries. Other kinds of capital flows tend to rise during the period of economic boom and fall in the recession. But experience has showed that remittances tend to be counter cyclical and remains stable over the cycle. During the economic downturn, in the developing countries workers are encouraged to migrate abroad and began to transfer funds to their families so that the consumption pattern an remain unchanged. Those who are already abroad also send more money of their families at home.
- ii) Remittances from the source countries may remain stable even the economic downturn. If the migrant workers are forced to return their home

countries, they may bring back their whole savings. This has happened during the Gulf War of 1990's when many Indian workers were forced to leave but at that time remittance income to India did not decline.

- iii) If the remittance income is invested by the receiving countries economic development within the country can be imagined. It is not easy to withdrawn as the portfolio equity flows from the developed countries. Workers are more likely to continue to invest in their home countries in spite of economic slow down because of the home bases in investment.
- iv) Remittances constitute a transfer directly from relatively richer to relatively poorer individuals or households and most from children to parents. The amount of remittance seasons or periods when people need more money. However, it may vary by migrated group due to cultural on religious dates, such as New Year, Deepawali, Lhosar, Christmas and Ramajan etc.

Determinates of the Remittance

Number of migrants and the length of stay:

Important factors that determine remittance income is the number of migrants and the length of stay abroad. But it is natural that if more migrants go abroad for work and if they stay for a long time period, they remit more money.

- i) Economic Activities :

The nominal remittance sent by the migrants depends upon the comparative whole economic activities of the migrant sending and receiving countries. If the labor sending economy is in expansion phase, then the remittances enter in the form of cash, similarly, remittances enter through the formal channels, if the banking facilities are available in the rural sector. In the case, if the economy is in contraction phase, the remittances enter in the form of kind.

- ii) Level of Education :

The level of education of the migrants also determines the earnings and amount of remittances and the choice of channel of sending remittance. The educated migrant knows well about the banking system and the advantage of sending money through the banking channel. The uneducated migrant prefers to send through the informal channel due to the lack of proper knowledge about sending money through formal channels.

iii) Political Stability :

The political stability of the labor sending country determines the amount of remittance. In a politically stable country, there is a favorable investment climate in which effective legation of remittance can be made.

2.2 Empirical Studies in International Context

Addison (2004) says that the development of potential on remittances can particularly be improved by increasing the total flow of remittances. To achieve this, certain initiatives have to be undertaken. These initiatives include lowering transfer and offering more attractive investment thereby leading to economic growth and development of any economy. Evidence about those remittances from abroad is crucial to the survival of communities in many developing countries and hence its value must not be dismissed.

In Ghana, remittance receiving households usually save a portion of their money which serves as insurance against future contingencies as well as for investment. Key to the flow of remittances is the destination of the money and its effects on the local economy. It therefore, requires an appropriate institutional and regulatory framework that monitors the movement and direction of inward remittances, so as to gain a proper understanding of how it is impacting on the economy.

Coss (2006) argues that remittance may raise receipts income and reduce poverty in some countries. For instance a 10 percent increase in the save of

remittances to the GDP in a 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, remittances recipient households spend more on health care and have higher school attendance rate. Studies based on household survey in El Salvador and Sri Lanka show that children from remittance receiving households have a lower school drop out rate and that these households spend more on private tuition for their children. Human capital improvements are not associated with the sending of remittances alone. Remittance assists the poor during macro economic shocks. In many cases remittances are counter-cyclical as migrants are prone to send more money to their families and friends during crises. He also states that, there is evidence that remittances can have negative effect, making recipients dependent on these flows without leveraging them to generate additional income families can tend to take these resources for granted and grow dependent on them, undermining the motivation to develop additional work skill or make investment to generate and remittance are leading young people to dropout of school and aspire to migrate. Many youth do not study or work but rather wait they are old enough to migrate.

2.3 Empirical Studies in National Context.

Kansakar (1982), in his research 'Migration Remittance and Rural Development', reviewed proceeding of migration with reference to remittance. He found three origin of Nepalese emigration to be after the Anglo Nepal war in 1814 and was totally for recruitment in the army. The Indian Army was not permanent settlement Government had no official policies to encourage it. The Prime Minister Bir Samsher JBR, encouraged the people to join the British recruitment about 200,000 Nepalese males Joined the British regiment even during the first world war. The Anglo Nepal convention hold on, 15th may 1815 created alternative labor market to the India. The emigration to India accelerated

because of disequilibria in labor growth and employment opportunity growth and miserable day to life Nepalese Hill area.

Seddon (2003) has written on his article that international migration had doubled in the last 35 years and increased by more than half in the last 15 years. The proportion of migration from poorer developing countries has been increasing significantly. The flow of migrant to industrial countries has also risen while the period of stay in the reserving countries has become for shorter duration. More than half of the global flow of migrants is between developing countries within their region. African migrants most often go to other African countries and those from Asia and Middle East Asia mainly go to the Arab Gulf countries. Recently, migration within Asia has picked up. In the context of Nepal, at the beginning of the millennium, Nepalese workers were employed mainly in the Gulf (200,00 plus) and Malaysia (50,000) with at least 50000,000 (probably 1 million and possibly 2 millions) working in India. Significant numbers were also working elsewhere.

Shrestha (2004), states that majority of the migrants have low educational profile. About 54 percent of them are below SLC, 43 percent are SLC, 16.3 percent intermediate and rest are bachelor and above. Overwhelming majority (85%) of the migrants are labor, 13 percents are in the armed services and the rest are involved in organized government employment. Similarly, about 75 percent of the migrants to the overseas are unskilled workers and are either engaged in personal service or construction. Around 50 percent of migrants earn about Rs. 10,000 per-months and 8 percent earns over Rs. 75000 and rest earns about Rs. 10,000 to Rs. 50,000 per month. Improvement in living includes housing improvement, higher expenditure on food, on personal items, domestic equipments and other consumer durables. The materials improvement in the living standard is due to the increased access to income from labor migration. Remittance is typical spent on land and housing. These are through useful goods

and safe investment, but whole economic term, non-productive assets with no lasting impact on countries real income. Thus while the remittances are beneficial, they cannot help the long term development of the country without its careful use (Shrestha, NRB, 2001).

Studies on the poverty impact of remittances have demonstrated that apart from possible increasing inequality and dependency, remittances make a pivotal contribution to reducing poverty and vulnerability in most households and communities. In Nepal's case the impact of remittances on poverty has been positive as revealed by the Nepal Living standard Survey (2003/004), that showed that the poverty level, defined in terms of apostate head counts, decline from 42 percent in 1995/96 to 31 percent in 2003/004 other studies have supports the governments findings on the significance of remittances (NLSS, 2003/04).

The growing remittances have led to a surplus in the current account thereby stretching the overall balance of payment position. The share of remittance in total current account receipts, for instance, soared from 29.8 percent in 2000/01 to 46.7 percent in 2005/06. Remittances have relaxed foreign exchange constraints of the country. One of the factors responsible for the 26 percent growth of convertible currency reserve of the banking system in 2005/06, compare to the previous year was the increase in remittances (NRB 2007).

Karna (2004), on his study argues that after the second world war, employment opportunities in India grew significantly and increasing number 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, Nepalese found it even easier to find work in

India. There were few traveling restrictions and no special permits are 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 number sought employment in the private sector.

He also argues that, there are diverse migration pattern in Nepal which are mainly the followings:

- i) 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.
- ii) There is cross border migration, mainly to India.
- iii) Nepalese workers move to the Middle East and Asian countries for temporary employment.
- iv) These are also a flow of skilled emigration to more developed countries.

Foreign labor migration is subject to considerable risk and uncertainty and for those with very few resources; it is often more secured to remain at home as a lesson from Iraq incident. It is the remittance of economy saved by the toils of Nepalese engaged in dirty, dangerous and demanding occupation that has kept the economy afloat. Only 42 percent remittances enter Nepal through legal channels.

It is believed that remittances sent by workers to their relatives back home both formal and informal sources totaled Rs. 100 billions compared with the total contributor of the manufacturing sector in the national economy of Rs. 35 billion and that of financial and real estate of 51 billion (Panta, 2004). It reveals the fact that the remittance sent by workers has contributed substantially and relative terms to the growth in GDP. The factors that have contributed to whatever growth we have witnessed in the government revenue in the current

fiscal year would increase at the current rate. Not only that but also the increase in the flow of remittance is needed to maintain the balance of payment in the favorable position and to increase the private savings by 13 percent as estimated in the budget speech if the flow of remittance continues to increase at the current rate.

Sigdel (2005) says on his article that meaningful utilization of remittance money paves the way for boosting socio-economic activities towards deprived people and remote areas of the nation. More collection of remittance in banks and financial institutions does not bring desired outcome in the economy but such funds should be canalized in different layers of the economy to meet twin goals: poverty alleviation and sustainable development in Nepal.

Michael, Mikhail and Elena (2007) have viewed that the incident of remittance is higher in urban parts of Nepal. The proportion of households receiving remittances from within the country increased only marginally between 1995 and 2004 and even in Kathmandu. At the same time, the share of households receiving money from abroad increased uniformly across the country. For example, the rural eastern hills the poorest region in Nepal registered a fourfold increase in the number of households receiving money from abroad; that proportion more than doubled in "other urban areas" of Nepal. Thus, the overall increase in the proportion of households with remittances could almost entirely be attributed to the growth of remittances from abroad. There is no clear pattern in the distribution of household recipients of the remittances by the land holdings.

Remittances sent home are the most tangible benefit of work related migration for overcoming the constraints of credit and risk on their ability to engage into modern and more productive activities. Remittances can be spent on housing and schooling and a significant proportion directly supports household consumption. But remittances are the only one of the consequences of

migration. When a young and productive male household member leaves home, multiple adjustments need to be made among those left behind. Migration changes the relative productivity of the remaining household members, affects household preferences in terms of risk aversion and uncertainty and provides new information, for example on new technology, types of crops and so on. Women who previously worked in the labor market may find it optional to stop working and devote all their time to home production. Agricultural households might decide to augment their income with off-farm activities. Migration also has implications for the health and education attainment of the migrants' children.

Shrestha (2008) views that remittances contribute substantially to maintain macroeconomic stability. It is one of the six pillars of economy, the other being investment trade, agriculture, water and tourism. At the household level, it helps to smoothen consumption and investment in human and physical capital. Remittances also generate benefits to the community. If they are spent on locally produced goods and services and help poverty reduction since the money is utilized for rural development. In the Nepalese case, the penetration of the remittances into the remote village has helped in the poverty alleviation.

Poverty reduction and income distribution are the significant effects of remittance. Generally, the recipients of the remittance in the poor countries are often from the low-income households. It permits the households to increase their consumption level, enables better health care, nutrition, housing and education.

Shrestha points out some problems that Nepalese migrant workers face a host of hurdles at the home countries and their destination, poor working condition, lower wage level and rising cost of living in the destination countries and fraud recruitment and lack of social protection as well. Another principal challenge is migration through illegal channels. Thereby losing the legal status

in the labor importing countries, the international provisions are there to protect the right of the migrant workers. But both the government and receiving countries do not seem to be sincere to the implementation of the international provision.

Most of the earlier studies have focused on the volume of remittance as pension and ethnicity, the role of pension in total remittance, Foreign Service and remittance, foreign employment and remittance etc. But the present study has emphasized on the role of external remittance in respondents and it tries to solve the lack of earlier related studies i.e. how the remittance is emerging in household's income and expenditure.

Earlier studies are basically descriptive in nature but this study is both descriptive and analytical in nature. This study has focused on the source and volume of remittance and tries to find the trend of labor migration, use and role of remittance in study area.

CHAPTER - III

RESEARCH METHODOLOGY

The research of the Labor Migrants and role of Remittance: a case study of Bhoksing VDC, Parbat. This chapter has comprised of the selection of study area, research design, nature of data, techniques of data collection, analysis and interpretation data.

3.1 Rational of the Selection of Study Area

This study specially was attempted to find out the differentiation of role and effect of foreign labor migrants and remittance in Bhoksing. Study area's households are effected by directly of foreign employment and remittance was affected different dimensions i.e. (Socio-cultural, economic educational etc.). Primary source of income of the people of the study area is based on agricultural activities but due to unemployment problem, low productivity in agriculture sector etc., many people are going for foreign employment and earnings. Some of the people of this study area are engaged in business, private entrepreneurship, services as well as government services and labor work. Large numbers of people of this study area involved in foreign labor service and their activities have been affected by role of remittances in various sectors so the topic and study area have been selected to understand about people's activities, behavior and socio-economic life.

3.1.1 General Introduction of Study Area

Bhoksing VDC is one of the VDCs of the Parbat district which is situated in the southern part of Parbat district of Dhaulagiri zone. It lies between 28°04'44" to 28°05'59" north latitude and 83°37'12" to 83°39'48" east longitude. This VDC is bounded by some parts of Balakot, Lunkhu and Hosrandi VDCs from east in the west by Bachchha VDC, in north it is bounded by Pangrang and

in south Hosrangdi. By political distribution this VDC lies in constituency two of Parbat. The altitude of this VDC ranges from 880m, a holy place Dovan, which lies in ward no. 5 of this VDC to 2.72m Gorlang the highest hill of this VDC from sea level. The total area of this VDC is around 641.20 hectares.

According to the Census 2011, the total population of this VDC is 891. Among them 407 are male, 484 are female and 194 are national and international migrants. Out of the total population Gurung are 34.3% Kami 17.62% Brahmin 14.61%, Chhetri 11.30%, Thakuri 9.79%, Magar 7%, Sarki 4.44%, Damai 0.9% and total households are 186.

3.2 Research Design

It was analytical as well as descriptive type of research design. The units of the information are households and type of data collection for the study area is cross sectional.

3.3 Source of Data

During the study various data have been collected from various sources. These sources have been described as following:

3.3.1 Primary Data

Primary data have been collected from field survey with the help of semi structured questionnaire. The information is collected through the interview schedule.

3.3.2 Secondary Data

Other required data related to the study have been taken from secondary sources. The relative data have been compiled from publication of the National Planning Commission (NPC), Central Bureau of Statistics (CBS), Budget Speeches of Government of Nepal, Economic Survey, Annual and Quarterly Publication of Nepal Rastra Bank (NRB), Different records of Department of labor and Employment Promotion of Government of Nepal, Village Profile of

Bhoksing VDC, other different periodicals, journals, books, reports, magazines, seminar paper, Google search, etc.

3.3.3 Universe and Sample

There are 186 households in Bhoksing VDC. Among them 54 percents (101 households) are foreign Remittance Receiving Households (RRHH) and 46 percents (85 households) are Foreign Non Remittance Receiving Households (RNHH). 120 households have selected as sample unit by stratified random sampling as 60 households from RRHH and 60 households from RNHH. Their all proxy information has been taken from their family members, out of the total migrant workers from the sampled households, 18(30%) migrant worker households are associated with the Indian Army in which, Indian Army pension holders' households are also inclusive of the total sampled. Followed by 24 (40%) migrant households have gone to the Gulf and 13(21.67%) in Malaysia. 5(8.33%) households have gone to Hongkong, European countries and others.

3.4 Techniques of Data Collection

To get the primary information various techniques have been used in the present study. The Following techniques have been used to collect the primary data:

3.4.1. Interview Schedule

Primary data is the main source of data collection for the present study. For this, 60/60 households of both families (RRHH and RNHH) were selected by stratified random sampling. Semi-structure questionnaire were developed for the collection of data. The data were collected from the head of the family.

3.5 Data Processing

After the field survey and completion of necessary data collection, all the information have been edited and processed. The data were

processed by the use of computer software i.e. Ms excel as well as other necessary programs according to the need of research.

CHAPTER - IV

PRESENTATION AND ANALYSIS OF DATA

This chapter presents and analyzes the data and information collected during the field survey. This section provides description about the social and economic characteristic of respondents of both RRHH (Remittance Receiving Households) and RNHH (Remittance Non-Receiving Households) of one household one member. With the help of figure and table, economic conditions, occupation, etc. cause to seek foreign employment destination, channels of sending remittance to the home, use of remittance in various sectors and its trend, comparative analysis of educational status of both migrant and non migrants. All the information collected during the study has been presented as following:

4.1 Age Wise Classification of Migrant Workers

For the analysis random migrant workers have been classified into four groups. As the classification, most of the migrant workers aged between 26 to 30 years have migrated for the international employment. All age group and their respective percentage have shown in following table:

Table 4.1
Age wise classification of migrant workers (one household one member)

S.No.	Age group	Number	Percent
1	20 to 25	7	14.29
2	26 to 30	21	42.85
3	31 to 35	9	18.37
5	36 to above	12	24.49
	Total	49	100.00

Source: Field Survey, 2069

Note: Those migrant workers from Indian Army pension holders who are staying at home are not been taken into analysis. Only those migrant workers who are directly involved with the foreign employment recently has been taken into the analysis for average age classification analysis purpose.

Table 4.1 shows that different age groups which are involved in foreign employment. Most of the people who have gone to foreign employment are between ages of 26 to 30 years and followed by 42.85 percent migrants have gone to foreign employment of age group from 36 years and above and most of them are Army pension holder. 18.37 percent migrants out of total sample population are from age group 31 to 36 years and 14.29 percent from age group 20 to 25 years.

4.2 Cause of Seeking Foreign Employment

There must be several reasons of seeking foreign employment. The reason might be economic, social or political. They may be related to the required skills and various other reasons. Nepalese migrant workers are compelled to migrate due to various causes such as unemployment, family pressure, family culture, political instability, conflict and others. From this Bhoksing VDCs' migrant workers have migrated due to various causes, these causes and their respective percentages are given in following table:

Table 4.2
Causes of seeking foreign employment by Bhoksing's Migrant workers

S.No.	Causes of labor migration	No of Migrant workers	Percentage
1	Trend /Follow to others	12	20.00
2	Unemployment	23	38.33
3	Family Pressure	6	10.00
4	Family Pressure	8	13..33

5	Indebtedness	7	11.67
6	Land lessens/Others	4	6.67
	Total	60	100.00

Source: Field Survey, 2069

Table 4.2 shows that many of the VDCs migrant workers have been migrating foreign countries due to the various problems and causes such as unemployment, landlessness, indebtedness, trend (tendency of following others), family pressure and others. Similarly the table 4.2 shows that 38.33 percent of migrant workers have gone to foreign country due to unemployment problems. 20 percent migrant workers have gone foreign country due to the trend as their parents and others people did. 10 percent migrant workers have gone to foreign country due to family pressure, 6.67 percent landlessness on others and 11.67 percents are indebtedness.

4.3 Reason for Choosing Particular Country of Migration

The destination of employment depends on level of education, the type of skills learned and the ability to bear the cost of employment and others several factors. The destination of employment may show their level of skill and income. So, the causes of choosing particular country are presented in the following table:

Table 4.3

Reason for choosing particular country for migration

S. No.	Reason	No of Migrant workers	Percentage
1	Easy Entry	10	16.67
2	Less Costly	16	26.67

3	Higher Wage Rate	7	11.67
4	Easily Availability of Job	10	16.67
5	Trend / Follow to Others	17	28.32
	Total	60	100.00

Source: Field Survey, 2069

Due to the various reasons migrant workers choose the particular country to migrate such as easy entry, less costly, higher wage rate and others. Table 4.3 shows that, most of migrant workers i.e. 28.32 percent migrant workers have chosen country and job due to the trend to admit in Army force as their parents did before. After that equal 16.67 percent migrant workers have chosen due to easy entry and easy availability of job. 26.67 percent migrant workers have chosen such due to less costly and 11.67 percent of random sampled migrant workers have chosen the particular country due to the higher wage rate.

4.4 Sources of Financing for Foreign Employment

Most of people in Nepal from rural areas can't finance their life properly. They take loan from their relatives, friends and others, help from relatives, from their own income, selling assets and others. The sources of financing of Bhoksing VDCs' migrant workers while going abroad and their percentages are as follow:

Table 4.4

Sources of Financing for foreign employment

S.No.	Sources of Financing the Money	Amount (Total Rs.)	Percentages
1	From own Income	16,40,000	37.24
2	Loan from Relatives	21,70,000	49.28

3	Help from Family Members & Friends	43,3,000	9.83
4	Selling Assets	1,50,000	3.41
5	Others	10,000	0.24

Source: Field Survey, 2069

Table 4.4 shows that 49.28 percent expenditure of the migrant workers is financed from loan i.e. loan from relatives. 37.24 of total expenditure is financed by their own income, 9.83 percent from help from family members and friends and 3.41 percent from selling their assets and remaining are financed by others sources. From this data most of the investment expenditure for going abroad is financed by loan. Thus, most of their income from their foreign employment is spent to repay the loan.

4.5 Average Income and Investment of Remittance in Different Sectors:

The use of the remittances depends upon the priority of the individuals on different uses, the size of the remittances, available time, opportunity for investment and several other factors. Majority of migrant workers go abroad because of employment at home and poverty in the households. Generally the earnings made by them are not big. Thus, individuals spent earnings in more than one uses. As in the analysis, 60 households have taken as sample units, with the data associated with these household shows that the average annual income of the remittance receiving households are Rs. 80,70,000. This income is invested in various sectors either in productive sectors or unproductive sectors. Such as education of children, run new business, to buy land in urban areas, healthcare, family expenditure, to repair or buy new houses and others. This following table shows the investment of remittances earned by the migrant workers of Bhoksing VDC various sectors:

Table 4.5**Remittance and its investment on various sector made by migrant workers and their family**

S.No.	Headings	Amount (in Rs.)	Percentage
1	Education	2720000	7.78
2	Health	960000	2.75
3	Bank Deposit	3050000	8.75
4	To Buy Land in Urban Areas	21100000	60.50
5	To Repay Loan	1495000	4.29
6	Family Expenditure	4280000	12.27
7	Repair or Construction of House	1085000	3.11
8	Others	185000	0.50
	Total	34875000	100.00

Source: Field Survey, 2069

The data collected from the field survey in the study areas show that income earned from foreign employment is spent various activities such as education, healthcare, consumption (family expenditure), to buy land in urban areas, bank deposit and investment in other sectors.

Table 4.5 shows that 60.50 percent of total remitted remittance of migrant workers of this VDC is spent on buy land in urban areas. 12.27 percent of total remittance is spent on family expenditure (consumption). For bank deposit, education and to repay the loan is spent in under 8.75%, 7.78% and 4.29% respectively. Whereas 3.11 percent of the total remitted remittance is spent for the construction and repair the house or residence in sampled unit.

From the data collected from the study shows that the major portion of the remittance is spent on the unproductive activities instead of productive activities.

4.6 Duration of Stay in Foreign Country by Migrant Workers:

Duration of stay of migrant workers depends upon availability to work, facilities provided by companies, salary rate, health condition of workers and other several reasons. Sometime the migrant workers return back to their home due to inferior type of job, low salary, family affairs, sickness and their weak health. To find out the duration of foreign stays, the respondents were asked provide their length of stay. The results are summarized in the following:

Table 4.6

Duration of stay in foreign country by migrant worker

S.No.	Duration	No of migrants	Percentage
1	1 to 5 years	21	35
2	6 to 10 years	12	20
3	11 to 15 years	10	16.67
4	16 years and above	17	28.33
5	Total	60	100.00

Sources: Field Survey, 2069

Note: Indian pension holders are not inclusive.

Table 4.6 shows that most of the respondent i.e. 35 percent migrant workers have stayed 1 to 5 years. After that, 20 percent migrant workers have stayed 6 to 10 years and 28.33 percent migrant workers have stayed 16 and above years.

4.7 Migration of Remittance Receiving Households from their Origin to Other Areas.

From 2058 to 2068 B.S., More households have migrated from this Bhoksing VDC to other urban areas such as Pokhara, Butwal, Bhairahawa, Kathmandu, Chitwan, Nawalparasi and others permanently and about 40 percent of remittance receiving households have migrated partially in urban areas due to children's education, admitting in boarding school or private educational institutions. At is showed that 1403 population were according to population census 2001 but 894 population is census 2011 in this VDC.

Around 25 percent of RRHH has planned to migrate in urban areas from this VDC in near future due to the various reasons such as lack of security, inaccessibility and no facilities of health care and education due to migration of relatives done previously from this VDC and having no relatives in village, no possibilities for the betterment of life and others. Remaining 75 percent remittance receiving households have no plan to migrate to other places from this VDC recently. If it will increase this trend, the villages and public schools are going to be emptied in near future.

4.8 Migrant Workers and their Educational Status:

The level of earning of the migrant workers depends upon level of their education, skill and trainings. From the field survey conducted in the study area, most of the migrant workers have very low educational profile as they have migrated before completing their school level education. The results of the study have been presented with the help of following table:

Table 4.8**Education status of migrant workers**

S.No.	Educational Status	No of migrant workers	Percentage
1	Before SLC (dropped in School Level)	27	45.00
2	After Passing SLC Exam	6	10.00
3	Dropped in Intermediate Level	6	10.00
4	After Intermediate and Above	4	6.67
5	Literate/Non Literate	17	28.33
	Total	60	100.00

Source: Field Survey 2069

This table 4.8 shows that most of migrant workers have migrated before their school level education i.e. 45% of the sampling unit of sampled migrant workers have migrated before completing their school level education. Same 10% of the migrant workers have migrated after SLC examination and dropping in intermediate level (higher secondary level). Very low percent of migrant workers i.e. 6.67% of the migrant workers have migrated after completing their intermediate level and above and 28.33% migrant workers are only literate and non-literate. This above table shows that most of the migrant workers' educational profile is very poor in this VDC.

4.9 Occupation and average Income of Non-Migrant Households:

Main occupation of non-migrant households of Bhoksing VDC is agriculture. Beside from agriculture, business, government service, livestock and others are other occupations in which people are engaged in Bhoksing. As in the analysis, 60 households have taken as sample units, with the data

associated with these households' shows that the average annual income of the remittance receiving household is Rs. 3976000. For the analysis their occupation and its respective percentage are as follow:

Table 4.9
Occupations of non-migrant households

S.No.	Occupation	No of households	Percentage
1	Business/Agriculture	8	13.33
2	Livestock/Agriculture	36	60
3	Government Job/Agriculture	12	20.00
4	Others	4	6.67
	Total	60	100.00

Source: Field Survey, 2069

Table 4.9 shows that almost all of non-remittance households are associated with agriculture with other alternative occupation. 53.33 percent of total sampled non migrant households are engaged in agricultural activities only. Around 20 percent of the non migrant households are engaged in government job along with the agriculture. 13.33 percent non migrant households are running their business with agricultural activities. Only 6.66 percent of the non migrant households have kept livestock. Other remaining are engaged other occupations like manual and seasonal work. Thus, this data shows that almost of all non migrant households are engaged with agricultural activities. However, they have other sources of income and these all sources are secondary than agriculture.

4.10 Causes of not going for Foreign Employment by Non-Migrants Respondents.

Those members of the non-remittance receiving households have not gone to foreign country for the employment due to various causes such as, business, doing job in their own country, lack of money and not having ideas about the international migration, no more family members to migrate in foreign countries, having enough property, physically disabled and others. These various reason causes not to migrate in foreign countries for people:

Table 4.10
Causes of not going abroad by non-migrant households

S.No.	Causes	No of households	Percentage
1	Business	8	13.33
2	Doing Job in Own Country	12	20.00
3	No Family Members	12	20.00
4	Lack of Money	24	40.00
5	Physically Disabled/Others	4	6.67
	Total	60	100.00

Source: Field Survey, 2069

Table 4.10 shows that, the various causes that tends those households not to migrate in foreign countries for international employment. Around 40% of the total sampled households have not migrated due to lack of money which should be invested go to foreign country. The equal 20% of the total sampled households have not migrated due to a more family member to cure other family and doing job in their own country. Around 13.33 percent households have not gone to foreign country for foreign employment due to business done in their

own country and 6.67% house have not migrated due to physical problems and other causes. Most of non-migrant households have poor economic status thus most of them are not migrating abroad for international employment due to the lack of money.

4.11 Number of Remittance Non-Receiving Households Sustain from their Income

The main occupation of the non remittance receiving households is agriculture. Most of the non remittance households, due to the small level of land holding and low productivity of agriculture, do not sustain from their income. Annex table 4.9 shows that 53 percent of the non migrant households sustain from their income and only 47 percent of the total sampled households doesn't sustain from their own income. Thus, those households that can't sustain from their income in the village do search different sources of income such as manual work in field and other sectors and brewing liquor, labor work in field and constructions, help from relatives and others. Annex: table 10 shows that those households who do not sustain from their income and about 60 percent household have taken loan to run their family.

In search of alternative sources of income most of non-remittance receiving households have planned to migrate for the foreign employment as most of youths consider international migration for the international employment as last resort to overcome from the poverty and uplift the economic status and without especial skill and trainings, they can migrate for employment. Even they generate low income they have no skills and technological knowledge which have been adopted in destination countries. It shows that around 60 percent of RNHH have planed to migrate abroad in near future.

4.12 Educational Status of Students Aged between 4 to 30 Years from both RRHH and RNHH:

Because of the nature of the data available during the study for the analysis of the education age group it has been classified as 4 years to 30 years which is slight different to the international classification. During the study, with the help of the collected data and information, it is found that children have been admitted to the school at the age of 4 year. Those students who are continuing their study till the age of 30 years. Thus, to include the all information related to the all students, age group has been classified from 4 years to 30 years.

Table 4.12 (a)

Educational status of students aged between 4 to 10 years from both RRHH an RNHH

S.No.	Educational Status		RRHH		RNHH	
			No of student	Percentage	No of student	Percentage
1	School Level	1) Public School	25	34.25	44	65.67
		2) Private B. School	34	46.57	7	10.45
2	Plus Two		7	9.59	9	13.43
3	Bachelor & Above		7	9.59	7	10.45
	Total		73	100.00	67	100.00

Source: Field Survey, 2069

Table 4.12 (a) shows that out of total sampled students aged between 4 to 30 years from remittance receiving households, 80.82 percent of students are at school level whereas 76.12 percent from remittance non receiving households. These students are studying in school level, only 42.37 percent students are studying in public school remaining 57.63 percent students are studying in

private boarding schools from the RRHH. In contrast, 86.27 percent of students are studying in public schools and only 13.73 percent students are studying in private boarding schools from the RNHH. This data shows that remittance receiving households are investing more money on their children's education than remittance non-receiving households.

Table 4.12 (b)

Attainment of the education by the young aged between 4 to 30 years from both RRHH and RNHH

S.No.	Educational Status	RRHH		RNHH	
		No of Children	Percent	No of Children	Percent
1	Dropped before SLC	16	51.62	6	33.33
2	SLC passed but not admitted for Plus Two	13	41.93	6	33.34
3	Dropped in Plus Two	2	6.45	6	33.33
	Total	31	100.00	18	100.00

Source: Field Survey, 2069

Table: 4.12 (b) shows that youths from remittance receiving households love to drop their study before SLC i.e. around 51.62 percent youths have dropped their study in the school level and 41.93 percent have not continued their study after passing the SLC exam. In contrast, from the remittance non-receiving households, only 33.33 percent youths have dropped before the SLC exam. 33.33 percent youths have not admitted for the plus two.

This signifies that the school dropout rate of remittance receiving households is higher than remittance non-receiving households.

4.13 Annual Expenditure Made by both RRHH and RNHH on Children's Education:

Table 4.13

Annual expenditure made by both RRHH and RNHH on their children's education.

S.N o.	Heading	RRHH		RNHH	
1	Admission	1,12,000	13.76	61,400	18.14
2	Monthly Fees	1,36,800	16.81	56,000	16.55
3	Extra Tuition Fees	54,000	6.64	24,000	7.09
4	Books, Copies, Pen etc.	60,000	7.37	32,000	9.46
5	Uniform	1,15,000	14.13	52,000	15.37
6	Others/Residential	3,36,000	41.29	1,13,000	33.39
	Total	8,13,800	100.00	3,38,400	100.00

Source: Field Survey, 2069

Table 4.13 shows that remittance receiving households can invest more money in order to attain their children's education around the twice or more than that much money have invested on children's education by remittance receiving households. Around 31 percent out of the total annual expenditure made by both RRHH and RNHH on education is made by RNHH and remaining 69 percent of total expenditure have made by RRHH. From the data collected in the study, annual per child expenditure on education by RRHH is Rs. 11136.99, where as by RNHH is Rs. 5050.75. This shows that RRHH can invest more money than RNHH on children's education. In addition above table shows that tendency of admitting their children in private boarding schools by RRHH are higher than RNHH.

4.14 Annual Expenditure Made by both RRHH and RNHH on Social Activities:

Annual expenditure made by RRHH and RNHH in various headings are given as below.

Table 4.14

Annual Expenditure Made by both RRHH and RNHH on Social Activities

S.No.	Heading	RRHH		RNHH	
		Amount	Percentage	Amount	Percentage
1	Festival/Customs	16,00,000	61.54	9,00,000	62.5
2	Donation	2,50,000	9.62	1,20,000	8.33
3	Meeting	1,00,000	3.85	1,50,000	10.42
4	Tour	6,00,000	23.08	2,00,000	13.89
5	Member's Fee	50,000	1.95	70,000	4.86
6	Total	26,00,000	100.00	14,40,000	100.00

Source: Field Survey, 2069

Table 4.14 shows that remittance receiving households can invest more money in social activities. According to table 4.14, it shows that, much money have been invested on festival and customs by both households (RRHH and RNHH). RRHH have invested more than RNHH on donation and tour but RNHH are more invested more than RRHH on meeting and member's fee. Because of RNHH are staying in have but RRHH are going to foreign country for employment. That shows RRHH can invest more money on social activities.

4.15 Participation Made by both RRHH and RNHH on Social Institutions:

As human beings is social animal and must be involved in various social institutions i.e. political, religious, social club, group, NGO etc. Social institutional role is important for the use of resource and various connections within the society. In this study area both types of families are involved in social institutions and their involvement can be presented as follow:

Table 4.15

Participation made by both RRHH and RNHH on social Institutions

S.No.	Heading	RRHH		RNHH	
		Active	Passive	Active	Passive
1	Political	18	42	27	33
2	Religions	5	55	7	53
3	Others	32	28	34	26

Source: Field Survey, 2069

Table 4.15 shows that RRHH have involved 18 on political, 5 on religions and 32 on others active members households and RNHH have involved 27 on political, 7 on religions and 34 on others. According to the data, RNHH are more active than RRHH on social institutions. Because of RNHH are staying in origin place but RRHH's active members are going to foreign country for employment.

CHAPTER -V

SUMMARY, FINDINGS, CONCLUSION AND RECOMMENDATION

5.1 Summary

For Nepal, migration of Nepalese people for foreign employment outside the country started before 19th century, when the first Nepalese travelled to join the Army of Sikh ruler Ranjit Singh. Specially, Labor migration started after Anglo- Nepal Treaty of peace and Friendship in 1816 A.D. that recruited 3,000 Nepalese soldiers in British Regiment. Signing of peace and Friendship Treaty between India and Nepal in July 1950 was the turning point in the movement of Nepalese workers for employment in India.

Over the years, the demands for Nepalese workers in the global labor market especially, in the Gulf countries, Malaysia, India and South Korea has tremendously increased, for they are available at a relatively low wage and they are appraised for their honesty and dedication to their work. However, the Government of Nepal lack of policy to plan develop and efficiently utilize manpower as per national and global requirements. Therefore, it is necessary to establish Ministry of Human Resource Development not only for manpower planning but also for empowering backward communities.

Remittance has opened the area of the research to the economists and policy makers. As its share and volume keep on going, economic and financial model have got strong ground of empirical testing of hypothesis as "Remittance Led growth" therefore, remittance has a greater scope of expansion for a "Role play" in the socio-economic development of developing countries. Nepal has an encouraging picture towards this direction. However, because of the lot of traditional and emerging new reasons, the remittance sector also would go in jeopardy if timely and properly policy measures and strategic

actions are not adopted. Temporary inflow of such remittance cannot serve the long term objectives of a country. For this, our initiations and derives need to be directed to a safe, reliable diversified and sustainable remittance system.

5.2 Major Findings

-) From this study conducted in Bhoksing VDC, Parbat migrants workers have gone various causes of seeking foreign employment in which 38.33 percent of migrant workers have gone foreign country due to the unemployment problem, 20 percent trend (following others), 13.33 percent family pressure trend, 11.67 percent indebtedness, 10 percent family pressure, and 6.67 percent also due to landlessness and others.
-) Sources of financing for foreign employment is 49.28 percent expenditure of the migrant workers is financed from loan, remaining 37.24 percent own income 9.83 percent help from family and others and 3.41 percent from selling their assists and other sources.
-) Average annual income of RRHH is Rs. 80, 70,000. Whereas average income of non remittance receiving households are Rs. 39, 76,000.
-) Greater volume of received remittance is invested on unproductive sector, i.e. around 60 percent of total remittance spent on unproductive sector, such as to buy land in urban areas and 12 percent on family expenditure, 9 percent for bank deposit, 8 percent the loan and other. No significant amounts have been invested on productive sector.
-) Large numbers of migrant workers have low educational status. 45 percent migrant workers have migrated before completing their school level study. 10 percent migrant workers have migrated after SLC and 10 percentage migrants dropping in intermediate level. Only 6.67 percent migrant workers have passed intermediate level or above other remaining 28.33 percent migrant workers are literate and non literate.

-) Those students studying in school level, only 34.25 percent students are studying in public school remaining 46.57% students are studying in private boarding school, from the remittance receiving households. In the contrast 65.67 percent students are studying in public schools and only 10.45 percent students are studying in private boarding schools from Remittance non receiving households. Around 51.62 percent of the total sampled youth of this aged group between 4 to 30 years have dropped their study either before school level and 41.94 percent have not continued their study after passing the SLC but for the same aged group from the remittance non-receiving households 33.33/33.33 percent have dropped.
-) Around twice much more money has been invested on children's education by remittance receiving households in comparison to non-remittance receiving households. Out of total school level students from remittance receiving households, 46.57 percent are studying private boarding schools on the other hand only 10.45 school level students are studying private boarding school from remittance non-receiving households. Annual per child expenditure on education by RRHH is Rs. 11136.99 where as by remittance non-receiving household is Rs. 5050.75. That shows RRHH can invest more money than RNHH on their children's education.
-) Around twice much more money has been invested on social activities by remittance receiving households in compare to non-receiving households. Out of total expenditure of social activities from RRHH are invested 61.54 percent on festivals and customs 9.62 percent on donation, 23.08 on tour, on the other hand only 62.5 percent on festival, 8.33 percent on donation and 13.89 percent on tour. That shows RRHH can invest more money than RNHH on their social activities.

) Remittance receiving households (RRHH) are less involved in social occasions than remittance non-receiving households (RNHH). RNHH are involved 33 households on political, 7 households on religions and 34 on others in participation on social institutions by active members, on the other hand only 18 households on political, 5 households on religions and 32 house holds on others of the total sampled.

5.3 Conclusion

This study is a micro level study on Labor Migration and Role of Remittance which is confined only in a case study of Bhoksing VDC, Parbat. In this study, the majorities of people are found small farmer and food deficit and which is a serious problem. Remittance has played a great role to solve their hand to mouth and other problems. It is found that remittance plays to increase the socio-economic and educational level of the respondents. However, it plays a great role in increasing their income. It is found that they have many causes to go for labor migration. It is also found that low educational statuses of people are involved in foreign employment. It is found that a large portion of the remittance has been used in family maintenance. Remittance is a sustainable source of the household income if it is used reproductively. But most remittance is invested in unproductive sectors by respondents. Remittance also brings some changes in the society. For example, 'modernization' to some extent (consumption and expenditure habit). The household receiving remittance should pay attention to utilize the remittance in productive ways so that they will have to go outside bearing many socio-economic and educational costs in the future.

5.4 Recommendations

The remittance is not the permanent remedy for alleviating the poverty, it has been found to have uplifted the economic status of the Nepalese migrant workers. As the remittance itself, can't be the stable sources of income for the people in general.

Remittance have significant role to uplift the economic status of the migrant workers as average income of the remittance receiving households is considerably higher than the average income of the non-remittance receiving households. We can generalize that the trend of international migration is affecting socio-economic and academic status of the study area. The study shows that most of the migrant workers have very low academic profile, thus, most of the migrant workers may not have proper ideas about the better utilization of the remittance even they generate the income. There is evidence that remittance can have negative effect making recipients dependent on their flows without leveraging them to generate additional income and there is a perception that labor migration is leading young people to drop out of school and aspires to migrate. Many youth do not study on work but rather wait that they are old enough to migrate.

) Income generated by the migrant workers from foreign employment is being spent on unproductive sectors like as to buy land in urban areas, construct new houses, to celebrate festival, on luxurious goods and others. Thus, government should bring the proper policies and programs that provide the better environment to utilize received remittance into productive sectors that may create additional job opportunities and sources of income in the native village and countries that may reduce the increasing trend of foreign employment.

) Bhoksing is a mid-hill VDC and get more water source area of Bachchha and Pangrang. Where seasonal crops can be produced adopting better and advanced agricultural technologies. Received remittance should be utilized to improve the agricultural production system that builds self economy of Bhoksing VDC.

) Bhoksing VDC is interlinked with Balakot, Hosrangdi, Pargrang and Bachha economically as well as socio-culturally. With the collaboration of these VDCs, rural tourism industry can be promoted utilizing remittance and empowering the people and develop the bases of development where we can get unique climate, features, view point sports, typical Gurung culture and resources. Those provide additional job opportunities, sustainable source of income, empowerment to the backward communities and way of preservation of own culture for the new generation like as Ghalegaun of Lamjung, Ghandruk of Kaski and Sirubari of Syangja Districts.

For this community should be self motive, understand the present situation, competitiveness in the job market and importance of education and should give more attention to children's education, socio-economic development.

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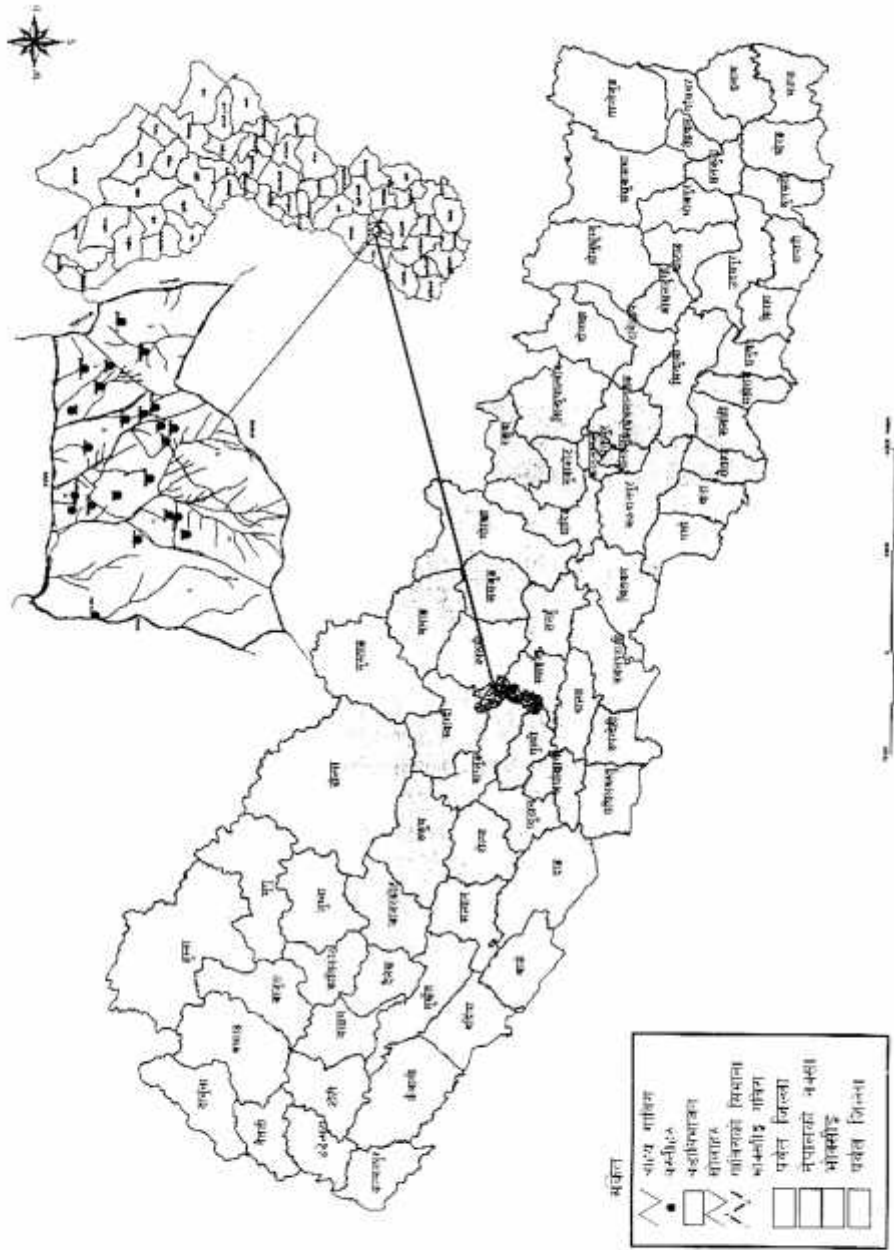
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Appendix: 1

Parbat District and Bhoksing VDC in Map of Nepal



Appendix: 2
Sample questionnaire
Labor Migration and Roll of Remittance: A case study of
Bhoksing VDC Parbat

(Questionnaire has prepared for the households whose member has gone abroad for foreign employment)

Information of Interviewee:

Name:-

Age :-

Address:-

Sex :-

Education:-

Number of Family member

S. N.	Name	Relation with Family	Age	Sex	Education status	Main occupation	Remarks
1							
2							
3							
4							
5							
6							
7							

1) When s/he went abroad?

.....

2) What type of job s/he is doing there?

.....

3) What are the causes for going abroad for employment?

- a) Landlessness b) Conflicts c) Indebtedness
- d) Unemployment e) Family pressure f) Others

4) Why did s/he choose that country for foreign employment?

- a) Easy entry and exit b) Less costly c) Higher wage rate
- d) Easy availability of Job e) Others

5) What are the sources that s/he managed money to go abroad?

No.	Topics	Amount
1	From own income	
2	Having loan a) From bank b) From merchant/high class people c) From relative d) From financial institutions e) Others	
3	Help from friends, family members	
4	Selling assets (land, house etc.)	
Total		

6) How long s/he stayed abroad for foreign employment?

.....

7) Had s/he obtained any skills before s/he gone to abroad?

Yes No.....

If yes what shorts of skills did s/he obtains?

.....

8) How much is her/his monthly income in abroad?

a) Rs.

9) Has s/he ever sent money for their family?

Yes No.....

If yes, how much till now?

Rs..... (In Nepali currency)

10) What is your family's other source of income other than remittance?

- a) Agriculture b) Live stocks c) Government service
- d) Others

11) What are the problems that s/he realizes while s/he went for foreign employment appointment?

- a) Insecurity of job and life b) Low salary
- c) Problem in extending the visa d) Language problem
- e) Lack of skill about the technology they have adopted
- f) Others

12) Have you made any investment from her/his income?

Yes No.

If yes, in which sector?

- a) To buy new house b) To buy lands
- c) to run new business d) Others

13) Do you have any plane to leave original residence forever?

Yes No.....

If yes, why you are planning for?

- a) Lack of security b) Remote and no facilities of health and education
- c) No relatives d) No possibilities for the betterment of life
- e) Others

14) For what purpose does your family generally use the remittance money?

S.N.	Purpose of Use	Amount (Annual)	Remarks
1	<p>Direct Productive sector</p> <p>i) To buy agricultural land</p> <p>ii) To product agricultural food items</p> <p>iii) To invest in business and industry</p> <p>iv) To return land the mortgaged (bandaki) land</p> <p>v) To land for interest income</p> <p>vi) Others</p>		
2	<p>Indirectly productive sector</p> <p>i) Educational expenditure</p> <p>ii) Health care expenditure</p> <p>iii) Bank deposit</p> <p>iv) To buy land in town</p> <p>v) Others</p>		
3	<p>Non Productive sector</p> <p>i) To repay loan</p> <p>ii) Family expenditure (clothing, jewelries, cosmetics etc.</p> <p>iii) Construction of house (residential)</p> <p>iv) Expanse on marriage, festivals, religious and cultural activities</p> <p>v) Others (rituals, habitual, donation)</p>		
	Total		

15) Do your family members have migrated permanently to urban areas?

Yes No

If yes, why?

- a) Lack of security b) Remote and no facilities of health and education
- c) No relatives d) No possibilities for the betterment of life
- e) Others

16) Do your any family members are planning to migrate in urban areas for educational attainment of their children in near future?

Yes No

17) What is your annual expenditure on your children for their education?

No	Topics	Amount
1	Admission	
2	Monthly fee	
3	Extra tuition fee	
4	Books, Copies, Pen etc.	
5	Uniform	
6	Others	
	Total	

18) Have your children leaved school or college?

Yes No.....

If yes, what are the causes that your children leaved school/college?

- a) Financial problem b) To support family in agricultural work
- c) To go foreign country e) Others

19) How is your children's performance in school/college?

- a) Better b) Good c) General

20) Educational status of their children:

S.N.	Name	Age	Sex	Level	Remarks
1					
2					
3					
4					
5					
6					

21) Have your family involved your society active member?

Yes No

a) Active

b) Passive

Appendix: 3

Labor Migration and Roll of Remittances:

A case study of Bhoksing VDC, Parbat

(Questionnaire has prepared for non-migrant households)

Information of Interviewee:

Name : Age :

Address : Sex :

Education :

Number of family member:

S. N.	Name	Relation with Family	Age	Sex	Education status	Main occupation	Remarks
1							
2							
3							
4							
5							
6							
7							

1) What type of job you are doing here?

- a) Government service b) Farmer c) Business d) Others

2) What is the cause that you didn't go for foreign employment?

- a) Doing job in own country b) Enough property
c) Enough land for farming d) Business e) Others

3) How much is your income?

Rs. (In Nepalese currency).

4) Can your family sustain from your income?

Yes No

If not what is our alternative sources of income to run your family?

.....

5) Had you ever gone foreign country before?

Yes No

If yes, why are you not interested to go foreign country again?

.....

6) Do you have any plan to go abroad for foreign employment in near future?

Yes No

If yes, why you are planning to go abroad?

.....

If no, what are the causes that you have no plan to going abroad for foreign employment?

a) Satisfied with her/his job or occupation which s/he has adopted here.

b) Insecurity of life c) Insecurity of job d) Others

7) Have you taken loan to run your family?

Yes No

8) Have your children leaved school or college?

a) Financial problem

b) To support family in agricultural work

c) Others

9) What is your annual expenditure on your children for their education?

No	Topics	Amount
1	Admission	
2	Monthly fee	
3	Extra tuition fee	
4	Books, Copies, Pen etc.	
5	Uniform	
6	Others	
Total		

10) How is your children's performance in school/college?

a) Better

b) Good

c) General

11) Educational status of their children:

S.N.	Name	Age	Sex	Level	Remarks
1					
2					
3					
4					
5					
6					

12) Have your family sometimes hated by your society?

Yes

No

a) Financial problem

b) Low Social status

c) Do not go foreign country c) Other

13) Have your family involved your society active member?

Yes

No

a) Active

b) Passive