

CHAPTER I

INTRODUCTION

1.1 Background of the Study

A remittance is a transfer of money by a foreign worker to his or her home country. Remittance can also refer to the accounting concept of a monetary payment transferred by a customer to a business (Wikipedia, the free encyclopedia). Remittances have been playing a very significant role for the overall economic development of the country. Remittance is basically foreign exchange, which is remitted by people who are living abroad to their own countries. The earnings of a country by remittance are shown in the balance of payments statistics of each country and the accounting is prepared according to the guidelines prepared by the international monetary fund. The international monetary fund separates remittances into three categories; workers' remittances from workers who have lived abroad for more than one year. It is recorded under the headings 'Current Transfers' in the current account of the balance of payments. The wage salaries and other compensation received by border, seasonal and other workers (Such as local staff of embassies), who have lived abroad less than a year are recorded under the 'income' subcategory of the current account. Migrant transfers are reported under the capital transfers in the capital account. The above definition does not include transfers through informal channels-such as remittances send through friends, family members, Hindi or remittances send in kind such as jewellery and other consumer good. Although the headings migrant remittances goes only to the workers who lived abroad more than one year but other headings of workers' remittances alone. For example, in the Philippines remittances send by the seasonal workers through the banking system exceed the remittances from the workers' remittances (Asian Business Review, Volume2, Number 2/2013).

Remittances have become the second largest capital flow behind foreign direct investment (FDI) and ahead of Overseas Development Assistance (ODA) to developing countries. According to the World Bank's study overall, remittances constituted 1.5 percent of GDP and 5.1 percent of imports to this group of countries in 2004. For developing countries remittances are also relatively more important by

contributing 66.2 percent of FDI inflows and 250.0 percent of net official finance. In 2004 remittances were larger than both official and private flows in 36 developing countries. Although FDI has slipped from a 2001 peak of \$181.7 billion and has been estimated to be \$135.2 billion in 2005 but still remains the major source of external financing for developing countries. Regionally Latin America and the Caribbean have estimated to receive the lion share of remittances in nominal terms with \$29.6 billion in 2005 followed by south Asia with \$ 18.2 billion. Relative to GDP, however south Asia was the largest recipient with remittances receipt amounting to 2.5 percent of GDP in 2004. Till 2000 India was the top country of the world that received highest remittances followed by Mexico. Since 2001, Mexico has outpaced all the developing countries. In 2002 Mexico received \$11.0 billion followed by India at \$8.4 billion. In 2005 Mexico is supposed to receive \$ 13.2 billion and India \$ 8.4 billion. Philippines are the third highest remittances receiving developing country and received \$ 7.4 billion in 2004 and is estimated to receive \$ 8.0 billion in 2005. The United States and the Saudi Arabia are the largest sources of workers' remittances with \$ 31.4 billion and \$ 15.9 billion payments of remittances respectively in 2004. The other top sources of remittance are Germany, Belgium and Switzerland. Until the mid 1990's, Saudi Arabia was the largest sources of remittance from Saudi Arabia have also stagnated. But the remittances from the United States nearly doubled driven by the economic boom (Pant, 2005).

Since Nepali is a small landlocked country, lying between china in the north and India in the south east and west having roughly rectangular in shape and has a territory of 147,181 sq.km; geographically speaking, the country can be divided into three regions. Namely: mountainous, Hilly and Terai. All these three regions extend from east to west. The mountainous region covers about 35%, the hilly region 42% and the terai region 23% of the total area of the country (CBS, 2011).

Therefore having more percentage of land structures under hilly and mountain regions which have made people have problems in their income sector which have led them no choice then but to migrate to other countries for better jobs, income and livelihood. But gradually the migration took the shape in diverse form and now has become a very essential and common in each and every corner of the world.

Labor migration is one of the essential components while talking about international migration. Millions of people from around the world (especially from the developing countries) are leaving their usual place of residence for seeking better employment opportunities and supply food and other things for their dependents. Globalization and integration of regional economies have added impetus to the growing mobility of workers across borders. Poverty and inability to earn enough or produce enough to support oneself or a family are major reasons behind the movement of work seekers from one place to other places. These are not only characteristics of migration from poor to rich states; poverty also fuels movement from one developing country to others where work prospects seem at a distance, at least to be better.

In the context of Nepal, migration is associated with mostly in the form of labor migration. The term labor migration refers to the temporary of the unskilled or semi-skilled work force to foreign countries. Due to lack of employment opportunities in the country thousands of economically actives especially young people have left the country for abroad. Labor migration has often been associated with economic development in the country of origin. However, there is a lot of contradiction in what the costs and benefits of this phenomenon are concerned.

The history of labor migration in Nepal can be traced right to the time of Prithvi Narayan Shah. The territorial expansion also had a cost in human terms which ultimately led to the emigration of hundreds of thousands into unknown lands. Primary among the causes pointed out by writers concerning migration from Nepal was the building economic pressure: Oppressive land and labor policies. The next phase when the expansion of British power in India then the large number of Nepalese were migrated to India as soldiers and other labors.

After the revolution of 1951, when Nepal flung open its door to the outside world the process of labor migration has been increased rapidly during the late 20th century. The attraction of wages labor opportunities took the Nepalese around the world especially gulf countries, eastern Asian nations, British and Europe. This trend intensified during the Maoist conflict period after 2052 B.S. Most of the people migrated from rural area to urban area for their life security and in search of better opportunities. Similarly, young people migrated to foreign country for labor wages. It is clear that labor migration has become an important aspect in the context of Nepal. But it is important to know what are the factors, causes and at what sot these peoples are encouraged to migrate. The present

study focuses on prospect of external movements of workers who have gone outside for work.

1.1 Statement of the Problem

Nepal is one of the world's least developed countries in south Asia. About 85% of the population depends on subsistence agriculture. Lacks of modern technique on agricultural, the production has been not sufficient for the consumptions. Coping with great disparities of caste, gender and geographical condition, poverty, unemployment, declining natural resources and more recently the political instability are the major reasons of the labor migration. The growing numbers of domestic and international migrants who secure work and send back remittances back home have a profound effect on socio-economic, demographic and political issues in Nepal.

Information is lacking in each and every step for potential labor migrants. Most of them are not aware where they are going, what work they have to do, the actual cost they need to spend to go for work and other social and cultural information about the country of destination. As a result, there are numerous realistic stories of the suffering of Nepalese migrant workers abroad. It is believed that Nepalese workers are accepted in east and south Asia as well as gulf countries only because they are cheap and they do whatever job given. Most of the migrants are educated from middle and lower middle class families who go abroad with the hope of earning much within a short period. A large number of workers work illegally.

Statistics will show that the remittance sent by the migrant workers is nearly one hundred billion each year and the amount of remittance has kept great importance to the national economy. Some economists have analyzed Nepalese economy as remittance economy, which has played a prominent role to keep the nation in balance in the difficult financial situation of the country. The amounts of remittance sent through the informal channel are not calculated yet but that is to be estimated as equal to it come from the formal channel.

A few, mostly descriptive studies has been carried out to analyze migration, remittances and its impact on family. Large parts of national GDP are contributed by remittances which are sent by work force from abroad. This study labor migration, remittance and its impact on family will try to seeks answers on types of people migrated, cause and motivation of migration, factors associated with migration, remittance sent back from abroad, can brought by the migration, impact on the family as well as society and culture.

1.2 Research Questions

-) What are the reasons of the changing livelihood of the rural people?
-) What has made the people go abroad for employment?
-) What kinds of impacts (positive or negative) has the abroad employment brought in their lives?
-) What kinds of benefits have the remittance in their lives?
-) In which sector or field they invest their remittance?
-) Has the remittance been able to solve all their needs and problems?

1.3 Objectives of Study

The general objective of the study is to examine the role of remittance in rural livelihood.

1.3.1 Specific Objectives

-) To examine the socio-economic profile of migrants worker of the study area.
-) To explore the cause of migration and destination selection.
-) To analyze the impact of remittances on rural livelihood.

1.4 Significance of the Study

Labor migration is emerging as a new phenomenon in Nepal. It has great consequences for the country both at national and at local level, labor migration can be known as major livelihood strategies of rural area. Most of the migrants to foreign to improve their lives and lives of their family to learn new skills, to gain new experiences, to find better jobs and to flee insecurity and disaster.

Nepal today is well recognized as the country of origin for labor migrants mainly to the gulf cooperation council and Malaysia. Ministry of labor and transport management in Nepal estimate that there are 3 million people currently under foreign employment every day. The ration of workers remittance to GDP has registered as 23 percent of the Nepali economy today (Source: Ministry of labor and employment department). The government of Nepal recognizes the importance of labor migration to Nepal and has formulated policies to facilitate and regularize the migration.

The global phenomenon of labor migration has given rise two contradictory policies, police perspective about the desirability of flows and their consequences for economic

development. Discussion usually focus on two aspects of the consequences of migration, the labor force implications and the role of remittances at both the macro and micro levels.

A remittance that enters the country has become increasingly important for Nepal's economy. It is important that the remittances funds be used wisely so that both country and people can benefit. This study will seek a variety of aspects of migration such as who and what kinds of migrants in terms of education, sex, age and why they migrated to, migration destination and under what conditions they are migrating. Similarly, the study will try to understand what changes accrue after migration. What kinds of remittance are receiving family from migrants and where they use? All these problems of study area are addressed on this research.

1.5 Limitation of the Study

The study area Sisaitiya VDC is the small area. It is mark by ethnic and social heterogeneity which is more similar to the national scenario. It is inhabitant by people with own ethnic and socio-economic status.

This study cannot access the impact of labor migration and the changes for the entire village due to the constraint in time and resources. Further, the traditional livelihood pattern is complement by other source of income like tourism, micro enterprise, income from ex-army pension and other income generation activity. But on totality the study will represent the broad scenario of the impact in the livelihood brought about by the foreign employment and remittance.

1.6 Organization of the Study

The thesis is divided into five chapters.

The first chapter deals with the introduction including background of the study, statement of the problem, objectives of the study, significance of the study, limitation of the study and organization of the study.

Theoretical and empirical literature reviews related to remittance are included in the chapter two. The chapter three describes the research method applied in this study. The Chapter four covers analysis and presentation of data. The chapter five includes summary, conclusions and recommendations.

CHAPTER II

REVIEW OF LITERATURE

Various researches have been conducted internationally on the issues of overseas employment and remittance. The primary objective of this chapter is to provide a systematic review of literature relating to migration and remittance income. In this chapter, an attempt is made to review some of the existing book, journal, article, and thesis concerning the remittance and development which help to analyze the present study.

2.1 Theoretical Review

Migration of people is mainly caused by population growth, catastrophes, economic needs and warfare. However, from the 15th century onwards, colonialism and industrialization gave rise to rapid growth in migration (Hass, 2007).

Haan (1999) have explored the positive contribution of migration to alleviate the rural poverty. However, international migration from the poorest families may be infrequent, because the cost of migration may be too high for them. The poorest, least skilled, and those without network connection have less prospect to migrate abroad whereas better educated and skilled migrants tend to be high.

General economic theory suggests that remittance transfers are mainly used for household consumption and therefore, they have a little impact on investment. Therefore, remittances are considered as transfers of compensations for family members who have lost skilled workers owing to migration. However, Stahl and Arnold (1986) argue that the use of remittance income in consumption may have a positive effect on growth because of their possible multiplier effect. In addition, remittance transfers respond to investment opportunities in the country of origin. Moreover, many migrants invest their savings in small businesses, real estates or other assets in their own country because they know local markets better than those of their host countries. There is also the possibility that the continuous substantial inflows of the remittances to a developing country could result in increasing brain-drain, abandonment of the pursuit of aggressive pro-growth economic policies, inflation, real exchange rate appreciation and a moral hazard when beneficiary households

depend on these transfers entirely or partially and there by reduce the supply of labor (Adenutsi and Ahortor, 2010). Therefore, the net effect of increasing international remittance inflows on the growth and development prospects of developing countries is theoretically unclear.

Remittances to Nepal are money transfers from Nepalese workers employed outside the country to friends or relatives in Nepal and forms part of the wider global remittance transfers by migrant workers back to their home countries. It is said that remittances has represented more than 10 percent of GDP in Nepal in the late 1990s. Moreover, it would be highly beneficial to the country, where there is natural calamities, political conflict, people war, low investment in entrepreneurial activities and economic recession. In the fiscal year (FY) 2000/01, the banking sector showed that NPR 15.9 billion was received (Gaudel, 2006).

Ravenstein (1985) has explored the cause of migration and emphasized that there are certain undesirable factors in the place of origin which forces the individuals to migrate to the other places. Likewise, there are certain desirable factors in the destination that attracts the migrants. According to him, the former factors are “push” factors and the later are “pull” factors causing the events of migration between place of origin and destination. Higher distance between the factors lowers the rate of migration and vice-versa. He has said that the migration occurs within streams and counter streams. He has not been sure to say that only the distance between the origin and destination determines the volume of migration.

The effect of immigration on host countries has been very well studied, particularly with regards to labor market outcomes. Much research has also investigated to what extent the loss of workers in a country from which many workers emigrate affects economic outcomes in the sending country. However, one factor of seeming consequence within the debate over immigration is the effect of funds that are sent by immigrants to friends or family members in their home countries. These funds, or remittances, have become very large in recent years, and represent a potentially important part of the debate surrounding the topic of immigration. Although difficult to measure, recent studies estimate that international remittances exceed US\$100 billion per year, approximately twice the amount of official aid-related income to developing countries (International Monetary Fund, 2005).

Remittance income represents a transfer often from developed countries to less developed countries. These transfers are highly efficient; they require no bureaucracies, contain very low transaction costs, and typically go to those households with the greatest need. Although cash transfers may be a poor proxy for the services that would be provided to the household were the emigrant present, it seems possible to assume that households that receive remittance income are made better off. In any case, the remittance-receiving households would be party to large welfare effects from any changes in immigration policy under consideration (Taylor, 1999).

Chami et.al (2008) has investigated the relationship between volatility and remittances. The findings demonstrate that remittances by reducing volatility indirectly increase the growth rate. Similarly, there is evidence to support that development of the financial sector increases the growth rate and therefore, remittances indirectly increase growth rate by improving the progress of the financial sector. The direct growth effect of remittances is also through its effect on the real exchange rate.

Gupta, Pattillo and Wagh (2009) have assessed the impact of the steadily growing remittance flows to sub-Saharan Africa (SSA). The study found that remittances have a direct poverty mitigating effect, and promote financial development. The findings hold both way causality between remittances and poverty and financial development. The study suggested that formalizing such flows would serve as an effective access point for channeling the individuals and households in the financial system and that the effective use of such flows could lessen the cost of out migration.

Bajaras, Chami, Fullenkamp, and Montiel (2009) have shown the effect of remittances on growth to be insignificant. They state that though remittances have poverty-alleviating and consumption-smoothing effects on recipient households when remittances are properly measured and when the growth equations are properly specified and instrumented the growth effects are insignificant and even negative. The negative effects were owing to the Dutch Disease and deterioration of the quality of governance as many countries did not have the institutions and infrastructures in place that would enable them to channel remittances into growth-enhancing activities.

2.2 Empirical Review

Javid, Arif and Qayyum (2010) has conducted a study mainly focusing on the importance of worker's remittances inflow and its implication for economic growth and poverty reduction in Pakistan. By using the Autoregressive Distributed Lag (ARDL) approach the authors have analysed the impact of remittances inflow on economic growth and poverty. The study found that remittances affect economic growth positively and significantly and thus remittances had a strong and statistically significant impact on poverty reduction and growth in Pakistan. The study found that in the long run, the remittance inflow could lead to sustainable growth and welfare improvement and up gradation of poor households as the impacts of remittances broaden and enlarge over time. So the government should formulate the policy that enhances the amount of remittances by reducing the transaction cost of transferring the remittances through formal channel..

Lahdhiri and Hammas (2012) has established a link between remittance and growth. The study has empirically shown that remittances have a significant and positive contribution to economic growth in the Middle East and North Africa (MENA) region. An increase in remittances led to an increase in the annual growth rate of GDP. The study concluded that the developing countries of the MENA region can improve their economic performance by investing remittance income in the traditional growth resources, such as investment in physical capital, human capital and trade. Remittance also helped in exploiting external capital flows such as FDI and official development assistance. The study suggested that the system of remittance transfers was a fragile and not effective, although the impact of remittances was positive and significant for these countries..

Dzansi (2013) in his research study examined the role of institutional and financial development with the objective to investigate the impact of remittance inflow to the developing countries on investment under different levels of institutional and financial development. The empirical analysis is carried on sample of 79 developing countries covering the period 1995-2005. The estimates suggest that remittance inflow, sound institutions and well-develop financial sector increase domestic investment .Moreover, the result also indicate that when the institutional setting and the depth of financial intermediation are such that access to external finance is limited ,remittance

inflow are an important source of financing investment. The findings are robust to alternative static and dynamic panel estimators and different measures of institutional quality and financial development. An important implication of these findings is that the extent to which an economy benefits from remittance inflows is driven by the prevailing institutional environment.

Gaudel (2006) pointed out remittance as a major source of foreign currency to the developing nation and it has become of substantial components of making current account surplus in the balance of payments. He argues that many workers from Nepal going abroad employment are no doubt young, energetic, laborious and enthusiastic and they do hard work for earning large remittance income to support their families. However, the downside of remittance reflects the view that remaining young generation for long time outside without family may increase their homeland. Thus, in order to recover the loss of economically active labor force to the domestic economy, they should be encourage to come back again with skilled knowledge for utilizing their savings and working experience for development to the provide areas in accordance with the priority of the National Development plans.

Shrestha (2008) has analyzed the contribution of foreign employment and remittances to Nepalese economy. He concluded that remittances sent by the migrant worker are an effective tool for poverty reduction. Through foreign employment is boon to the economy, the facilities are in adequate to back up the increasing trend of migration. The government should play productive role to promote foreign employment by inducting and adhering to policy of economic diplomacy.

Dhungana (2012) has examined the relationship between remittance and economic growth of Nepal using secondary data, multiple regressions during the 35 years period till 2010/11. This study concluded that the Nepalese economy is gradually becoming consumption oriented due to remittance income and other factors thereby causing decline in saving and investment rates. Consumption oriented economy naturally leads to dependency resulting in the dearth of resources for investment. Consumption oriented remittance have only increase our reliance on import. The study recommended the government agencies for the formulation and implementation of remittance utilization policy for the enhancement of national policy.

Dhungana and Pandit (2014) have tried to explore the impact of remittance on social and economic status at the household level. With 147 households with at least one member being a migrant in Lekhnath municipality of Kaski district using various descriptive and inferential statistics the study found that the remittance in a household is significantly associated with other socio-economic variables. Overseas remittances have brought qualitative changes in children's education and health status, an improvement in the economics status of the migrant households and the involvement of the households in the community development activities. The study concluded that remittances have brought positive change in overall socio-economic status of migrants households.

Dahal (2014) has studied the impact of remittances on economic growth in Nepal by assessing the effects of remittances on financial development, productivity, international trade and human capital accumulation. Based on the secondary data of 15 year period from 1996/96 to 2010/11 the study finds that the increasing inflow of remittances in Nepal have a positive association with financial development and human capital accumulation, but a negative association with international trade. Similarly it found remittances to have a positive association with entrepreneurship and negative association with manufacturing. Overall, the study indicated a mixed impact of remittance inflow on economic growth in Nepal.

NRB (2016) has conducted a field survey of 320 households from 16 selected districts to explore the saving and investment of remittance receiving households. The study has analyzed the data obtained from the field survey using single equation logit and OLS model. The study has shown that foreign employment has contributed in reducing unemployment rate and has worked as safety valve for Nepalese society. 4.38 million Workers have gone for foreign employment from 1994 to 2016 „i.e., the ratio of international labour migrants to Nepal's total population is 15.4%. The average annual remittance send by Nepalese workers working abroad is 5 lakh 32 thousand Nepalese rupees. The survey result also showed that 90.9% of remittance is coming through official channel. The study revealed that out of total remittance receiving households, 18.8% are completely dependent on remittance for their daily expenditure. Out of the total remittance income received, households have used 25.3% to pay back the loan, 23.9% for food and clothes, and 9.7% for education and health, 3% for social activities, 1.1% on productive use and 28% on saving. Also, 132

.6% of the remittance receiving households saves money from remittance income and 48.8% of those households save the money in order to buy land and buildings. The remittance receiving households were found to opt for more leisure than work.

Aryal (2016) has conducted a study on "Role of Remittance in Changing Socio Economic Status of People: A Case Study of Khaliban VDC of Palpa District". The general objectives of the study are to find out the various socio-economic impacts of the remittance on rural livelihood on society. The specific objectives are to examine the socio-economic status of foreign Employee to examine the present status of remittance in the study area, to analyze the role of remittance in changing socio-economic status and to explore the challenges of remittance for its productive use. This Study has limited in 46 households.

This study has been carried out on the basis of exploratory research design. This study has been based on the qualitative and quantitative both methods. This study has been based on the primary as well as secondary data, The structures questionnaire or unstructured interviews and observations methods has been applied to generate the primary data. The majority of the respondents is hotel training and minority is computer training because the most of the foreign employees are working in hotel and restaurant are and less are working in office. Receiving remittance and its use is very challenging and risky. The challenges such as robbery and crime and misuse of remittance due to lack of proper use are some of the factor responsible for receiving remittance.

Remittances do not automatically contribute to national development. To carry out effective and efficient public policies to channel remittances into productive projects, the government has to look at what motivate. At the community level, remittances create multiplier effects in the domestic economy, producing employment opportunities and spurring new economic and social infrastructure and services, especially where effective structures and institutions have been set up to pool and direct remittances.

CHAPTER III

RESEARCH METHODOLOGY

This chapter has focus on the overall methods of the presents study. It has explained the procedure of the study from the beginning i.e. selection of the study area to end i.e. analysis of data and presentation. It has include research design, nature and source of data and data collection techniques used for study and data presentation and analysis.

3.1 Research Design

Research designs, simply called an overall research plan, provide guidelines to a researcher to get answers of the research question. Different research designs have been used to conduct different research under sociological study. The type of research design depends on the nature and objectives of the study. The present study adapted descriptive as well as analytical design for research.

The descriptive design is about socio-economic and cultural setting of the study area relating it with the labor migration as alternative livelihood strategies of rural area. Basically, the study described the source of income on household level, uses of remittances sent back by migrant worker from foreign employment, characteristics of migrant workers in terms of age, sex, education. The study was concerned with changes of foreign employment on concern household level.

3.2 Rationale for the Selection of Study Area

Sisautiya VDC, the study area is one of the 99 VDC in Sarlahi in Janakpur Zone of south-Eastern part of Nepal. Sisautiya is located 10 km away from malangwa (headquarter of the district) and 1.5 km from madhopur. Clearly to say it is 3.5 km from Godaita in south, 3 km from Belhi in north respectively. The community of the study area is heterogeneous in terms of caste/ ethnic, occupational background and religious backgrounds. Different populated in the study area, (Sarlahi Development Team). Majority of the people are relied on agricultures, animal husbandry for their livelihood. But they are not able to fulfill food demand from agriculture product. Due to the insufficient food production they are dependent on alternatives activities for

livelihood. Micro enterprises, income from ex-army pension and remittance from foreign countries has contributed to the livelihood. Especially, young people from this area have gone for labor migration in gulf countries and have been increasing day by day. Remittance sent back from foreign countries has been an important economic source of family and it changed their livelihood. In this sense, the researcher was interested to select this area, in order to see the prospect of international labor migration, to find out causes behind labor migration and what changes have been brought from the foreign employment on concern family.

3.3 Nature and Sources of Data

3.3.1 Primary Data Collection

Among the selected household members were taken interview with sampled household structured questionnaire and relevant information's collected through the medium of questionnaire. The questionnaire included both open and closed types. Researcher took personal interview and filled up the questionnaire.

3.3.2 Secondary Data Collection

Besides, primary data secondary data as needed to fulfill the research objectives, so the source of available data was taken from official and unofficial sources. The relevant data was taken from publication of national planning commission secretariat, central bureau of statistic (CBS), budget speech of government, economy survey, and annual publication of Nepal Rastra Bank, Books, Report, and Magazine etc.

3.4 Universe and Sampling Procedure

The total population of the VDC is 10246 where male: 5270 and female: 4976 (CBS, 2011) and in term of household there are 1427 household present. Among which 120 households as sample were selected randomly for interview. With the systematic and simple random sampling done in the field based on the quantitative method it was found that out of 120 households taken as sample 114 household are receiving remittance in time i.e. (10% households receive money yearly, 33.33% receive in six months, and 25.54% households receive remittances quarterly, 16.66% households receives monthly, 10% household doesn't receive regularly and 4.47% does not receive any amount.)

3.5 Data Collection Techniques and Tools

The required data has been collected applying following techniques.

3.5.1 Questionnaire (Household Survey)

The questionnaire is the most step of the data collection in this study. Questions has been designed in the circumstances of individual and reference statement of interview in which the demography, composition of the household, social and economic condition, number and age of all household numbers has been included. The format of the questioned asked is in Annex-I

3.6 Data Analysis and Interpretation

The study was based on primary and secondary data, which was collected through structure and open ended questions, the field survey from the respondent, key information and case study of the selection area. When the task of data collection was over, collected data were processed and tabulated manually. Tabulated data was interpreted based on percent distribution and was presented in graph, bar diagram, pie-chart, table, etc. with the help of computer program

CHAPTER IV

DATA PRESENTATION AND ANALYSIS

All the collected data information were edited, coded and tabulated in presentable form. Then data were subjected form analysis. The chapter has been organized as:

4.1 Profile of Study Area

Sarlahi a part of Province No. 2, is one of the seventy-five districts of Nepal. The district, with Malangwa as its district headquarters, covers an area of 1,259 km² and had a population of 635,701 in 2001 and 769,729 in 2011. It is bordered to the west by the Bagmati River, to the east by Mahottari District, to the north by the Sivalik Hills, and to the south by Bihar State of India, a country in Asia. Actor Nikhil Upreti, actress Saranga Shrestha and famous Indian Tele actress Sriti Jha are from Sarlahi. Haripurwa is a long municipality of sarlahi district which was declared on 2073 B.S.

Generally, the people of Sarlahi believe that the Sarlahi name comes from the name of Sarlahi Devi temple. The Sarlahi Devi temple is situated in Hempur village in the Sarlahi district. There is a belief that if someone goes to the temple at night with a light then that person will die. That is why people still do not go at night to that temple with light. Still there is no residence around this temple.

The district is famous for a couple of things. One of them is tomato production and supply. Lalbandi is the place of this district which is famous for supplying tomato demand of whole country. Scientific tomato farming was practiced in Sarlahi district at Bagwani Kendra Nawalpur, Netragunj, Lalbandi is the most famous for growing tomato in the country, it is also known as the Tomato capital of Nepal. Farhadwa is the village which is famous for fish production and export. The production of sugarcane is also seems to be significant in the district. The Indushankr Chini Udhog Ltd. (Indushankr Sugar mills) is a notable factory in the district. The Annapurna Sugars and General Industries Pvt Ltd is probably one of the largest Sugar mills in the country located in Dhankaul VDC of Sarlahi. The plant commenced trial operations on January 17, 2014 with a successful crushing of over 16 lakh quintals of cane. The mill will substantially help in meeting sugar requirements of Nepal local market by

producing around 300,000 quintals of White sugar. The mill is equipped with modern machineries to produce high quality sugar. Mill is helping support livelihood of thousands of people including farmers, employees and labors. Not only that, the historical Nunthar Pahad which is very famous among different religious groups because of its typical geographical location. It is located in a strategic place bordering four districts Makawanpur, Sarlahi, Rautahat and Sindhuli. The Nadiman lake, important Puranic place, is located nearby Malangawa which is believed to be the Yaksha pool (kunda), the mystic lake owned by the Yaksha himself. The Patthrkot temple is also the best known religious place here. The Sagaranatha temple in Iswarpur, the Gopalkuti mahadev temple in Karmaiya among many others is equally significant places in Sarlahi. The famous Soltibazaar is also located here which is growing as a commercial hub of the district.

According to 2011 census Total population of district is 769,729, among them male population is 389,756 and female population is 379,973. Total Hindus population is 658,611, which is about 85% of total population, while total Muslim population is 120,679, which is about 8% of total population and total population of Buddhism is 44,011, which is about 5.71% of total population while total Christian population is 1,752 which is about 0.22% of total population.

4.2 Socio-Demographic and Economic Features of Households

This section represents the socio economic information of remittance receiver, Age, Sex, Occupation, Marital Status and landholding pattern were discussed in this section. On the basis of this background of the remittance receiver respondents.

4.2.1 Age Structure

The age structure of a population is the distribution of people among various ages. It is a useful tool for social scientists, public health and health care experts, policy analysts, and policy-makers; because it illustrates population trends like rates of births and deaths. These are important to understand because they have a host of social and economic implications in society, like understanding the resources that must be allocated for childcare, schooling, and healthcare, and the familial and greater social implications of whether there are more children or elderly in society. A population's growth is strongly influenced by the proportions of individuals in different age

brackets, which in turn is influenced by economic development. Age ratio of the selected respondents is presented in Table 4.1.

Table 4.1: Age Group

S.N	Age Group	No. of Candidate	Percentage
1	18-25 years	6	5%
2	25-30 years	12	45%
3	30-35 years	16	13.33%
4	35-40 years	32	26.67%
5	Above 40 years	54	10%
	Total	120	100

Source: Field Survey, 2017

The age distribution ratio of the study area shows that, the highest numbers of the foreign employee are between the ages of 25-30 years with 45 percent. The age between 30-35 years constitutes 9.09 percent of the total remittance receiver, between the ages 35-40 years constitutes 12.87 percent of the total migrants, at last 10 percent of the respondents are between the ages of above 40 years. The highest number of the remittance receiver is of the age group above 40 years because they are the mostly active in household responsibilities.

So from the above age grouping we can say that remittance receiver from 25-30 years ages are mostly responsible for taking care of their family and become more mature to think about their children's future and their responsibility to be a family member.

4.2.2 Sex Structure

Gender is the range of characteristics pertaining to, and differentiating between, masculinity and femininity. Depending on the context, these characteristics may include biological sex (i.e., the state of being male, female or an intersex variation which may complicate sex assignment), sex-based social structures (including gender roles and other social roles), or gender identity. Some cultures have specific gender roles that can be considered distinct from male and female. This section deals with sex structure of remittance receiver and has been included in the table 4.2.

Table 4.2: Sex Structure

Sex	No. of Respondents	Percentage
Male	80	66.66%
Female	40	33.33%
Total	120	100

Source: Field Survey, 2017

Table 4.2 shows the gender descriptions of migrants. Out of the total migrants 66.66 percent of them are male and only 33.33 percent of total workers are female. This study shows that most of the remittance receivers are male because main responsibilities of family are taken by males and Nepal is a patriarchal society.

4.2.3 Occupational Structure

Occupational status is one component of socioeconomic status, summarizing the power, income and educational requirements associated with various positions in the occupational structure. Occupational status has several advantages over the other major indicators of SES, which are most commonly educational attainment and personal or family income. First, occupational status reflects the outcome of educational attainment, provides information about the skills and credentials required to obtain a job, and the associated monetary and other rewards. For example, professionals are differentiated from manual workers by selection on educational attainment that influences patterns of remuneration. Occupational status is also likely to be a better indicator of income over the long term than is income information collected at any single point in time, because in the short-term, income can be quite volatile. Occupational status is a promising measure of social position that can provide information about job characteristics, such as environmental and working conditions, decision-making latitude, and psychological demands of the job. Table 4.3 highlights the occupational status of remittance receiver respondents of the study area.

Table 4.3: Occupational Structure

Occupation	No. of the Respondents	Percentage
Agriculture	46	38.33%
Business	28	23.334%
Teacher	16	13.33%
Private Job Holder	20	16.67%
Social Worker	10	8.33%
Total	120	100

Source: Field Survey, 2017

Table 4.3 shows that the occupational status of households in their house. Agriculture is the main occupation of remittance receiver, which is 34.84 percent. 30.30 percent has doing business.

4.2.4 Marital Status

Marital status is any of several distinct options that describe a person's relationship with a significant other. Married, single, divorced, and widowed are examples of civil status. Marital status are terms used in forms, vital records, and other documents to ask or indicate whether a person is married or single. In the simplest contexts, no further distinction is made. A status of married means that a person was wed in a manner legally recognized by their jurisdiction. A person's specified civil status might also be married if they are in a civil union or common-law marriage. In addition to those who have never married, single status applies to people whose relationship with a significant other is not legally recognized. Marital status affects the migratory movement of people. It is found that married are more received remittance amount than unmarried because they are compelled to care after their conjugal and family life.

Table 4.4: Marital Status

Marital Status	No.	Percent
Married	80	66.67
Unmarried	40	33.33
Total	120	100

Source: Field Survey, 2017

The survey shows that, 120.120 percent of the migrant people are married and 39.39 percent were unmarried. It shows that majority of the married people were received remittance amount.

This research also show that married foreign employee are more receiving remittance in emigration because they also have to look after their family and children, they have to pay tuition fee of their children and have to meet health budged the sickness for older members of their family.

4.2.5 Educational Status

Education is indispensable to individual and society, for without it there would be loss of all the accumulated knowledge of the ages and all the standard of conduct. An individual must learn the culture of the society or the accepted ways of doing things. He must be socialized into the prevailing culture and must learn the rules of conduct and expectations about future behavior. Education is one of the most important social characteristics of population. The educational statuses of respondents were presented in table 4.5.

Table 4.5: Educational Status

Level of Education	No	Percent
Under SLC	80	66.67
SLC pass	20	15.57
10+2	18	15
Above Bachelors	2	1.66
Total	120	100

Source: Field Survey, 2017

The research revealed that, 66.66 percent of remittance receiver are under SLC who can read and write as well as have passed primary level, out of this 15.15 percent is SLC passed, 13.63 percent have passed 10+2 level and 1.51 percent was able to complete their bachelors' level. Lack of quality and vocational education is the major cause of the people to seek employment in the foreign countries.

So, the Majority of the respondents are SLC passed and minority is Bachelor passed lack of knowledge, lack of employment opportunities, poverty and unstable political conditions are the major factors of doing labor in foreign country.

4.2.6 Relationship with the Foreign Employee

Relationship most often refers to: Interpersonal, a strong, deep, or close association or acquaintance between two or more people. Correlation and dependence, relationships in mathematics and statistics between two variables or sets of data. Table 4.5 shows the relationships with foreign employee.

Table 4.6 Relationship with the Foreign Employee

Relation	No.	Percent
Father	30	25
Mother	20	16.67
Wife/husband	26	21.66
Brother/Sister	12	10
Son/ Daughter	26	21.67
Relatives	6	5
Total	120	100

Source: Field Survey, 2017

4.2.7 Number of Family Members Going Abroad

Different numbers of family members of the sample households have gone abroad as shown in table 4.7:

Table 4.7: Family Member Going Abroad

Member	No of Households	Percent
1	108	90
2	10	8.33
3	2	1.67
Total	120	100

Source: Field Survey, 2017

Tables 4.7 shows the number of family members going abroad, 90.75 percent was 1 member, 6.75 percent were 2 members and 1.5 percent were 3 members.

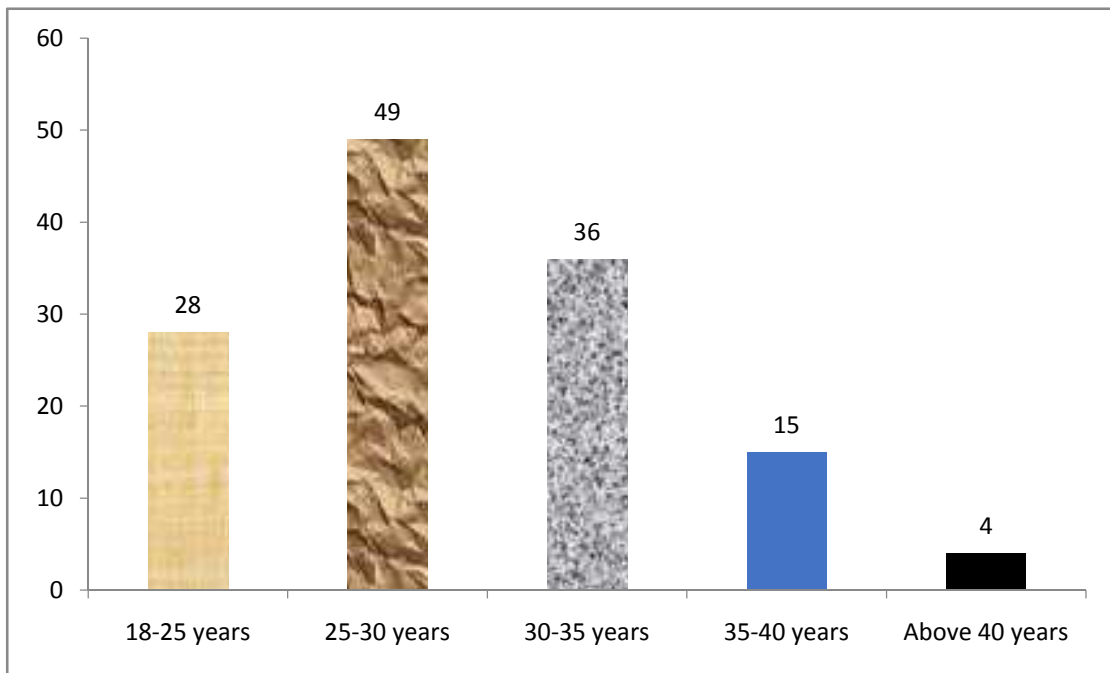
4.3 Status of Remittance

This section will describe about the foreign employee. A foreign worker is a person who works in a country other than the one of which he or she is a citizen. Some foreign workers are using a guest worker program in a country with more preferred job prospects than their home country. Foreign workers are often either sent or invited to work outside their home country, or have acquired a job before they left their home country, whereas migrant workers often leave their home country without having a specific job at hand. This section describe about age, sex, educational qualification, skill, country destination, medium of migration and causes of migration etc.

4.3.1 Age structure of Foreign Employee

All age foreign employees are not economically active and generate income to the family. Young age was involved in education or household activities such as cooking and taking care of their little brothers or sisters. Foreign employee above 40 years is also less active for income generation because they have household responsibility rather than earning. Their sons and other family members were considered earners. They mostly take care of small children in their home. Age ratio of the selected foreign employee is presented in figure number 4.1 providing the information about the distribution of the number of candidates in terms of age group.

Figure 4.1 : Age Group



The age distribution ratio of the study area shows that, the highest numbers of the foreign employee are between the ages of 25-30 years with 53.26 percent. The age between 30-35 years constitutes 17.39 percent of the total migrants, between the age 35-40 years constitutes 5.43 percent of the total migrants, at last 4.35 percent of the migrants are between the age of above 40 years. The highest numbers of the migrants are of the age group 25-30 years because they are the most economically active people seeking for job and employment opportunities.

So from the above age grouping we can say that foreign employee from 25-30 years ages are mostly responsible for taking care of their family and become more mature to think about their children's future and their responsibility to be a family member.

4.3.2 Sex Structure of Foreign Employee

This section deals with sex structure of migrants workers and has been included in the following figure.4.2, which helps to know how many peoples, is male and female workers who have gone for overseas employment.

Figure 4.2: Sex Structure

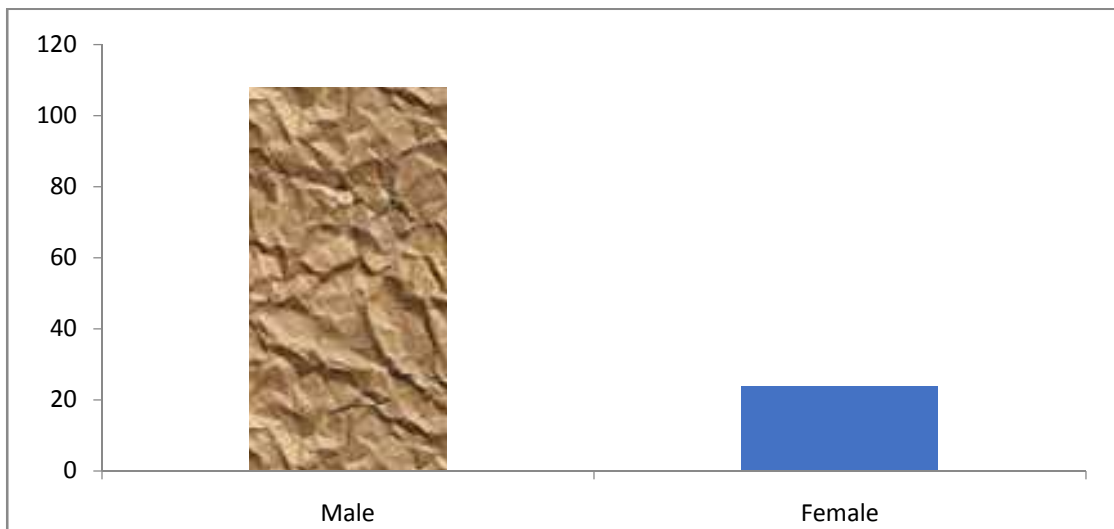


Table 4.2 shows the gender descriptions of migrants. Out of the total migrants 73.91 percent of them are male and only 26.09 percent of total workers are female. It means only few number of females have gone for foreign employment. This study shows that most of the migrant workers are male because main responsibilities of family are taken by males and Nepal is a patriarchal society.

There are two reasons of male foreign employee is higher than female: there is restriction of Nepali law and patriarchal structure of Nepali society where female are rarely allowed to work outside the domestic spheres.

4.3.3 Occupational Status of Labor Migrants of the Study Area

Occupation is another important component of socio-economic factors of migrants. People move from one place to another for better job opportunities. Figure 4.3.3 highlights the occupational status of the labor migrants of the study area. Figure 4.3.3 providing the information about the distribution of the number of candidates in terms of occupational status.

Figure 4.3.3: Occupational Status

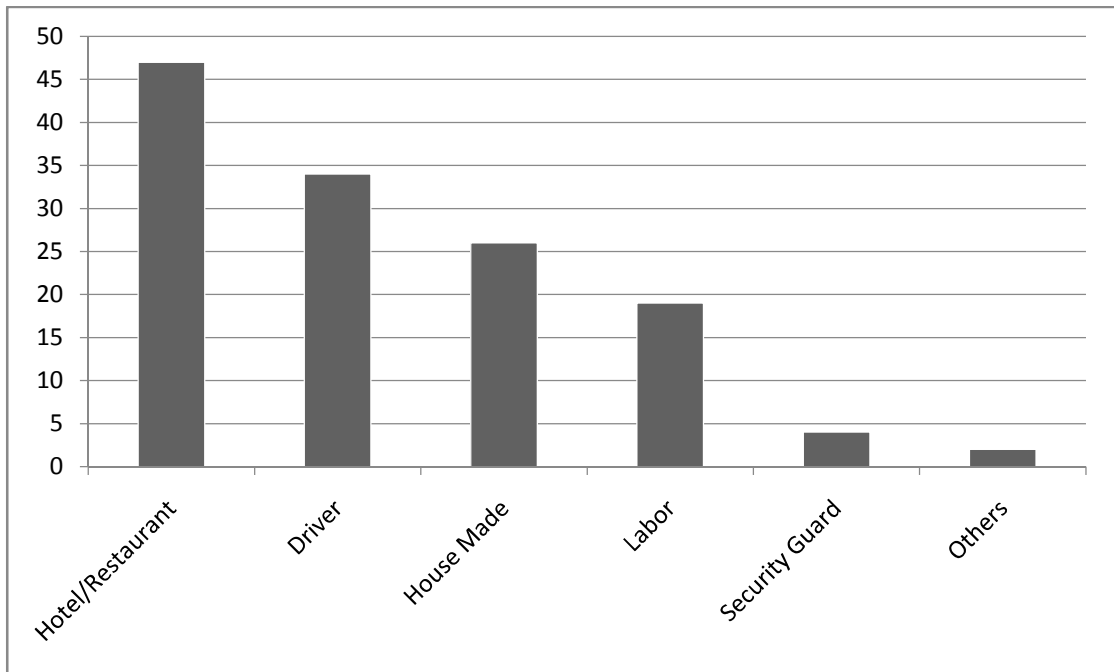


Figure 4.3 shows that the occupational status of labor migrants engagement in their work in their migrant country. Hotel and restaurant workers are highest than other occupations, which is 35.35 percent. This sector is attractive for the income in compare to other working area; therefore interested labor migrants have been learning hotel and restaurants skills before they migrated to the concern country. House maid 19.5 percent, security guard 3, and others 1.5 percent have these occupations in that foreign country. So, the majority is hotel and restaurant workers due good facility and salary.

4.3.4 Marital Status of Migrants of the Study Area

Marital status affects the migratory movement of people. It is found that married are more migrated than unmarried because they are compelled to care after their conjugal and family life.

Figure: 4.4 Marital Status



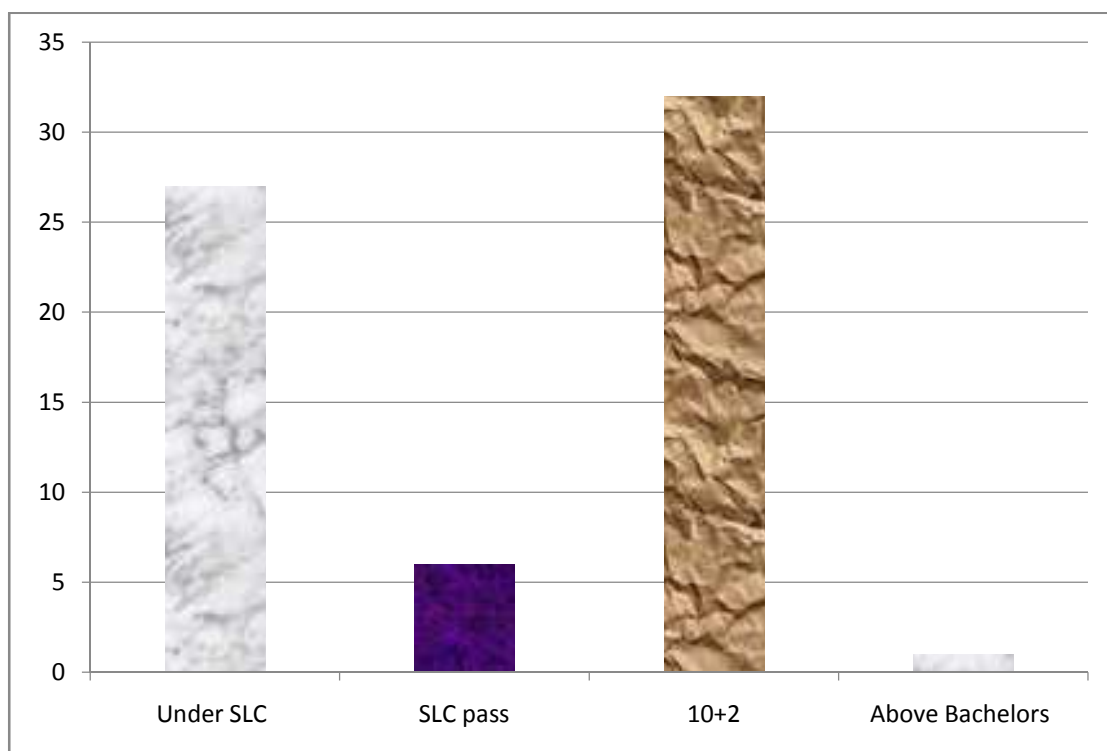
This field Survey shows that, 76.5 percent of the migrant people are married and 22.5 percent were unmarried. It shows that majority of the married people are migrated for foreign employment.

Figure 4.4 demonstrate that the majority of foreign employee are married, and this also show that married foreign employee are more interested in emigration because they also have to look after their family and children, they have to pay tuition fee of their children and have to meet health budged the sickness for older members of their family, this reason also forced them to go abroad.

4.3.5 Educational Status of Migrants of the Study Area

Education is one of the most important social characteristics of population. It is a vital and key factor for foreign employment. The quality of work and wages depends upon the migrant's skill and education. The following table shows educational status of the migrants.

Figure 4.5 : Educational Status



The research revealed that, 58.70 percent of foreign employee are under SLC who can read and write as well as have passed primary level, out of this 9.75 percent of the foreign employee is SLC passed, 47.25 percent have passed 10+2 level and 2.17 percent was able to complete their bachelors' level. Lack of quality and vocational education is the major cause of the people to seek employment in the foreign countries.

So, the Majority of the respondents are SLC passed and minority is Bachelor passed lack of knowledge, lack of employment opportunities, poverty and unstable political conditions are the major factors of doing labor in foreign country.

4.3.6 Destination Country of Migrants of the Study Area

In the process of migration, destination is another important and crucial factor. The destination is that country where migrant workers go for the work. The destination countries of the labor emigrants of the study area are shown in following table.

Table 4.6: Destination Countries

Countries	No.	Percent
Dubai	30	25
Qatar	26	21.67
Malaysia	24	20
Other Gulf Countries	16	13.33
South Korea	10	8.33
Others (/Us/Europe/Australia)	14	11.67
Total	120	100

Source: Field Survey 2017

Table 4.6 shows the destination countries of Nepalese migrants. Highest proportion 34.78 percent migrants go to Dubai, 17.40 percent migrants go to developed countries and 3.26 percent migrants go in India. The reason of going Dubai is the high demand of workers and easy process of emigration.

4.3.7 Skill of Foreign Employee

These sub-chapter mentions about the skills of foreign employees. Table 4.9 shows the various skills of foreign employee working in the destination country.

Table 4.7 :Skill of Foreign Employee

Member	No.	Percent
Hotel/Restaurant Training	40	33.33
Security Guard	30	25
Semi- Skill	24	20
Driving	20	16.67
Computer	6	5
Total	120	100

Source: Field Survey, 2017

Table 4.7 shows the skills of foreign employee working in the overseas. 34.5 percent have a hotel and restaurant training, 25.5 percent have a security guard training, 19.5 percent migrant are semi skilled, 15.75 have a driving training and remaining 3.75 percent have computer training.

So, the majority of the respondents have hotel training and minority have computer training because the most of the foreign employees are working in hotel and restaurant and less is working in office. There is high demand of unskilled and semi-skilled labor while not much demand of highly skilled manpower, Highly skilled manpower further have opportunities in the country.

4.3.8 Causes of Foreign Employment of the Study Area

There are various causes for going abroad for employment in the Nepalese context. Some major causes are lower living standard, insufficiency of food, cloth and lower quality of housing, insecurity and unemployment, landlessness and ineffective education system. Table 4.8 shows the distribution of important causes of migration found in the study area.

Table 4.8: Causes of Foreign Employment

Causes	No.	Percent
Indebtedness	26	21.67
Social Conflicts	14	11.67
Family Conflicts	12	10
Unemployment	40	33.33
Lack of Facilities	28	23.33
Total	120	100

Source: Field Survey, 2017

Table 4.8 shows that, 55.44 percent youth are going abroad due to the unemployment in the Municipality while 5.43 percent are gone abroad because of social conflict, 29.35 percent found going out due to lack of facilities and 3.36 percent youth were found gone out due to the family conflict and 6.52 percent went out because of indebtedness.

So, the majority of the youth of Municipality is going abroad due to unemployment and minority due to conflicts and indebtedness. In my study area there is lack of basic facilities like: computer, Latest accessories, furniture or other equipment etc. Unemployment is the major cause of migration which is the prevalent trend all over the country.

4.4 Present Status of Remittance

Remittances contribute largely to the national economy. The remittances sent home by the migrants affect development at both the household and national levels. At the household level, remittances help to reduce poverty, improve standard of living and attain higher educational levels. At the macro level, remittances could be used for entrepreneurship and productive investment which in turn increases job opportunities and income of the people. At the same time, remittance inflows help to augment foreign exchange reserves and improve the current account position.

4.4.1 Present Monthly Salary of Migrants

Income is one of the most important factors and can play a greater role for taking decision to migrate. Income gives the higher social status in our society. So, those people are taking decision to migrate whose income is lower than other members of the society. In Nepalese context, the major occupation is agriculture and it is seasonal occupation. So, many people are seasonally employed. Directly, it can be seen that people are taking decision for labor emigration because of unemployment and low income. Salary range of migrant workers is shown in table 4.11.

Table 4.11 : Income of Labor Migrants

Monthly Income (NPR)	Migrant Workers	
	No.	Percent
Below 15,000/-	0	0
15,000- 25,000	6	5
25,000 – 35,000	8	6.67
35,000- 45,000	60	50
Above 45,000	46	38.33
Total	120	100

Source: Field Survey, 2017

Table 4.11 shows that, among the labor migrants, 4.5 percent have a monthly salary of NPR 15,000- 25, 000, 6 percent have 25,000 to 35,000 salary, 51 percent have 35,000

to 45,000 salary and 37.5 percent have above 45,000 salary. The scale of salary is NPR 45,000 so the many workers are received around this.

4.4.2 Medium of Remittance

Most of the people do not know the formal process of foreign employment. Some youths are cheated by the brokers. In the process of foreign employment, some people do not have any ideas for going abroad. So they have to depend on brokers. Some time, the broker demand pre-payment from emigrant and deceive amount. The brokers deceive them in different ways. In this case, people are compelled to go abroad depending on assurance of salary, type of work, facilities as provided by the brokers without taking full information. In this study, area, some migrants have cheated in the process of foreign employment.

Table 4.12: Medium of Remittance

Medium	No. of Recipient Households	Percent
Bank	40	33.33
IME/Prabhu Money / Western money	60	50
Hundi	10	8.33
Relatives	10	8.34
Total	120	100

Source: Field Survey, 2017

Table 4.12 revealed that the 37.5 percent household receive money through bank, 45 percent through IME, 9.75 percent receive through Hundi services and 6.75 percent family receive through relatives.

It shows most of the migrants depend on IME services. IME is an excellent money transfer and it is easy to received money as well as quick customer service. The establishment of banking services has eased remittance facilities. Yet unavailability of easy banking channel, lack of knowledge leads to transaction via illegal means.

4.4.3 Duration of Sending Remittance

Remittances can generate a positive effect on the economy through various channels such as savings, investment, growth, consumption, and income distribution. These inflows can also contribute to stability by lowering the probability of current account reversals. Since they are a cheap and stable source of foreign currencies, remittances are likely to stem investor panic when international reserves are taking a downward trend or external debt is rising. At the community level, remittances create multiplier effects in the domestic economy, producing employment opportunities and spurring new economic and social infrastructure and services, especially where effective structures and institutions have been set up to pool and direct remittances. The duration of remittance is stated in Table 4.13:

Table 4.13: Duration of Remittance Sending

S.N.	Duration of Remittance	No. of Recipient Households	Percent
1.	Yearly	12	10.00
2.	In six month	40	33.33
3.	Quarterly	32	25.54
4	Monthly	20	16.66
4.	Not Regular	12	10.00
5.	Not receiving	04	4.47
	Total	120	100.00

Source: Field Survey, 2017

In the study area, 10 percent households receive money yearly, 33.33 percent receive in six months, and 25.54 percent households receive remittances quarterly, 16.66 percent households receives monthly, 10 percent household doesn't receive regularly and 4.47 percent does not receive any amount. .

So, the study demonstrates that the majority of respondents send money yearly and minority proportion not regularly due to the lack of time, not receiving salary in time and language problem etc of the members working abroad.

4.4.4 Amount of Remittance Receiving

Remittances can contribute significantly to local, regional and national economic development in migrant-sending countries and also play an instrumental role in reducing poverty as they flow mainly to poor and marginalized families. In many instances, remittances form a significant percentage of total household income, acting as a substitute for earned income lost to unemployment, illness, retirement, emigration, falling wages and crop failure, among others, and ultimately protect poor families against the erosion of what are already basic household assets.

Table 4.14: Amount of Remittance

S.N	Amount of Remittance (NPR)	No. of Households	Percent
1	Below 15,000/-	0	0
2	15,000- 25,000	6	5
3	25,000 – 35,000	8	6.63
4	35,000- 45,000	40	33.37
5	Above 45,000	66	55
	Total	120	100

Source: Field Survey, 2017

Table 4.14 and show that, of the total remittance receiving households of foreign employee, 4.5 percent households receive 15 to 25 thousands NPR monthly, 6 percent receive 25 to 35 thousands, 39 percent get 35 to 45 thousands and 49.5 percent above 45 thousands monthly when calculated the average.

The majority of migrants send money above 45 thousands and minority send 15 to 25 thousands because the most of the migrant's salary is above 45 thousands.

4.4.5 Uses of Remittance

The recognition that only a small proportion of remittances are utilized to establish small businesses, improve agricultural practices, or on other forms of 'productive' investment created disillusionment over the development impact of remittances among researchers and policy makers in the 1970s and early 1980s. In recent years,

the distinction between consumption and investment has been criticized by researchers that expenditure on these beneficial impacts is particularly strong for countries. ‘Consumption’ items such as health and education should be understood as investment in human capital. As an example, in both the short and long run, investment in education denotes an improvement of the educational infrastructure of the labor exporting economy.

Migrants, in combination with high productive physical capital, yield returns that are normally much higher than they would have been if the migrants were employed in their home country. The migrants’ family members, who stay behind in their home country, enjoy a higher standard of living through the migrants’ savings. Hence, expenditure on consumption and housing produces indirect multiplier effects, which encourage investment and output in related industries. Thus, making a distinction between the productive and unproductive remittances seems quite blur, and both contribute to livelihoods and development, with productive uses contributing more.

Table 4.15: Uses of Remittance

S.N.	Use of Remittance	Households	Percent
1.	Daily Consumption	20	16.66
2.	Build or Renovate House	44	36.66
3.	Pay Loan	22	18.35
4.	Education of Children /Marriage/ Buy Gold	18	15
5.	To Buy Land	10	8.33
6.	Medical Treatment	6	5
	Total	120	100

Source: Field Survey, 2017

Table 4.15 shows use of remittance income. 43.5 percent households use money for daily consumption, 14.25 percent used to build or renovate house, 16.5 percent paid loan, 13.5 percent use for education of children /marriage/ buy gold, 6.75 used to buy land and remaining 4.5 percent used for medical treatment.

So the majority is of expenditure is on consumption and minority is medical treatment. Here some households are solely dependent on the foreign employee for fulfillment of basic needs, they consume the daily good and services through remittance money so the remittance money used in consumption.

4.5 Economic Aspects in the Use of Remittance

In the study area, there are modern facilities like furniture, gas, stoves, television electricity and vehicles. The living standard of some household is like those of the urban areas. The living standards of the households have changed dramatically after the involvement of their family members in the foreign employment. Remittances have numerous economic and social benefits which are analyzed below:

4.5.1 Housing Condition of the Study Area

Housing generally refers to the social problem of insuring that members of society have a home to live in, whether this is a house or some other kind of dwelling, lodging, or shelter. The house structure shows the economic and social status of respondents in the society in Nepalese context. The types of house structure in this study area are shown in Table 4.16

Table 4.16: Housing Condition

Types of House	Before		After	
	Number	Percent	Number	Percent
Pakki	80	66.66	80	66.66
Ardha-Pakki	40	33.34	24	20
Tahara	0	0	16	13.34
Total	120	100.0	120	100

Source: Field Survey, 2017

Table 4.16 shows that, no body have *tahara* in the past and 12 percent have *tahara* in present time due to earthquake disaster. After foreign employment 120.75 percent have *pakki* house and in the past only 38.25 percent and 18 are *ardha pakki* in after the remittance.

This shows that construction of *pakki* houses are increasing trend. The people's income is high by receiving remittance. They are able to build new *pakki* house whose family members are in foreign country. Remittance income also served to build new houses and renovate houses after the earthquake.

4.5.2 Change in Facilities of the Study Area

Remittances generate a positive effect on the economy through various channels such as savings, investment, growth, consumption, and income distribution. These inflows can also contribute to stability by lowering the probability of current account reversals. Since they are a cheap and stable source of foreign currencies, remittances are likely to stem investor panic when international reserves are taking a downward trend or external debt is rising. At the community level, remittances create multiplier effects in the domestic economy, producing employment opportunities and spurring new economic and social infrastructure and services, especially where effective structures and institutions have been set up to pool and direct remittances. Table 4.17 shows the facilities of migrant worker's households.

Table 4.17: Changes in Facilities

Particulars	Number of Households Using the Service	
	Before	After
Motorcycle	26	120
TV / Radio	120	120
Mobile/ Camera	120	120
Furniture	120	120
Solar / Refrigerator	0	48
LPG/Bio Gas	6	120
Computer	15	120
Washing Machine	0	7
Others	2	12

Source: Field Survey, 2017

Table 4.17 shows that the change in facilities of foreign employees households. 21 respondents have motorcycle in past and now 38 respondents, 80 respondents have TV/ Radio in past and now 80 respondents but the version of TV were changed nowadays they were used latest televisions like: LCD, LED. Similarly, the using patter of mobile/ camera and Furniture were changed. There is no any households

were used solar in past and nowadays 7 family were used. The number of household family using LPG and bio gas has increased very significantly from 17.5 percent to 52.5 percent. Families using computer has also increased.

After receiving remittance the facilities of migrant's family were changed day to day. They consumed Vehicle, TV, Mobile, Camera, Solar, Refrigerator etc.

4.5.3 Change in Education of the Study Area

Education empowers the human being; it increases the status of living. Education provides people with the knowledge and skills to contribute and take benefits from development efforts. Education is a key indicator of human development. It has a positive role in the success of life. Primary education is a principle mechanism of fulfilling the minimum learning needs of the people needed for effective participation in the economic, social, political and civil activities. Table 4.18 shows changing educational status of the children of respondent's households after using remittance:

Table 4.18: Educational Status

Type of School the Children of the HHs Go	Before		After	
	No. of Respondents	Percent	No. of Respondent	Percent
Government School	80	66.67	40	33.33
Private School	40	33.33	80	66.67
Total	120	100	120	100

Source: Field Survey, 2017

Table 4.18 shows that, the educational status of children of the households of remittance users before and after. Before going abroad the majority of the respondents are government schools, i.e., 30.75 percent, and minority is private schools, i.e., 68.25 percent.

After the remittance the children going to private English medium school and community school increased. The child from the household receiving remittance going to Government school has decrease from 62.5 percent to 48.75 percent. So, the

study shows that quality of education is increased gradually in the remittance receiving households.

4.5.4 Change in Use of Health Facilities in the Study Area

Health check-up is necessary from the conception to everyday life. Due to the lack of awareness, poor economic condition, lack of facilities, etc. most of the persons don't go to check-up their health regularly. There were some changes in their life related to health status. The status of health check-up is presented as follows.

Table 4.19: Distribution of Respondents Changing Health Status

Health Institution	Before	Percent	After	Percent
Health Post/Medical	62	51.66	56	46.66
Hospital	20	16.67	40	33.34
Dhami/Jhakri	38	31.67	24	20
Total	120	100	120	100

Source: Field Survey, 2017

Table 4.19 shows that, the distribution of respondents changing health status. Before the receiving remittance 55.5 percent were check up health post or medical clinic, 14.25 percent were check up in hospital and 29.25 and 18 percent used to go to traditional Dhami Jhakri and after the remittance 42 percent were check up in health post and 39 percent were checkup in hospital. The numbers of households going for traditional methods have declined from 31.25 percent to 11.25 percent.

So, the study finds that there were little change in health status of foreign employees households.

4.5.5 Change in Economic Status of Households

There are both benefits and cost of out migration and remittance in the economy. They have also contributed to the living standard and their livelihood. It has helped to reduce the poverty level and enhanced income of the poor especially those in rural areas. These social concerns must be addressed to minimize the ill effects of out migration. The following table shows that the distribution of respondents by change in economic status:

Table 4.20: Economic Status

Households' Assets Changes	Number	Percent
Increase in land occupancy	28	23.33
Increase in furniture and other assets	66	55
Bank Account	26	21.67
Total	120	100

Source: Field Survey, 2017

Table 4.20 shows that, the change in economic status of the household's respondents. They were changed their daily life style and extra property. The research shows that, economic status is increasing trend. The poor have improved their living conditions owing to remittances from migration. However, there are several problems encountered by the migrant's working abroad. There are also social costs associated with the migration of wives and others, such as the breakup of families, domestic violence, and neglect of children.

4.5.6 Change in Household Income

Remittances denote "household income from foreign economies arising mainly from the temporary or permanent movement of people to those economies. Remittances include cash and noncash items that flow through normal channels, such as via electronic wire, or through informal channels, such as money or goods carried across borders. They largely consist of funds and noncash times sent or given by individuals who have migrated to a new economy and become residents there, and the net compensation of border, seasonal, or other short-term workers who are employed in an economy in which they are not resident. The comparisons of household income were explained in table 4.21.

Table 4.21: House Hold Incomes (Per Month)

Amount(NPR)	No. of Households			
	Before	Percent	After	Percent
Below10000	60	50	-	-
10000-20000	12	10	-	-
20000-30000	42	6	2	1.67
30000-40000	4	3.33	28	23.33
Above 40000	2	1.67	90	75
Total	120		120	100

Source: Field Survey, 2017

Table 4.21 shows the households income comparisons before and after the foreign employment. Before 27.5 percent households had 20,000/- to 30,000/- income, 21.25 percent 30,000/- to 40,000/- income, 15 percent above 40,000/- income. After remittance 77.27 percent have above 40,000/- income and 21.21 percent have 30,000/- to 40,000/- income. This research shows that after the remittance the income of households are in increasing trend.

4.5.7 Change in Household Expenditure

The relationship between remittance and expenditure can be explained theoretically by treating remittance as a source of income of remittance receiving households. Consumption models such as the life-cycle hypothesis and permanent-income hypothesis maintain that source of income does not matter in consumption behavior. The only objective of the household is to smooth income and consumption. Since remittances are a source of income among many sources for a household, the survey does not ask how households spend income according to the source. Moreover, since remittance income is fungible, it does not make sense to ask questions regarding which source of income is used for purchasing of what kind of goods. The expenditure of foreign employment in the study area is presented in Table.

Table 4.22: Household Expenditure (Monthly)

Expenditure (NPR)	No. of Households			
	Before	Percent	After	Percent
Below 10000	60	50	-	-
10000-20000	12	10	-	-
20000-30000	42	35	22	18.33
30000-40000	4	3.33	28	23.33
Above 40000	2	1.67	70	58.34
Total	120	100	120	100

Source: Field Survey, 2017

Table 4.22 shows that household expenditure of remittance users. The study compares the expenditure condition of family before and after. Table shows the household income. Earlier, 120 percent households had expenditure below 10,000, 28.75 percent had between 10,000/- to 20,000/- Nepalese Rupees, 11.25 percent spent 20,000/- to 30,000/- rupees.

After the foreign employment, 28.75 percent households have expenditure below 10,000, 36.25 percent spend 10,000/- to 20,000/- rupees, 30 percent spend rupees 20,000/- to 30,000/- income and 5 percent have household expenditure of above Nepalese Rupees 40000. This clearly shows that the remittance has helped to increase the purchasing capacity of the families of the households and the expenditure has increased significantly.

Total Household expenditure of 66 households in before NRs. 11, 13,000/- and after receiving remittance their expenditure was 28, 15,000. Hence, the results show that the expenditure patterns were increased after remittance.

The majority of the research on remittances is devoted on for what purpose the remitted money is used. The thesis also tries to identify the uses of remittances by classifying the household expenditure mainly on three sub headings: expenditures on food, expenditures on non-food items and expenditures on education. The expenditure on food is assumed to be consumption expenditure while the expenditure on non-food and expenditure on education is assumed to be investment expenditures.

Remittances can generate a positive effect on the economy through various channels such as savings, investment, growth, consumption, and income distribution. These inflows can also contribute to stability by lowering the probability of current account reversals. Since they are a cheap and stable source of foreign currencies, remittances are likely to stem investor panic when international reserves are taking a downward trend or external debt is rising. At the community level, remittances create multiplier effects in the domestic economy, producing employment opportunities and spurring new economic and social infrastructure and services, especially where effective structures and institutions have been set up to pool and direct remittances.

A significant portion of relevant literature on remittances argues that they are primarily spent on consumption, housing and land, and are not utilized for productive investment that would contribute to long-run development. In this context, the distinction between “productive and non-productive” uses of remittances needs to be reexamined.

CHAPTER V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

A thesis entitled 'Role of remittance in rural livelihood of Nepal: A case study of Sisautiya VDC of Sarlahi District has been conducted, the general objectives of the study are to examine the demographic profile of migrants worker of the study area, to explore the cause of migration and destination selection. to analyze the impact of remittances on rural livelihood and to analyze the impact of remittances in the development of society . This Study has been limited to 120 households. This study has been carried out on the basis of exploratory research design. This study has been based on the qualitative and quantitative both methods. This study has been based on the primary as well as secondary data, the structures questionnaire or an unstructured interviews and observations method has been applied to generate the primary data. The major findings of this research are as follows:

-) The age distribution ratio of the study area shows that, the highest numbers of the foreign employee are between the ages of 25-30 years with 45 percent. The age between 30-35 years constitutes 9.09 percent of the total remittance receiver, between the ages 35-40 years constitutes 12.87 percent of the total migrants, at last 10 percent of the respondents are between the ages of above 40 years. The highest number of the remittance receiver is of the age group above 40 years because they are the mostly active in household responsibilities.
-) The study shows the gender descriptions of migrants. Out of the total migrants 66.66 percent of them are male and only 33.33 percent of total workers are female. This study shows that most of the remittance receivers are male because main responsibilities of family are taken by males and Nepal is a patriarchal society.
-) Study shows that the occupational status of households in their house. Agriculture is the main occupation of remittance receiver, which is 34.84 percent. 30.30 percent has doing business.

-) This research also show that married foreign employee are more received remittance in emigration because they also have to look after their family and children, they have to pay tuition fee of their children and have to meet health budgeted the sickness for older members of their family.
-) The research revealed that, 120 percent of remittance receiver are under SLC who can read and write as well as have passed primary level, out of this 15.15 percent is SLC passed, 13.63 percent have passed 10+2 level and 1.51 percent was able to complete their bachelors' level. Lack of quality and vocational education is the major cause of the people to seek employment in the foreign countries.
-) There are various causes for going abroad for employment in the Nepalese context. Some major causes are lower living standard, insufficiency of food, cloth and lower quality of housing, insecurity and unemployment, landlessness and ineffective education system.
-) It shows most of the migrants depend on IME services. IME is an excellent money transfer and it is easy to received money as well as quick customer service. The establishment of banking services has eased remittance facilities. Yet unavailability of easy banking channel, lack of knowledge leads to transaction via illegal means.
-) In the study area, 30.75 percent households receive money yearly, 36 percent receive in six months, 4.5 percent don't receive regularly, and 27.75 percent households receive remittances quarterly.
-) The study show that, of the total remittance receiving households of foreign employee, 4.5 percent households receive 15 to 25 thousands NPR monthly, 6 percent receive 25 to 35 thousands, 39 percent get 35 to 45 thousands and 49.5 percent above 45 thousands monthly when calculated the average.

5.2 Conclusion

Remittances contribute largely to the national economy. The remittances sent home by the migrants affect development at both the household and national levels. This study shows that most of the migrant workers are male because main responsibilities of family and also shows there is male dominated society. Majority of foreign employee in the studied area are married, and this also shows that married foreign

employee are more responsible in sending remittance because they have to look after their family and children, they have to provide finance for the education of their children and have to meet health expenses for the older members of their family. This has been the main reason for going abroad.

In least developed countries like Nepal remittance is much used in consumption than in investment through the increase in saving. However consumption' items such as health and education should be understood as investment in human capital. The study finds that there were little change in health status of foreign employees households. In general the positive impacts have been seen in the socio-economic development of the Municipality through the remittance income. Increase in quality life, education, health facilities have improved. However no strong impact of saving and challenging remittance to production and investment seen. Longer term impact may not be good.

Receiving remittance and its use is very challenging and risky because of robbery of crime, unequal wages, increasing alcoholism, conflict etc.

5.3 Recommendations

Based on the above analysis, the following recommendations are offered as policy suggestions:

- i. A study that sheds more light on the poverty reducing role or potential of worker's remittances is suggested. Analytical tool involving the use of a poverty transition matrix for the affected community is highly recommended. What this means is that the research should be conducted within the framework of a household survey.
- ii. A future research on the developmental impact of worker's remittances to developing countries is suggested and such study should specifically cover other indicators of growth and development such as health, investment in human capital, housing, etc.
- iii. Most of the respondent in the study area are migrated in unskilled condition so they can not earn more income than skilled workers. Since, technical training institutions should be established in rural area and a person who wants to go

for foreign employment should be given training related to the nature work before sending him to foreign country.

- iv. Remittances impact positively through human capital investments such as education. There is a need for policies to increase literacy level and encouraging remittance-recipient households to continue investing in education. Education policies that advocate for the continued and increased enrolment of household members in primary, secondary and tertiary education should be adopted.
- v. Nepal is facing problem of general unemployment among youth. The employment opportunities are virtually non-existent in rural areas and currently it is predominant in city areas as well.
- vi. This situation led many youngsters to leave Nepal seeking employment in foreign countries with an expectation to betterment of their life. Literally, Nepal is exporting unemployment by just allowing people to leave the country and seek employment opportunities abroad instead of trying to create employment opportunities for them within the country.

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ANNEX-I
HOUSEHOLD
QUESTIONNAIRES SURVEY

A.1. Personal Information (One who receive remittance):

Name:

Age:

- a. Below 30 Years b. 30 - 40 years c. 40 – 50 Years d. Above 50 years

Sex:

Occupation:

Marital Status:

Education :

Relationship with the foreign Employee:

A.2. Household Information

SN	Name	Relationship with the household head	Age	Sex	Education	Occupation	Marital Status
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							

Age

- A= Below 15 years
B= (15-30) Years
C= (30-45) years
D= (45-60) Years

E= 60+ years

Education

- Illiterate = I
Who can read and write= N
Primary = P
Lower Secondary= L.S.
Secondary=S
Higher Secondary = H.S.
Bachelors and above= B+

Occupation

- Agriculture = Ag.
Service = T
Business = B
Student = S
Foreign
Employment = FE

Marital Status:

Married = M
 Unmarried = U
 Widow = W
 Separated = S

Sex :

M = Male
 F = Female

A-3)Number of family members going abroad;

A) One B) Two C) Three

B)Major Source of income

SN.	Sources	Annual Income	Remarks
1.	Service		
2.	Business		
3.	Agriculture		
4.	Remittance		
5.	Other		
6.	Total		

C) Details of Foreign Employee :**1) Personal Information****Age:**

a. 18-25 Years b.25-30 years c.30 –35Years d35-40 years. Above 40years

Sex :

a. Male b. Female

Marital Status :-

a) Married b) Unmarried
 c) Widow d) Separated

Destination : a) Malaysia b. India c)Qatar
 d)Dubai.e)other Gulf Countries d. Others.....

Educational Qualification:

a. Under SLC b.SLC pass c. 10+2
 d. Above Bachelor

Skills :

a. Computer b. Hotel Training c. Driving
 d. Semi-skill e. Security guard training f.
 Others.....

2.) Which medium was used as a means to go abroad for foreign employment?

- a. Employment agency..... broker.....
 b .Local
 c. Family members.....
 d. Relation/neighbor.....

3) In which sector does your migrated member work?

- a) Hotel/Restaurant b) Labor/Construction c) Driving
 d) Security Guard e) House-maid f) Others Specify...

4) What are the causes he/she to go abroad?

- a) Unemployment b) Indebtedness c) Lack of Facilities/Poverty
 c) Social Conflict d) Family Conflict e) others

D) Present Status of Remittance

1) What is the present salary of employee (per month in rupees)?

- a) Below 15000 b) 15000-25000
 C) 25000-35000 d) 35000- 45,000 e) 45,000 -65,000
 f) Above 65,000

2) Through which medium do you received remittance?

Medium	
Bank	
Ime	
Hundi	
Relatives	

3) How often do you receive the remittance ?

- a) Every Month b) Quarterly
 c) In six month d) Yearly e) Not

Regular.....

4) What amount of money do you receive as remittance per month?

- a) Below 15000 b) 15000-25000
 C) 25000-35000 d) 35000- 40,000 c) Above 45,000

5) Who decides to hold money? (Relationship with foreign employee)

- a) Father b) Mother c) Wife
 d) Husbands e) Brother f) Sister g)

Relatives

5) Change in Economic Status:

Posseson	Yes	NO	Cause
Increase in Land Occupancy			
Increase in Furniture and other assets			
Bank Balance			

6) Change in Household Income

Income (Rs.)	Before	After	Cause
Below10000			
10000-20000			
20000-30000			
30000-40000			
Above 40000			

7) Change in Household Expenditure

Expenditure (Rs,)	Before	After	Cause
Below 10000			
10000-20000			
20000-30000			
30000-40000			
Above 40000			

8) Are these activities supported by the remittance ?

- a) Completely i) Yes ii) No
b) To some extent i) Yes ii) No

Thank You