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Declaration

I, Manish Khadka, declare that this thesis is a result of my research investigations and findings. Sources of information other than my own have been acknowledged and a reference list has been appended. This work has not been previously submitted to any other university for award of any type of academic degree.

Signature..................................... Date...

Acknowledgement

Abstract

This study was conducted to estimate the level of Sustainable livelihood strategy of remittances for the residents of Balthali and Dewabhumi Baluwa Village Development Committee of Kavre district in Nepal. This research has examined how remittance received from local people at the study community perceive sustainable livelihood strategy and in what ways they think sustainable livelihood outcomes can be achieved at the community level. This study was more focused on remittances dependency, distribution and diversification in the households.

Eighty two HHs of Balthali and Dewabhumi Baluwa VDC´s were randomly selected for conducting a structured questionnaire survey together with unstructured in-depth interviews for data collection.

The results shows that there is no much dependency of households in remittances as their other income sources were sufficient to fulfill the basic requirements. Only the households with bigger sizes had problem to basic requirements. These were fulfilled by remittances obtained from the family members. Diversification index was seen two as least and six as the highest income source. The main income source was agriculture which managed people to obtain basic requirements. Other income sources were off-farm, income from livestock, income obtained, and remittances. The relation shows that the diversification of income increases with the absolute income. Distribution of remittances were also analyzed using Gini co-efficient. The result from the Gini co-efficient was a difference of 0.02 when the data was analyzes using with and without remittances.

Keywords:

Livelihood, Remittances, Sustainability, Diversification index, Distribution, Dependency, Diversification

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Chapter I

Introduction

This study seeks to analyze dependency, distribution and diversification of remittances in a rural community in Nepal. A household in a rural family in Nepal mostly has agriculture as a prominent source for living. Beside this, livestock and off-farm activities are a useful source of income. Our primary focus of this paper is to investigate the degree of dependency of rural household income on remittances. We are also trying to look at how remittances enter into people's different livelihood diversification strategies. Furthermore, we will also study the distributional profile of remittances and to what degree different groups depend on these incomes.

Remittances have emerged as an important capital resource for developing countries like Nepal as it has become a lifeline for economic development. Remittances simply mean the income in terms of money and goods that are sent by the migrants to their respective home countries. "Remittances can be defined as all current transfers in cash or kind, sent or brought from non-residents to resident households"(Poprzenovic, 2007, P-8). **"Sustainable livelihood"** is important in the development debate, especially in rural development, poverty reduction and environmental management. Livelihood is a way of making life possible by compromising people's capabilities, assets, income and other necessary elements to secure the basic element of life. Sustainability is a way of using resources without compromising the needs of an individual and considering them to preserve it for future generation (WECD, 1987). "A sustainable livelihood is often unclear, inconsistent and relatively narrow. Without clarification, there is a risk of simply adding to a conceptual muddle….."(Carswell, 1997; Scoones, 1998). "A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks, maintain or enhance its capabilities and assets, while not undermining the natural resource base"(Chambers, 1995; Scoones, 1998).

Migration in a community is a typical strategy for a family to obtain income, provide capital for investment (Adger, Kelly, Winkels, Huy, & Locke, 2002). Communities develop set of strategies and adaptation mechanisms to adjust with the changing environment using range of social-economic and cultural components (Cline, 2007). Remittance is a premium source for communities to overcome economic scarcity to withstand, cope and adapt to such changes

depending upon their adaptive capacity as well as scale, scope and intensity of economic nuisance. Remittances received increases consumption or investment in capital. This totally depends upon relative scarcity of either category within the expected return to the household economy (Adger et al., 2002). Taking this into the consideration, it can be seen as a part of wider resilience and livelihood strategies and boarder concepts of kinship and reciprocity as a part of informal insurance and networking processes. Remittance incomes are mutually interchangeable and cannot be specific. It can have indirect effects on other households and enterprises. Thus, the direct and indirect effects of remittances are not easily detected. Remittance flow has a direct effect on the distribution of income and asset accumulation with an indirect effect on resource user. The research carried out usually depict that the migration of the wealthy family remits greater level than less wealthy family when other things being relatively equal. This takes place due to motivation by their own inheritance. Migration and remittance easily compromise livelihood options. After the immigrant return from the sending areas, they enhance human, social, and cultural capital of the belonging country with an outcome of transnational networks (Adger et al., 2002).

There is an immense consensus that remittance can help poverty alleviation among rural households. Poor households directly depend upon remittances than the wealthier households. However, the wealthier households may have more income sources from remittances. A question is raised about the extent in which the poor households depend upon remittances for their living. It is also a matter of investigation to know how people depend upon remittances. A simple way of measuring economic dependency is to measure the share of income derived from remittances sources relative to all other sources (Kamanga, Vedeld, & Sjaastad, 2009). It is also a useful debate to see the dependency relative to overall poverty and availability of other income options. Diversification strategy is a dynamic adaptation process (Kamanga et al., 2009). This is created when rural households construct a very diverse portfolio of activities and assets to survive and improve their standard of living due to huge pressure and opportunities. Income diversification could be a major driving tool for household to survive during shocks and stresses. As they don't have to rely wholly one income source for living. Remittance can bring income diversification in a household. Household can diversify sources of income from the obtained remittances. For instance, agricultural dependent household can establish a small scale industry and strength source of income for living. They also can broaden the available agricultural resources or amplify the present number of livestock to increase income sources. It is also a matter of concern to know the extent to which diversification of income enter due to

remittances. It can also be examined how remittance enters into current consumption, safety nets and "pathway out of poverty".

Poverty is a state at which people realize themselves as a non-human being due to lack of well-being (Kamanga et al., 2009). Poverty can be measured as consumption level, expenditure, income or through assessing asset clusters. A majority of poor people in the world live in rural areas and remittances have been an important source of income accessible for poor people. Even in a poor community, one can observe substantial wealth difference between groups of household. It would be great to determine how remittances have affected on household income. Is it possible that it can have an equalizing effect on household income? This is a great matter of concern that would be raised in this paper. Poverty and remittance income relationship can be investigated in different ways. The important well-known tools are using income quintile analysis, Gini-coefficient analysis with and without remittance income and absolute or relative Kuznets ratios. Kuznets ratios can be measured by measuring the relationship between the 20% less wealthy and least wealthy sample share of total and remittance income (Kamanga et al., 2009).

Several factors determine household utilization of remittances. Some are concerned with household characteristics. Larger households more depend on remittances compare to small households because of more mouth to feed (Mamo, Sjaastad, & Vedeld, 2007). Educated household can tap into income flows and natural stocks in a better way. The age of the head of the household may be positively related to remittance utilization. It can have a positive effect till the age of the house head reaches to a peak of physical strength. However, it is necessary to find out how it works in our data.

The purpose of this study is to determine the extent to which people in Nepal depend on income from remittances. In order to obtain this, it is a necessary step to look at the existing data from a selection of studies of remittance incomes for poor people in Nepal. This will contribute to the policy debate on the role of remittance income as a safety net, gap- filter and contribution to long-term poverty reduction. It is necessary to enhance the manner in which data on remittances are gathered and can be incorporated into poverty assessments. This can also be analyzed from findings arrived from other reports. Following research questions are formulated to address the problem identified:-

1. What is the level of dependence on remittance incomes?
2. What is the distribution of remittance income between different groups of households in the sample?
3. How does the remittance income relate to strategies for household diversification?

This paper can be used as a guide for better understanding of livelihood, designing or planning of development intervention for achieving sustainable and resilient livelihood outcomes through remittances.

Area Description and its background

The average per capita GDP was about $240 ($1,420 in purchasing power parity), with 42 percent of the Nepali population lived on income below the poverty line in 1995- 96 (Lokshin, Bontch_Osmolovski, & Glinskaya, 2010). Nepal is one of the poorest country in the world that lies between two powerful countries, India and China, whose economies are growing rapidly. Nepal could be an important transit point of development due to itself being located between India and China. But in fact, it was dependent on monsoon rain and remittance inflows for holding its economic development. Nepal can develop in hydro-electricity as it has huge potential in it.

Nepal's GDP stood at 3.5 percent growth in the year 2011. It seemed like the social indicators remained below the average of South Asian Countries (Thapa, 2013). There was unsatisfactory progress in health and education, especially for women. Life expectancy for women was lower than men. Agriculture was considered to be the major economic source for people living in Nepal. It was considered that the agriculture was the major income source for 66 percent of country's labour force (Thapa, 2013). Agricultural dependency was even getting worse due to lack of irrigation and more dependent on monsoon rain, lack of farm labour, lack of chemical fertilizers, political instability and inconvenient to market access. The estimated GDP per capita income was $1300 in 2011 (Thapa, 2013). The income from remittance was emphasized to hold the measure economy of the nation. Remittance was well known for improving development in Nepal. It was estimated that more than 500 people in a day were going abroad for foreign employment and around 100 billion rupees per year was entered into the country (Gaudel, 2006). Remittance was useful to finance lower and poor households to fulfill basic

requirements. Lower class people used it for consumption, housing, children's education and health care and also to pay bills. It was a good source in middle class or rich households to provide loan for going abroad or implementing it for business and entrepreneurial activities. Remittances uplifted Nepal when it was going through natural calamities, political conflict, people war and economic recession.

Income from remittance stood in fifth position among the income source in Nepal (Thapa, 2013). Remittance was playing a vital role in decreasing poverty in Nepal. "The Second Living Standard Survey had indicated that the remittance was the major contributor behind the decline in people living below the poverty line from 42 percent to 31 percent" (Thapa, 2013, p. 23). World Bank placed Nepal in second place after Bangladesh, in receiving remittance among the least developed countries in south Asia (Thapa, 2013).

Nepal had a very long history of emigration for job opportunities and international labour. Nepalese manpower had been a very a good source for foreign army's recruitment. It had been a trend to join Indian army and British army right from the past. It had been considered that 250,000 people served in 42 Infantry battalions during World War II for the British Empire and 60,000 Nepalese died (Thapa, 2013). Besides this, there were many Nepali people migrating to Darjeeling, Assam and Burma for job settlement. It had always been very easy for Nepalese to go and work in India due to free broader. Later on it became a trend to go to the gulf countries for seeking jobs. The recent trend shows that the Nepalese people go to East Asian countries for job placement. It was mentioned from the Nepal Living Standard Survey 2010/11 that 56 percent of the Nepalese families living in Nepal received remittance from outside the country (Thapa, 2013). Malaysia was the most popular destination for the foreign workers in Nepal. It was only the age between 18-40 years old, people migrating to foreign countries for job placement (statistics, 2009).

Nepal was a country of exporting labour for decades (Gartaula, 2009). Most of the people living abroad were temporary migrants. The amount of remittance increased due to increase in out-migration. From the year 1996- 2006, the Maoist insurgency forced the rural youth to go away from villages. The labour out- migration increased due to political instability. It seemed like more people migrating in India as this pattern was very obvious right from the past, migration in gulf countries, Europe and USA had started since 15 years ago (Gartaula, 2009). Remittance is a major source of economy in the present situation of Nepal. The youth are always looking for migrating abroad to improve their economic standing and better future and prosperity. Agriculture has been always a major source to uphold the economy of the nation, but it is slowly

decreasing due to young labour force out-migrating time and again. Population in the rural areas is decreasing simultaneously as they are migrating to urban areas for better education, in search of jobs and in the greed of getting better facilities. Government of Nepal is not able to bring some effective plans and policies to subsidies agriculture so that these young, energetic people can find a better future in agricultural fields. They are compelled to go to the cities or the trend has changed gradually as they have been found to out migrate to stable and better future. This might help to strengthen the economy of the nation for some instance, but it has very serious negative impacts in the development of the nation. The young and the energetic youth of the nation are considered to be the pillar of the nation. They are the real source of the nation for its development. This will hinder the development of Nepal in the long run.

The census of 2011 estimated that almost 15 percent of the total population of all age groups is found to stay away from home. 23 percent of the absentees were adult aged 15 years and above, 6 percent is the aged under 15 years, 21 percent are students and 51 percent are working migrants above 5 years of age and 29 percent of the total households have at least one person living abroad (statistics, 2009). In total, households, 30 percent of them were receiving remittance. This amount might be coming from the absentee or from some other person. The approximate calculation of the average overall households receiving remittances was 19,721 rupees in the last 12 months (statistics, 2009). These amounts were mostly received from countries like India, Malaysia, Saudi Arabia and Qatar. Qatar is a main destination for people for obtaining remittance. Countries like Saudi Arabia and India are also considered to be other sources of remittances in Nepal. The per capita remittance of the entire nation is Rs.4042 (statistics, 2009).

Global remittance trends and outlook

It was analyzed that developing countries are receiving US $435 billion in 2014 which is 5% higher than last year (Dilip Ratha, 2013). This trend will rise the remittances to moderate to 4.4% in 2015. This will raise the flows to US$454 (Dilip Ratha, 2013). Remittances are becoming very essential source for developing countries from extending external funds. They are considered as larger than the total foreign direct investment in developing countries excluding China. They have become very reliable source for bringing in foreign currency. It has greatly helped to sustain the balance of payments and dampen gyrations (Dilip Ratha, 2013).

It has been estimated that almost 14 million people born in India living abroad by 2013. This is considered to be the largest immigrant stock in the world (Dilip Ratha, 2013). India receives the largest remittances in the world in 2014 (Dilip Ratha, 2013). Other countries receiving remittances are China, the Philippines, Mexico, Nigeria and Egypt (Figure 1.3). Though, large amount of money is flowing into larger countries, it makes up a small share of GDP. But, remittances have been significant contribution for smaller countries as they have haunted to rely on remittances to the farthest extent. This can be illustrated by bringing up the fact that remittances as a share of GDP amounted to 42 percent in Tajikistan, 32 percent in the Kyrgyz Republic, and 29 percent in Nepal (Dilip Ratha, 2013).

Remittances to South Asia are rebounding strongly in 2014

There has been just a moderate growth of remittances in 2013. But, in 2014 remittances in SAR are expected to grow by 5.5 percent to over US$ 1 (Dilip Ratha, 2013). India is the largest remittance recipient in the world. It is considered to expand by only 1.5 percent in 2014 to US$ 71 billion (Dilip Ratha, 2013). It shows that Pakistan represents as the country with the highest growth of remittances ($16.6) followed by Nepal (12.2 %) and Sri Lanka (12.1%). In Nepal, migrant workers rises to 16% in fiscal year 2013-14 in comparison to the previous year (Dilip Ratha, 2013). This has doubled the rates since 2010 in the remittance's growth. Remittances seem to be very favourable in SAR (South Asian Regional). The trends seem to be growing in India and continually expanding in Nepal and Bangladesh.

The Trend of Foreign Employment in Nepal

Nepal has not been able to generate enough employment opportunities for the labour force. As a result, more people are entering into foreign employment every year due to the huge unemployment rate in the nation. It is a huge challenge for the nation to provide employment at the human resources existed within the nation. The official data shows that more than 3 million people are going for foreign employment (Dhungana). The foreign employment has really brought economic prosperity in rural Nepal reducing poverty. It has been estimated that 2,358,710 Nepalese workers are going for foreign employment (Dhungana). Among those countries, Malaysia stands first destination country with the highest foreign employment at 742,363(32%) followed by Qatar with 661,555 (28 percent), Saudi Arab with 478,716 (20 percent), and UAE with 301,072 (12 percent). Likewise, 55,222 (2 percent) are in Kuwait,

28,723 (1 percent) in Bahrain, 17,674 (1 percent) in South Korea, 13,944 (1 percent) in Oman and 57,089 (3 percent) in other countries (Dhungana). There are genuine reasons for them to migrate. This is due to less employment opportunity, political instability, low salary structure, government liberal policy and higher demand for the labour in the industrialized Asian and middle-east countries. Most of the Nepalese working abroad have family members in Nepal. These people have to send money back home to feed and give a better life in Nepal to their beloved family members. Among the students who have been to foreign land for higher education do not want to return because of insecure future and lack of job opportunities.
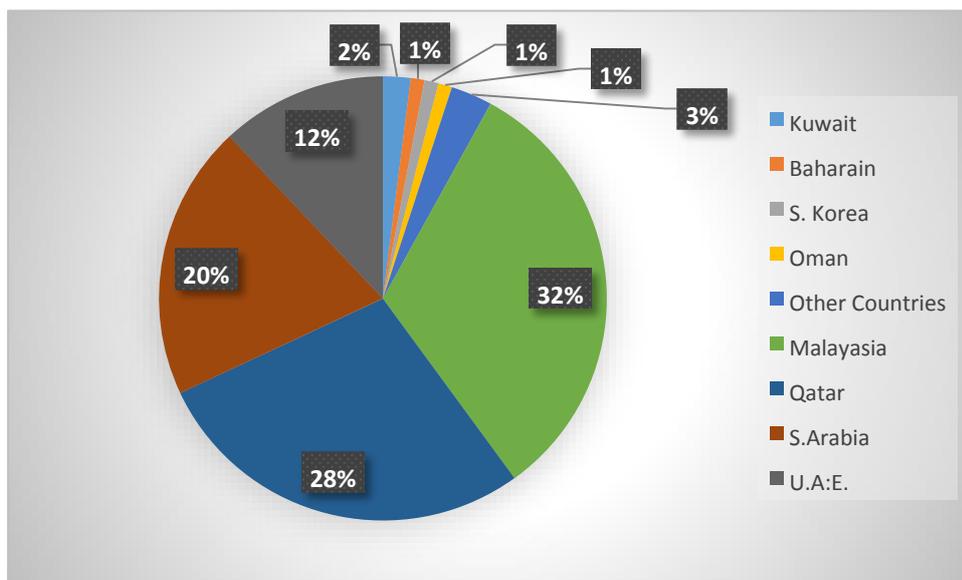
Source: Economic Survey, 2010/11

Chapter II

Literature review

Motivations for remittances

Remittances are obtained from migration. These remittances obtained can have a positive impact on economic growth. It can alleviate poverty in migrant sending countries and also mitigate the impact of adverse shocks (Mishi & Mudziwapasi, 2014). The family ties in terms of mutual caring is considered to be the major reason for remitting. "According to Johnson and Whitelaw (1974), Altruistic motivations for remittances". Lucas and Stark (1985) states that the most obvious motive for remitting is pure altruism- the care for migrant for those left behind (Chami, Jahjah, & Fullenkamp, 2003). Furthermore, the main theoretical determinants of remittances are altruistic, insurance, the bequest motive, loan repayment, and the exchange motive. The neoclassical micro-economics define migration as an individual strategy for own income maximization considering it as an individualistic behaviour contrary to altruistic tendencies (Mishi & Mudziwapasi, 2014). But, an individual migrate when expected gain exceeds from staying at the origin. Migration is also a strategy of a family to overcome financial crisis. For example, a member in a household migrate due to loss of employment. The family observes migration as a portfolio of diversification as remittances obtained can have positive outcomes. Diversification strategy becomes an important adaptation process that runs within havocs and opportunities that rural household creates in order to accumulate assets which help them to survive and improve their standard of living (Kamanga et al., 2009).

The migration is considered to be cumulative causation with no beginning and ending (Anderson, 2011, p. 63; Faist, 1999). Migration takes place when there is a network connected through interpersonal relation. The accumulation of resources occurs which can be in the form of finances in order to access migration. The resources like human capital are gathered either from previous accumulation, remittances from some other migrants or it can be through loans from banks or informal institutions. This makes a person more potential to migrate. In order to mobilize these resources, a costly payment is made to migration agents, human smugglers, illegal immigration and other illegal activities. After arrival to the destination, it takes a long time and difficult processes for the person to get established. From the previous connections, the migrant secures his income and a home. After these needs are fulfilled, the migrant start to accumulate resources and start to transfer them into the home country to their relatives through networks. Now, it is the receiver who makes a concrete decision to utilize resources to facilitate

migration. After the resources are secured, a plan can be made to enter the same cycle again. In every migration, Pries argues, "serves to alter the framework within which new migration decisions are made" (Anderson, 2011; Pries, 1999, pp. 24-25). Migration can have a direct effect on poor people's livelihood. Migration can also be a social security mechanism as it helps to obtain remittances for poor household and protect them from adverse shocks like sudden loss of employment. Remittances are a direct aid that flows to an individual household without debt. The impact can be felt instantaneously as it overcome the financial constraint and resuscitate household financial being at minimum cost. It also contributes to long term development through investment in education, land and small business.

International immigration is very beneficial for improving the global allocation of labor and reducing global unemployment. It has increased remittances from high income developed countries to low income developing countries. It has also a negative implication as best human capital from developing countries are heading towards developed countries. Since, these manpowers are highly educated, innovative and risk taker in the society. The trend of migration from Nepal to the developed world is increasing rapidly every year. Remittances obtained from migration is not only the major source of household, but it is an important source of investment. Remittances are considered as stable Social Safety Net that positively affect household consumption and human capital formation. Social Safety Nets in low income countries are very crucial for the existence of some household and it can lead to poverty reduction in the long run. In developed countries, Social Safety Net is generally offered by the government. These are mostly obtained from informal mutual insurance among family members or community group. Especially a country like Nepal, which is more dependent on low productivity and subsistence agriculture for their livelihood, the immediate need of social safety nets during crop failure or illness can be fulfilled by remittance.

Immigration is considered to be transnational social space (Levitt, 2005). This means that the immigrant do not possess a severe relationship with the home country, but they forge and sustain multiple linkages within it and configured strong identity in relation to both home and host country (Schiller, 1995). The twenty-first century immigrants belong to two societies simultaneously (Levitt, 2005). They become incorporated into the institutions and patterns of daily life of the country in which they reside. At the same time, they maintain connections, build institutions, conduct transactions, and influence local and national events in the countries

from which they migrated (Markley, 2011). Migration in today's world is more emphasized for people who stayed behind rather than it is about people who moved out (Levitt, 2005).

Thus, People who migrate only leave the country, but they don't abandon it (Glick-Schiller, 1999). It had so strong connection between migrant and non-migrant that their social, political, cultural and economic changes take place due to social exchanges between them. This exchanged can be renamed as remittances or understood as the economic remittances. It can be understood as the transfer of money and goods from migrants to their relatives or friends in the homeland.

The remittance income and poverty link

Remittances can be measured as the sum of workers' remittances, compensation of employees and migrant transfer (Poprzenovic, 2007). The total amount sent by immigrants to the home country who lived more than one year is workers' remittances. The total net worth of migrants is migrant transfer. The amount sent by migrants who have lived abroad less than a year is compensation of employees.

Poverty level is an important criteria in livelihood assessment. Absolute "poverty line" can be measured by various measures on the basis of income or consumption level. Gini-co-efficient is an important measure of relative poverty and inequality (Scoones, 1998). Remittances can be the most important source to decrease poverty line. Remittances received can reduce the poverty gap between the people living in a household. Remittances obtained can make peoples' well-being to become self-esteem, secure and happier. They are becoming purchasing power that transfer from relatively richer to relatively poorer members of a family or community. They are able to reduce poverty, but affect labor supply by providing working capital and smoothing consumption. They increase household spending. Especially, the male counterpart of the family is abroad so the family is mostly headed by women or older family member. Remittances are mostly used for financing consumption or invested in human capital like education, health and improvising nutrition. Remittances are a good source for helping smooth consumption of food sources for families having less cultivated land but better education. International remittances have reassured poverty of the poorest households (Wagh & Pattillo, 2007). Remittances obtained are mostly spent on domestically produced goods and it has significantly raised the consumption level of rural households. It depends upon the size of the sample to illustrate the direct impact of remittances on poverty and inequality. Migration increases rural inequality as

only prosperous households are able to finance the member of a family for getting better employment in urban areas and abroad. Migrants having relatives in destination countries have low cost of migration, thus remittances cannot affect inequalities in the recipient country (Wagh & Pattillo, 2007). The researches done previously on local basis have found that remittances have improved the well-being of poorer rural household. The large sampled bases, researches have concluded that remittances tend to lower poverty.

Roles of remittances in rural livelihoods

Income diversification is very usual feature of rural livelihood strategy in poor countries. Most households in a rural family have broad sources of income. Income diversification is also a risk reducing strategy so that people in rural family can overcome with different shocks that can come across time and again. Single activity is not sufficient for the family to survive. Different activities performed are seasonal and not long lasting throughout the year. There is no good functioning of the market of each activity performed thus diversification becomes an optimum source of living.

Diversification becomes an obvious source due to high transaction cost (purchase and sale price wedges) that makes farmer to achieve self-sufficiency in food production. Remittances have become useful sources for living due to absence of labor market, which will shut down possible avenues of income diversification. Poor households usually in the developing countries rely on agriculture as an important source of living. Agriculture cannot be a very convenient source for livelihood strategy as it does not allow households to survive during shocks and stresses. It has been clearly interpreted that crop insurance and shortage of liquidity are important constraints that every households face time and again while relying on agriculture for basic needs. This indicates to diversify away from agriculture and explore migration, remittances as a source of income. Remittance incomes dignify not only the migrants, but also families that stay behind in the village. The New Economics of Labour Migration (Nanedia) clearly explains that remittances are the major source that diversify households from agriculture to non- farm activities especially in the rural household. Diversification strategy is a very important adaptation process that runs within havocs and opportunities that rural household creates in order to accumulate assets which help them to survive and improve their standard of living (Kamanga et al., 2009). Rural households usually chose to liquid resources through migration

and remittances. But, there is little evidence that they directly relate remittances as a household decision to undertake productive investments in the non-farm sectors. Dustman and Kirchkamp (Nanedia) clearly suggests that non-farm activities become significantly important for migrants due to credit constraints felt deeply during the migration period. It becomes his choice after returning to his nation to indulge in non-farming activities. Others like Ilahi (1999), with data from Pakistan, and Mesnard (2004) and Mesnard and Ravallion (2006) for Tunisia (Nanedia) suggest that the accumulation of assets that they have saved during the stay at foreign land is a convincing factor for them to choose non-farm activities when they returned home. They focused on using foreign accumulated savings to implement in non- farm activities, but not the remittances that the rural households obtained for purposes of income diversification.

It is necessary to evaluate person's dependency on remittance income. A simple way to measure the dependency is by evaluating the share of income derived from remittances relative to all other sources. It can also be measured by comparing relativity to overall poverty and the availability of other income options. Livelihood approach is a better way of examining income from different sources and the different assets accessed by different income groups. Remittance income plays a vital role in the adaptation over time of particular livelihood strategy of the asset status of households. We assume that the role of remittance income can be determined from differential accesses to land, labor and capital. A key issue to figure out is the remittances use and its dependency among different groups at a local level. Several factors may influence household utilization of remittance income. Some major concern are household characteristics and others tend to be contextual. Household size may have direct influence on remittances, but it can be predicted that larger households may have more dependent on remittances. This can be due to more mouths to feed and less opportunity to find a job within a community or family. Education may help people to go to countries where more income can be generated. Otherwise, people with less education compel to earn a less amount by working abroad. The age of the household may have a positive relation to remittances as young people have more opportunity to go abroad and maximize earnings. Absolute income and wealth may have a linear relationship to remittances as people with higher income sources can only afford to go abroad and earn remittances. But, it can also be an adaptation to coping strategy for poor household as poor can invest a certain amount to maximize earning through remittances.

Wealth distribution can be distinguished from absolute and relative remittance income along with knowing the variation across groups. Remittance income occupies a large portion of absolute household income does not mean that the overall extraction is high. Household income can be increased by international labor migration by obtaining remittances in Nepal (Seddon, Gurung, & Adhikari, 1998). Usually, the rural household seeks for employment within Nepal. Especially, in the bureaucracy and public services. They also try to establish themselves in business and commercial enterprises in the private sector rather than emigrate in search of foreign employment. This shows that the wealthiest rural households are less involved in search of foreign employment than "middle ranking" social classes. But, these wealthiest households get involved in foreign employment only if they get better paying and more secure employment than others. The Poorest household has a relatively higher entry cost and have less probability of securing well-paying jobs. This ultimately results to obtain lower remittances. The NLSS report shows that among 23 percent of households receiving remittances, the poorest quintile households have proportion of only 19.2 percent compared to the wealthiest household receiving 23 percent and second wealthiest category receiving 25.1 percent (Seddon et al., 1998). The NLSS report also shows that the average value of remittance received depicts major differences between the different categories of household. "The two poorest categories of household averaged Rs.7, 129 and Rs 8,056 a year, respectively; the third and fourth averaged Rs 12,396 and Rs 10,322 respectively; and the wealthiest category averaged Rs 30,597-more than four times the average value of remittances coming into the poorest households" (Seddon, Gurung, & Adhikari, 1998,p-9).

There has not been enough studies done on migration and remittance for Nepal. Most of these existing studies have focused on the evolution process or determinants of migration (Acharya & Leon-Gonzalez, 2013). Remittances impact on child welfare and household consumption was conducted and the result shows that the elasticity of consumption from remittances is highly lower than that of non- remittance income for all consumption categories (Milligan, 2009). Also, increased migration for work have resulted in contribution of one-fifth of poverty reduction in Nepal during 1995- 2004 (Acharya & LeonGonzalez, 2013). But, this did not make any difference in reducing income inequality rather produce positive significant relationship.

Chapter III

Methodology

Study Area
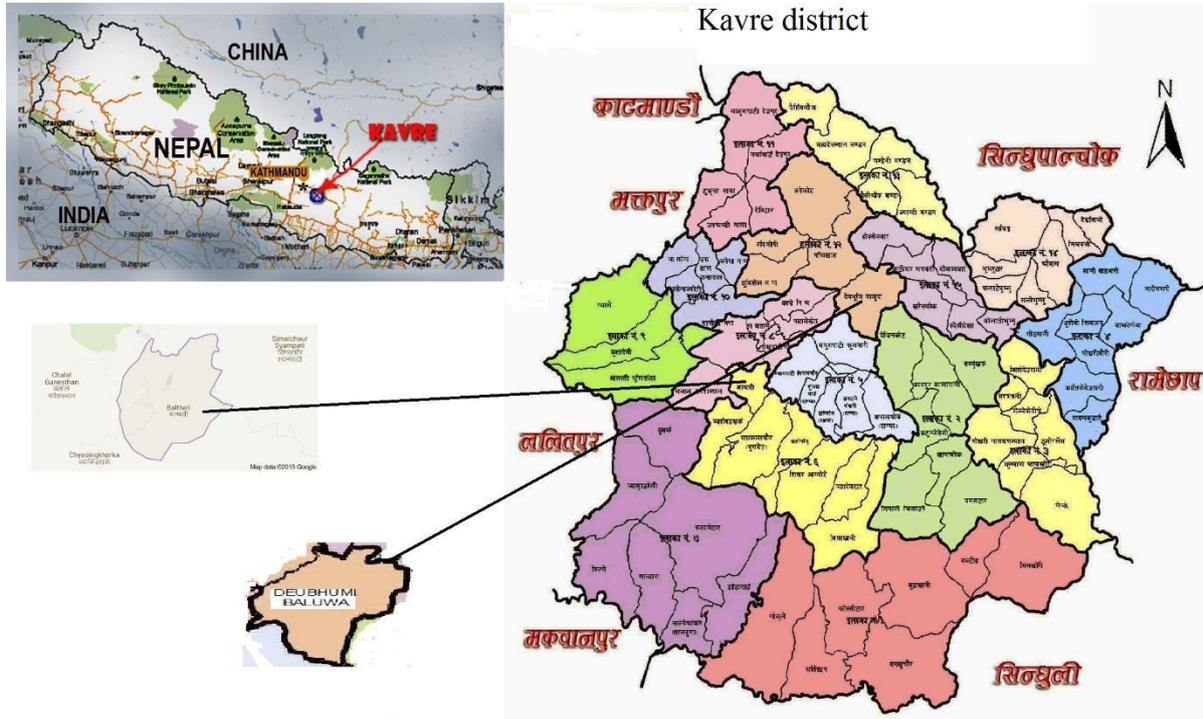
Figure 1: Map of Nepal showing Kavre district, Balthali and Dewabhumi baluwa VDC

The study was conducted in Balthali and Dewabhumi Baluwa Village Development Committee in Kavrepalanchok District in the Bagmati zone. Balthali is a plateau, which lies beyond the ancient village of Panauti. It is a small local market in Kavre district located almost like 40 Km away from Kathmandu. It is considered to be the junction of Roshi and Ladku stream and is located at the latitude of 27.54 degree N and longitude of 85.54 degree E. The total population of this VDC is 2473 from the 1991 census with 660 households. . Balthali village has 645 mud bonded bricks/ stone houses. It has 6 cement bonded with 4 RCC pillar houses. This village has mostly galvanized iron roof. Some of them have tile /slated roof and very few have thatch/ straw roof. Most of the houses have tap water for drinking water purposes and some of them have uncovered well. Firewood is the main source for cooking. Some of them also use bio gas and LP gas. Electricity is the major source for lightening. Some houses also have kerosene. Most of the houses have a flush toilet and some also have ordinary toilet. But there are many households

where there are no toilets at all. Most of the houses here have a mobile phone, television and radio. Some of the houses have computer and few of them have a motorcycle. All together 137 people are considered to be an absent population. Among them, 127 are male and 10 are female. The main occupation of the people living in this village is agriculture.

Dewabhumi Baluwa is a VDC merged to form a new municipality along with Panchkhal in 2014. It is located at the latitude of 27.61 degree N and longitude of 85.65 degree E. The total population of this VDC is 6773 from the 1991 census with 1578 households. Dewabhumi Baluwa village have 1496 mud bonded bricks/ stone houses. It has 64 cement bonded with 10 RCC pillar houses. The roof of the houses is dominated by galvanized iron followed by tile/ slate. The houses also have thatch/ straw roof as well.

Most of the houses have tap water. They also have uncovered and covered well as a source of water.

Firewood is considered to be a main fuel for cooking. Most houses use LP gas and bio gas as well. Electricity is the main source for lightening. Some houses also have kerosene lamp. Most of the houses have a flush and ordinary toilet. Most of the houses have a mobile phone, television and radio. Some of them also have motorcycle and computer. Altogether 271 people are absent from the households. Mostly men and very few are women. The main occupation of the people living in this village is farming.

Research design and tools

Sampling technique

Households from Dewabhumi Baluwa and Balthali VDC's wards 4, 5 and 6 were randomly selected for conducting a structured questionnaire survey and unstructured in-depth interviews. The list of all HHs in wards 4 and 5 of Balthali VDC and ward 6 of Dewabhumi Baluwa was acquired with the help of the staffs of local VDC's ward office. It was very necessary to find the household having at least one member of the family going abroad. So, each household was named after the HH head's name with at least one of the member of the family going abroad. Then, 81random numbers, 41 from Balthali and 40 from DEwabhumi Baluwa were generated and chosen as the random sample for this research. The questionnaire survey was conducted only in those 81 HHs, which appeared in the random sample.

The household head was obliged to answer the structured questionnaire survey (see appendix 1), as they are more experienced and have more information about socio-economic aspects of livelihoods. Unstructured in-depth interviews were very effective to collect qualitative data after structured questionnaire. These in-depth interviews were very effective to get maximum information regarding livelihood strategies of each household. Male headed and female headed households were targeted for both structured questionnaire and unstructured in-depth interviews.

Quantitative data were mostly collected from structured questionnaire. Questionnaire was designed in such a way that maximum quantitative data can be obtained so that it can measure the subcomponents or the indicators of sustainable livelihood through remittances. Open-ended and unstructured in-depth interviews were followed by the structured questionnaire survey so that more qualitative information can be obtained to understand the dynamics between remittances, livelihood assets, strategies and outcomes as outlined by Sustainable Livelihood Framework (SLF). In this section of data collection, respondent was obliged to express their opinions regarding their challenges with their livelihood.

Here in this research, a household is simply defined as the number of people who cook, eat and live in the same house. Quantitative data were collected on household income, expenditure, household characteristics and income holdings. In order to obtain a conventional household income, it was necessary to give more emphasizes to remittances obtained in cash and consumption. It was an important part to distinguish remittances consumption from the total income obtained. Secondary data were collected from the Centre, bureau of statistics in Kathmandu and also from the Kavre district office and VDCs ward offices.

Collection of primary data mainly relied on 17 pages of the questionnaire. The questionnaire included personal identification, basic household information, basic household assets, housing type and material, livestock, farm machineries, basic income source from livestock product/ meat production from cattle and poultry, agricultural production, off-farm activities and migration and remittances. Each section of these questionnaires covers income sources that include detailed information on relevant inputs and outputs. This allows us to compute net incomes for not only the major category, but also sub categories (e.g. different remittance sources, different animals and different crops).

Analytical framework

The data were analysed using a sustainable livelihood framework (SLF) in order to understand sustainable livelihood with remittances. Remittances are useful sources to reduce poverty and make life sustainable. A person is poor when his/ her income level is below the poverty line or if consumption fall below a stipulated minimum (Farrington, Carney, Ashley, & Turton, 1999). SLF usually assumes that people pursue all forms of livelihood outcomes (such as income, increased well-being etc.) on the basis of range of livelihood assets through the use of livelihood strategy (Farrington et al., 1999). The DFID sustainable livelihood approach is an analytical framework to understand livelihood and poverty.

According to DFID (1999), people use different strategy to generate livelihood outcomes. The reinvestment of asset accumulation is due to transforming structures like government or private sectors and also by the institutional structures such as culture, norms, values and formal laws. Within SLF, it is important to take socio- economic and cultural factors into consideration while assessing sustainable livelihood with remittances. I used SLF to identify remittances as a sustainable livelihood strategy for the people of rural Nepal. This framework is useful as it looks upon selected livelihood and provides freedom for researchers to focus upon a range of selected livelihood components. It helps to provide a holistic picture of livelihood, providing possibilities to focus upon major factors contributing to a sustainable livelihood through remittances.

Livelihood approaches are more concerned with people. Poor people's accesses to assets is very limited. Thus, they have to seek ways of nurturing and combining assets to ensure survival (DFID, 1999). Figure 2 provides a systematic diagram of SLF where remittances are presented as a major determinant of sustainability of livelihood income as it directly influences livelihood strategies, institutional process and livelihood outcomes of a community. The asset pentagon lies at the center of the SL framework. The schematic diagram represents the inter-relationships between the various livelihood assets. This analysis will refer to livelihood assets as Human capital, social capital, natural capital, physical capital and financial capital.

Figure 2: Sustainable Livelihood Framework. Adapted and modified from DFID (1999)

| H= Human Capital | S=Social Capital | N= Natural Capital | P= Physical Capital | F= Financial Capital |
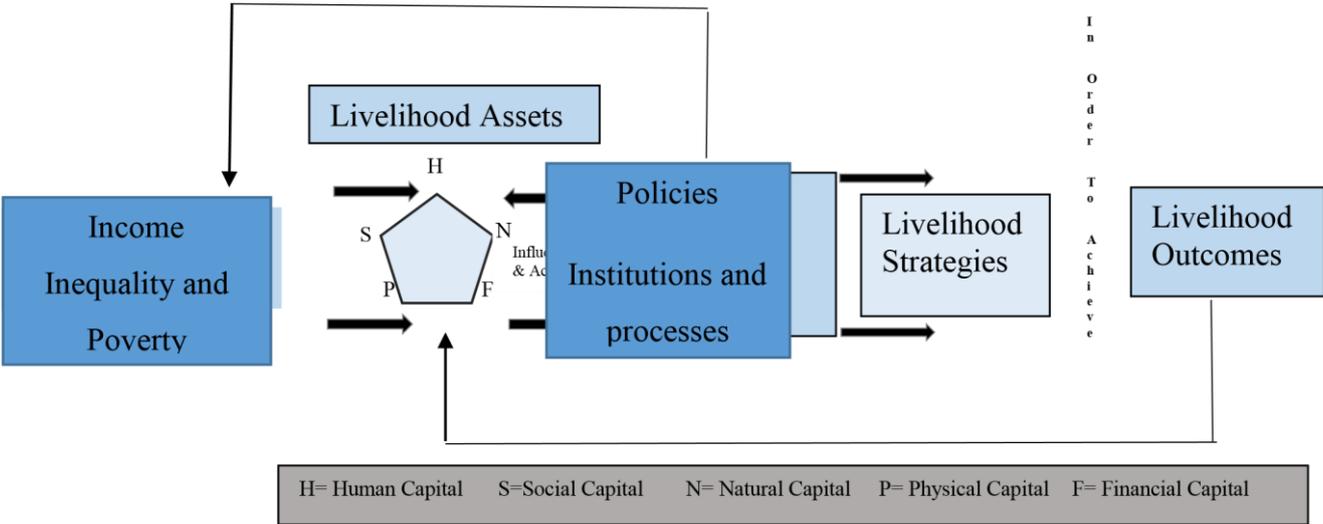
Chapter IV

Results
Basic Characteristics

The average age, education and size of Household head was 39.8, 8.08 and 10.7 respectively. The average possession of assets by household is Rs.1514585 and the average size of land is 66.3sq.ft. The worker, consumer ratio is obtained from dividing no. of consumer with total family size. The average worker's consumer ratio is 0.72. This shows that the level of education is poor so they are considered to be incompetent to qualify for engagement in paid public services or other formal employment services. The possession of assets is quite remarkable. Due to large family size, distribution of assets does not seem enough for each individual. The main occupation of the household is agriculture. 46 are men and 35 are women. Family labor is the basis for on-farm and employment activities.

Labor is often shared reciprocally among neighbours and relatives to offset labor bottlenecks during peak seasons in agricultural production. Absolute income is the total income subtracted by total expenditure. Reliance on remittance is the amount obtained from dividing remittance received by absolute income. The sum of all values of assets is the total assets of each household's consumer.

Livestock, houses, land and savings are considered to be the main assets of every household. The target community themselves identified the number of houses, land and livestock as a wealth indicator during focal group discussions. Land is considered to be the major component for evaluating wealth parameter. It seems like people with more cultivable land is considered to be a rich person as it can magnify the productive level to higher distinct. Houses are only considered to be a dwelling place but its structure of roof, walls distinguishes its wealth. Livestock like cow, buffalo and goat are preliminarily major animals. Milk and milk product from cow and buffalo can bring money to households. He-buffalo, Billy- goat and unfertilized goat (khasi) are very good source for meat. People consume them and also sell the meat to obtain money. Some people have a hen. They consume and sell the meat and eggs from hens.

Table- 1 Characteristics of Household

Sectors	Mean	Standard Deviation	Minimum Value	Maximum Value
HH Education(years)	8.08	6.8	0	19
HH Size	10.7	3.3	5	19
HH possession of assets(Rs.)	1514585	1715705	130600	13800000
HH Age (years)	39.8	9.9	25	77
Land size(Sq.ft)	66.13	58.24	5.4	229.7
Consumer worker ratio	0.72	0.07	0.4	0.85

Income Level and sources

Agriculture is the main livelihood strategy in the study area. Livestock and crop cultivation includes the maximum percentage of the total household income among sampled households. Among the contribution in the household income, crop contributed 2.9%, livestock contributed 1.27%, income from livestock's products contributed 25.93%, income from cattle slaughtered contributed 0.1%, income from irrigation and plantation contributed 14.4%, Income from off-farm contributed 30.5% and remittances contributed 39.36% percent respectively. The household in our sample clearly shows that the remittance income has the substantial influence in the total income. The average household derived US$ 653.45 per year as remittance out of total average income of US$ 1646.25. There was a substantial variation in the level of remittance received. The maximum level was US$4785.32 and the minimum was 0. The distribution was positively skewed, with the mean income US$ 653.45 greater than that of the median US$ 380.43 rendering a skewness measure of 2.5.
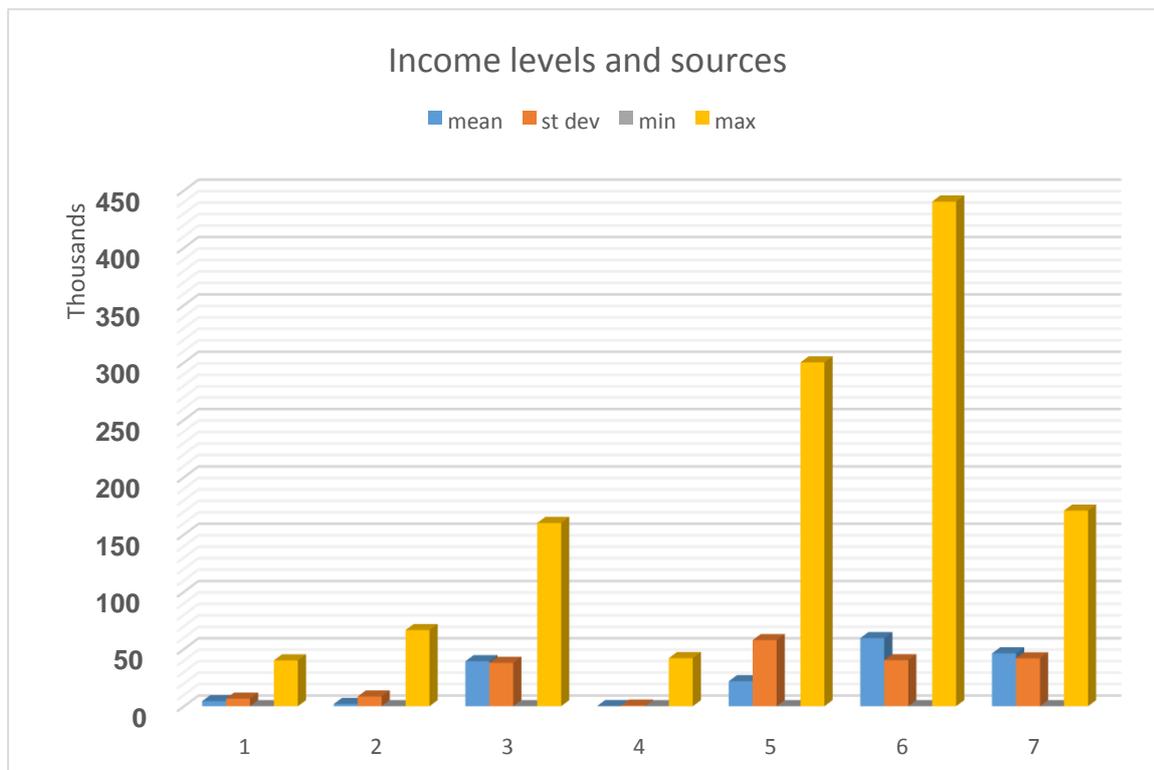
Fig 1. Contribution to annual total household income by source; means, standard deviation, minimum and maximum value (N=81). Source of income 1= crop; 2= Livestock; 3= Income from livestock product; 4= Income from cattle slaughter; 5= Income from irrigation and plantation; 6= Remittance Income; 7= off- farm activities

Determinants of remittance income

The economic perspective of household shows that there are several reasons to expect the households to adapt socio-economic characteristics relative to utilizing remittances. These are more related to production capabilities, consumption motives and how households respond to challenges beyond their immediate control. Table 2 presents the ordinary regression where remittance income was regressed against household characteristics, consumer work ratio and land size.

Remittance income is positively related to total asset endowments ($P < 0.05$) and absolute income ($P < 0.05$) and negatively related to age ($P <= 0.05$). Neither household size, education, land size nor consumer, worker ratio yielded significant results.

Table-2 – Linear regression model of remittance income against socio-economic characteristics

Variable	Co-efficient	SE	t-value	p-value
Intercept	8.5	4.7e04	1.8	0.07
Absolute income	1.1	7.1e-02	15.4	2e-16
Age of HH	- 8.03e02	4.1e02	-1.9	0.05
Household size of HH	- 1.6e02	1.2e03	-0.13	0.89
Education of HH	- 1.5e02	6.1e02	-0.24	0.8
Total asset endowment	1.3e01	5.3	2.5	0.001
Consumer worker ratio	- 4.5e04	5.5e04	-0.8	0.4
Land size	9.4e01	7.07e01	1.3	0.18

Determinants remittance income dependence

We use a relative remittance income which is derived by dividing remittance with absolute income to measure the degree of dependence of remittance income sources. We ran an ordinary regression model of relative absolute income against the household characteristics, asset endowment, and various contextual variables in order to analyze the relationship between forest income dependency, and household level factors. The results are presented in table 3. Among six explanatory variables in the category, total asset age, education, household size, land size and the worker's consumer ratio had no significant effect on remittance income dependence.

Table 4– Linear regression of reliance on remittances against socio-economic characteristics

Variable	Co-efficient	SE	t-value	p-value
Intercept	0.53	3.7	0.14	0.88
Age of HH	0.014	0.03	-0.44	0.66
Household size of HH	0.06	0.09	0.63	0.52
Education of HH	0.04	0.04	0.92	0.35
Total asset endowment	0.002	0.004	0.63	0.52
Consumer worker ratio	1.29	4.38	-0.29	0.76
Land size	0.008	0.005	1.50	0.13

N=81, R-square=00.05, Adjusted R-squared= -0.02, F-statistics=0.65, p-value= 0.6(p>0.05)

Determinant of remittance income diversification

The income diversification index is calculated by numbering the income sources of every household. The data show that one is the lowest income diversification index and six is the highest income diversification index. Rural households run over a wide range of economic activities so that they can secure a living. Diversification strategy is very essential in order to perform different motives like safety nets, insurance, consumption support, income maximization and capital accumulation. We ran an ordinary regression model of diversification index against absolute income, remittance received and household's characteristics in order to analyze the relationship between remittance income diversification.

From Table 5, we found out that diversification index is negatively and weakly related to absolute income, education and land size. It is positively related to remittance received, age, household size, total asset and consumer work ratio due to ($P<0.05$)

Table 5 – Linear regression of income diversification against socio-economic characteristics

Variables	Co-efficient Estimate	SE	t- ratio	Prob>|t|
Intercept	3.6	1.22	2.94	0.004
Absolute Income	-3.7e-07	3.8e-06	-0.098	0.92
Remittance received	6.1e-06	3.1e-02	2.02	0.04
Age	3.68e-03	1.09e-02	0.33	0.73
Household size	4.4e-02	3.1e-02	-1.4	0.16
Education	-5.3e-03	1.5e-02	0.34	0.73
Total asset	9.8e-05	1.44e-04	-0.68	0.49
Consumer workers ratio	6.2e-01	1.44	0.43	0.66
Land size	-4.9e-04	1.8e-03	-0.2	0.78

N=81, R-square=0.21, Adjusted R-squared=0.12, F-statistics= 2.3, P-value = 0.02 (p <0.05)

Distribution of remittance income

It is necessary to look at the differences in remittance income among households at different income level. We focused on the Gini coefficient and income quantiles. The central question to do this is: Do poor households within communities depend more on the remittance income as a source than wealthier households do? The Gini co-efficient was calculated with and without remittance income. It was found that Gini coefficient with remittances as 0.55 and without remittance as 0.53. It is a change of 0.02. This shows that the remittance's income is increasing the gap between the rich and the poor. The rich are more benefited from the remittances.

We find out that there is substantial variation in the composition of income between different wealth groups. Less poor household report a very high remittance share (36.07%), while the poor have the lowest (27.06%). The poorest household mostly depends on Off-farm (41.05%). Off-farm and remittance incomes are the major source of income for the medium income group (Table-6). Household usually acquire their food from their own production. But, crop production does not seem to be so much that the household depends upon agriculture for their consumption. Livestock production is a very important source for living. Cow, buffalo and hen are the major income source. Livestock product like milk, ghee, yogurt, eggs and meat are the major livestock products. They occupy 25% for the poor, 29.02% percent for the medium and 20.6% for the less poor for their economy.

Table 6 Annual income sources by wealth groups

Income Source	Poor (N=27)		Medium (N=27)		Less Poor (N= 28)	
	Mean Income	Percent total	Mean Income	Percent Total	Mean Income	Percent Total
Crop	1185.1	4	2311.1	2.06	9111.1	2.4
Livestock	18.5	0.05	1666.6	1.48	4129.6	1.1
Livestock product	7740.7	25	32481.4	29.02	77593.8	20.6
Cattle slaughter	331.1	1.06	85.5	0.07	41.4	0.01
Irrigation and plantation	1696.4	5.4	3555.5	3.17	60185.1	16.04
Remittances	8413.1	27.06	34683.7	30.99	135295.7	36.07
Off-farm activities	12770	41.05	37130	33.17	88715	23.6
Total	309698	100	111913,8	100	375071,7	100

Chapter V

Discussion

Results are based upon the questionnaire surveys. There should be various biases to the subject when we recall the accuracy and intentions of respondents. This paper is based upon (maximum 1 month) recall a period in the survey. Thus, this recall period are not sufficient in some circumstances to obtain all the data for accuracy. Thus, figure on remittance incomes and dependence should be treated as conservative estimates.

The results of this study show that the people in the community are highly dependent on remittances for their livelihoods. In the study area, remittance income contributed 39.3% of all household income. Remittance income as itself a part of the absolute income is obvious to increase when absolute income increased. But, this remittance income is decreasing with age of the household. Thus, it can be interpreted that the higher the age of the head of the household lowers the remittance income. Remittance income also increases with the increase in total asset. This must be due to more assets that help people go abroad and then they can obtain remittances as the cost of the remittance can easily be fulfilled.

Remittance dependency is not statistically significant to any of the household's characteristics. When the data was split into three groups, then remittance's dependency between the poor, medium poor and less poor did not have a large difference between them. But the dependency was highest for the less poor. There must be a selection bias with the meaning that communities with high remittance dependence were selected in most of our sample. This was mainly done to include remittance income estimates into poverty and livelihoods surveys for obtaining more representative measures. It was also due to getting obstacles for quantifying remittance income and all these studies was based upon material products only. The valuation of remittance income service deprived benefits that create an estimation bias in the other direction.

We found out that high remittance income was associated with more income diversification. This tends to conclude that communities with high remittances have less specialization.

The study confirms the important role of remittance in securing livelihoods among the rich rural dwellers. When the remittance income was included, the Gini coefficient rises from 0.53 to 0.55. It is a substantial change in the context of a uniformly rich rural area. The general trend indicates that the remittance has considerable potential for increasing wealth differentiation among rural households and our study supports this.

Conclusion

Remittances sent from almost 191 million migrants working worldwide has reached over $200 billion. Still, 50% of remittances comes from informal channels so these are not recorded. Otherwise, the total remittances would have reached around £300 billion (Hagen_Zanker & Siegel, 2007). Many countries have relied on remittances for financing which has resulted to become 5 and 40 percent of the country's GDP (Hagen_Zanker & Siegel, 2007). Remittances for these countries are usually a source of alleviating poverty and contributing to development. Nepal is also one of the country which is more dependent on remittances. Remittance income in Nepal is 13 percent of the total GDP (Seddon, Adhikari, & Gurung, 2002).

Households meet their subsistence need from agriculture, livestock, off-farm and remittances. The result shows that off- farm and remittances have become the major source of living. The main livelihood diversification can be categorized into agriculture production, livestock production and non-farm activities. 26.6% of total household income is contributed from non-farm activities. But also crop farming is an important livelihood strategy for many households in the community. Remittances contributed 34% to total household income. Remittance income differs between different income groups. Poor household has the lowest remittance income compared to other groups.

Poor households depend upon livestock products and off- farm activities besides remittance income. It seems like they generate income by working in other fields. Less poor have enough fields so that the poor household gets an opportunity to work for a livelihood. Thus, this is turning out to be a "Path way out of poverty".

Remittances have become a subsistence income source for rich household. The Gini co-efficient is found to increase rapidly from the analysis when remittance income is included (from 0.53-0.55). The positive effect is more useful for people in the community with remittances available (0.02).

Remittance income dependence is important to understand for guiding income sources use at all levels of governance. Remittance income plays a vital role in rural income and diversification strategies. They are very important source of income for the poorest of the rural poor. Rural development must be intervened with broad policies so that this can be addressed in comprehensive ways. There should be some interventions for securing and enhancing remittance income source base by designing participatory and monitoring systems. This can

secure poor people's right to access remittance sources. Markets and marketing should be established for increasing value added to broaden poor people's livelihood base.

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Appendix

Household Questionnaire Survey

Part I: Basic Household Data

1. **Personal identification**

   Interviewer Name: Respondent Name: ……………………….

   Village: ……………………

   Household no: ……………   Date:

   …………………………………………

2. **Basic Household Information:**

HH members (No.)	Sex (m/f)	Relationship to HHH[1]	Age	Education	Main occupation	Secondary occupation	Other occupation
1							
2							
3							
4							
5							
6							

[1]Relationship: 1=HHH,   2=wife,   3=child,   4=dependant,   5=labourer,   6=others,

specify[2]Occupation: 1=prod./sale of crops   2=prod./sale of livestock 3=beer brewing

4=agricultural input trading   5=carpentry/lumbering   6=crafts/art

7=trading agricultural output 8=shop-keeper

9=brick making   10=service provide   11=charcoal

burning   12=gov.Employee   13=NGO-employee   14=selling

bush meat   15=casual labourer

         16= remittance income   17=tourist guide   18=school

         19=other, specify

Part II: Basic Household Assets

1. Land

Plot no.	Size	Use	Household rights	Source	Investments (value)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

Size: 1. Bigha, 2, Ropani, 3. Ana 4. Paisa etc **Use:** 1. Crop cultivation, 2, Grazing, 3. Forest product collection, etc

Rights: 1. Own registered, 2. Unregistered, 3. Rented, 4. Communal land, 5. Open access **Source**: 1. Mother, 2.father, 3.Aunt 4.Uncle, 5. Friend, 6. Market etc

Investments**:** 1. Irrigation, 2. terraces, furrows, trees, fence, etc

* Tenure: 1 = own land, 2 = rented land, 3 = borrowed land, 4 = communal land

2. Housing

2.1 Housing type

a. Type of house:

Kutcha	1
Pucca	2
Wooden	3
Mud-house	4
Cemented	5

b. Number of houses - (own ownership) ☐

c. Numbers of rooms at home excluding kitchen and bathroom: ☐

d. Number of stories (No. of Flat/floor): …………………..

2.2 Housing material

a. Roof type/ material:

Straw/Thatch	1
Earth / Mud	2
wood/planks	3
Galvanized Iron,	4
Concrete / Cement	5
Tiles / Slate	6
Other	7

b. Main construction material of outside wall of house:

Cement Bonded Bricks / Stones	1

☐

36

Mud bonded Bricks / Stones	2
Wood	3
Bambo / Leaves	4
Unbacked Bricks	5
Other Material	6
No outside walls	7

c. Floor of house: ………………..

d. Value of house in (Nrs): ……………..

e. Year of construction

(Building): ……………….

e. Land area of house: ……………….

f. Bathroom:

Attached inside	1
Outside	2
No	3

g. Water supply:

Tap	1
Well	2
Hand-pump	3

h. Electricity facility:

Yes	1

No	2

i. Telephone:

Yes	1
No	2

j. Cell:

Yes	1
No	2

3. Livestock

a. Does your household own any livestock?

Yes	1
No	2

b. If yes, what is the inventory of your livestock during the fiscal year 2014?

Type of livestock	No owned	Estimated value(NRs)	Inventory Change in the year 2014					
			Purchased	NRs.	Sold	NRs.	Consumed /died	NRs.
Ox/bull								
Cow								

Sheep							
Goat							
Donkey							
Horse							
Mule							
Poultry							

4. Farm Machineries

Machineries	Quantity	Price	How do you finance
Plough			
Pump set			
Motor pump			
Sprayer			
Tractor			
Paddy thresher			
Wheat thresher			

1=Saving,   2=Loan, 3= Remittances

Part III: Basic Income Source

1. Livestock product/ meat production from cattle and poultry

Type of livestock products/services	Estimated Value in ETB during the year 2014				
	Produced (kg/lt./no)	Estimated value (NRs.)	Sold	Consumed	Total

Milk					
Butter					
Cheese					
Egg					
Renting income					

Season	Period	% of slaughtered	% of meat sold	Income from one animal	Total income from meat sales
1					
2					
3					
4					
5					
6					

Have you incurred any cost related to livestock management?

Yes	1
No	2

If yes,

S/No	Description of cost	Estimated total Cost incurred in the year 2014
1	Vet service	
2	Fodder	
3	Tax (sale)	
4	Labor (employed)	
5	Others	

4. Crop

a. What major crops do you grow for home consumption and sale?

Production/consumption/sale balance for production year 2014?								
Type of crop grown	A	B	C	D	e	F	G	H
	Area cultivated (Q/yr)	Output (kg/yr)	Home conspn. (Kg/yr)	Sale (kg/yr)	Seed (kg/yr)	Balance (kg/yr)	Price/kg (Birr)	Total income

b. What are the major crop production cost you incurred during production year 2014?

S/No	Type of input	Unit of Measure.	Quantity	Unit price (Birr)	Total Cost incurred in the year 2014
1	Fertilizer				
2	Seed				
3	Pesticide				
4	Labour (employed)				

Grand total	

1. Is the produce from your own farm enough for year round consumption?

Yes	1
No	2

2. If no for how many months you usually face food shortage in the household (between sowing and harvest times) ? ……

3. How do you usually fill the consumption gap……………………………………….

4. Have you ever faced critical food shortage over the last 20 years?

Yes	1
No	2

5. If yes, what had caused the food insecurity situation………………and when…………

6. How did you cope (fulfill) with food shortage during these periods?

Coping strategy   order of priority

Sale of firewood

Sale of livestock

Sale of timber

1. Labour employment on-farm
2. Labour employment off-farm
3. Enset sale and consumption
4. Others …………………….

7. Did you receive a visit from extension workers over the last five years?

Yes	1
No	2

        ☐

8. If yes, how often extension workers have visited you per year on average over last five years? …..and from which organization ………

9. What sort of services you have received? …………………………………………………...

c. Income from irrigation and plantations

Type	Income from plantation and irrigation in the last 12 months				
	Quantity	**Value**	**Consumed**	**Sold**	**Total**
Fruits					
Sugar cane					
Spices					
Vegetables					
Plantations*					
Other					
Other					

d. Off farm Income

Type	Off farm income in the last 12 months				
	Income	**Cost**	**Labor wage**	**Profit**	**Total**
House rent					

Pension					
Business/ Trade					
Wage labour					
Services					
Remittances					
Other					

Part IV: Migration and Remittances

1. Type of migration

Permanent migration	1
Temporary migration	2

2. If temporary migration, for how many years? (specify?) ….
3. What are the reasons for migration? a ………….. b ……………. c……………….
4. Have you any member of the family who migrated few years ago, came back?

Yes	1
No	2

   If yes, why? ....

5. After returning back, does she/he has migrated again?

Yes	1
No	2

If yes, why? ....

6. What are the negative effects when a person migrates from the family?

   Specify effects… a)…… b)…. c)…..

7. How does workload in household change when the person moved out? ....
8. Who gets the higher workload? ......
9. Who gets the lower workload? ......
10. If children get higher workload, does this affects…..
11. School attendance?

Yes	1
No	2

12. Time spent on homework?

Yes	1
No	2

13. Drop out of school?

Yes	1
No	2

14. After the move out of the family member, does there any change in consumption per person?

Increased	1
Constant	2
Decreased	3

15. If remittance income, for how many years are you receiving it? …………….

16. How often do you receive remittances?

Monthly	Bi-annually	Quarterly	Half yearly	Yearly

17. What is the method of remittance income in your household?

Banks	1
Remit companies	2
Hundi	3

18. When the immigrant comes back….

19. From the other persons who come back…..

20. Which method of sending remittances is most suitable for you?

Banks	1
Remit companies	2
Hundi	3
Friends	4
Others	5

21. For what purpose did you receive remittances

Daily consumption	1
To buy land	2

Build or renovate hosue	3
Pay loan	4
Education of children	5
Marriage	6
Buy gold	7
Migration of other family	8
Business	9
Medical/ treatment	10

22. Has the amount of money send/ remitted differed during the time of migration

Same	1
Increased	2
Decreased	3
Never send money	4

23. Use of remittances and investment in last five years?

In last five years	Sources of fund	Where and when
Did you buy land?	1. ☐ Yes with remittances 2. ☐ Yes without remittances 3. ☐ Both 4. ☐ No	
Did you build or renovate house?	1. ☐ Yes with remittance	

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	2. ☐ Yes without remittances 3. ☐ Both 4. ☐ No	
Did you buy livestock?	2. ☐ Yes with remittances 3. ☐ Yes without remittances 4. ☐ Both 5. ☐ No	
Did you buy machineries?	1. ☐ Yes with remittances 2. ☐ Yes without remittances 3. ☐ Both 4. ☐ No	
Did you invest in business or commercial activities?	1. ☐ Yes with remittances 2. ☐ Yes without remittances 3. ☐ Both 4. ☐ No	
Is the business in profit?	1. ☐ Yes 2. ☐ No	
Did you sell land?	1. ☐ Yes 2. ☐ No	

24. Migration network and reasons to migrate

a. Did migrant have relatives/ friends in the country of destination during migration (If not go to Q.N. IV)

Yes	1
No	2
Other countries	3

b. If yes did the relatives supported in his/ her migration?

Yes	1
No	2

c. What was the support (more than one option)?

Moral support	1
Providing information	2
financial support	3
Accommodation	4
Arranging job	5

d. Was this support important for choosing the country of destination?

Yes	1
No	2

e. Where did you get information on foreign employment?

Family	1
Relatives	2
Friends	3
Neighbour	4
Newspaper/ Radio/Television Agent	5
Manpower Company	6

25. Cost of migration

a. How much did you pay for migration including all expenses (visa, air ticket and service fee to agency)?

……………………………………….NRs.

b. Where did you manage money for migration?

Selling Land	1
Mortgaging Land	2
Selling gold	3
Saving	4

c. If you took loan, where did you obtain the loan at what interest rate?

Bank	1
Relative	2
Money lender	3

d. Interest rate…………………………………….

26. Reasons for international migration:

Unemployment	1
Low income	2
Accumulating saving/ capital	3
Education of children	4
To pay loan	5
Education of self	6
Others	7

27. Is/are there any person/s, who is/are currently away (absent) from your household?

Yes	1
No	2

If yes, mention number of absentees

I D	Absent member	sex	Age	relationship to HH	education	duration	present residence	Occupation (Des-tination)	received amount	Received type in past 12 months?	
					Education	Months	District	Description		Cash (Rs.)	Kind (Rs.)

28. Did your household receive any money or goods from the source other than the person absent from your household in the last 12 months?

Yes	1
No	2

Donor ID	Name of all the remittance senders	Sex	Age	Relationship of HH	Education		Residence	Occupation		Received Amount past 12 months?	
					Education	District	Description	NSCO Code	Cash (Rs.)	Kind (Rs)	

Photo

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