



**ROLE OF REMITTANCE
IN RURAL POVERTY REDUCTION**
A CASE STUDY OF BUDHABARE VDC WARD NO.9,
JHAPA, NEPAL



A Thesis

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December 2015

Letter of Recommendation

This thesis entitled "**Role of Remittance in Poverty Reduction: A Case Study of Budhabare VDC ward no. 9, Jhapa, Nepal**" by Mrs. Bimala Pandey has been prepared under my supervision for partial fulfillment of the requirement for degree of Master of International Development studies. To the best of my knowledge the study is original.

I, therefore, recommend it for evaluation to the thesis committee.

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Certificate of Acceptance

This thesis “**Role of Remittance in Poverty Reduction: A Case Study of Budhabare VDC ward no. 9, Jhapa, Nepal**” written by Mrs. Bimala Pandey has been accepted as partial fulfillment of requirement for degree for Master of International Developmental studies.

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Declaration

I, Bimala Pandey, 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.

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Date: December 2015

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List of Abbreviations

CBS	-	Central Bureau of Statistic
CEDA	-	Central for Economic Development and Administration
CNAS	-	Centre for Nepal and Asian Studies
DDC	-	District Development Committee
DFID	-	Department for International Development of British Government
e.g.	-	For example
FWDR	-	Far Western Development Region
GoN	-	Government of Nepal
HHs	-	Households
HDI	-	Human Development Index
i.e.	-	That is
NCP	-	National Commission on Population
NLSS	-	Nepal Living Standard Survey
NsPC	-	National Planning Commission
RD	-	Rural Development
SLC	-	School Leaving Certificate
TU	-	Tribhuvan University
UN	-	United Nations
UNDP	-	United Nations Development Program
VDC	-	Village Development Committee

1. Introduction:

1.1 Background

1.1.1 Geographical Background of the Study Area

Jhapa district lies in Mechi Zone of eastern Nepal. It has good fertile land for agriculture. Budhabare is one of the VDCs of Jhapa district, which is about 18 km far from zonal headquarter Chandragadhi. Its height ranges from 149 m. to 329 m above from the sea level and the topography is of a concave slope. The total area of Budhabare VDC is 31.73 sq. km. a. This district covers about 0.89 percent of the total area of the country.

Budhabare VDC is surrounded by Shantinagar in the east, Khudnabari in the west, Sanichhare and Dhijan in the south and Kolbung in the north. Budhabare VDC is a gateway of Ilam district and transit point for the trade basically of vegetable supply to all over Jhapa District and India so ever and food grains to Ilam District, Phidim and Tapelegunj. It has a vast forest that supplies fodder for animals and firewood for dwellers of the area. Budhabare VDC's land is irrigated by Biring Khola, Hadiya Khola and Jhilmile in almost 80% land.

The ethnic groups of this VDC constitute Brahmin, Chhetri, Magar, Gurung, Kami, Damai, Sarki and Majhi etc. according to the CBS census 2011. About 76.4 percent of the total population of this VDC are literate of that 69.9 % is female and 82.2% is male Here most of the people are engaged in the farming and rest are engaged on other occupations such as business, government jobs, foreign labor, local labor, student etc. which are categorized in non-agriculture sector of occupation. Agriculture is the main occupation of the people of VDC. The main crops are paddy, millet, wheat, maize, potatoes, and vegetables etc. and the domestic animals on this VDC are Buffalo, cow, goat, sheep, and poultry, etc.

1.1.2 Remittance:

Poverty alleviation is a major agenda for sustainable development in developing countries like Nepal. However, the agenda of poverty alleviation not only includes the income raising activities but also constitutes the broadest opportunities in the socio-economic development of the country. Poverty itself is a problem of both developing and underdeveloped countries, but the level of poverty with its magnitude is different. Thus, it is a worldwide phenomenon but different in its magnitude from one country to another.

Nepal being a small landlocked agricultural country suffers from the problem of mass poverty and unemployment. High population growth rate and increasing dependency on the backward agriculture may be attributed for its slow growth rate. Among them, mass poverty is the main characteristic. In Nepal, poverty is based on two aspects; per capita income and

basic needs. Defining poverty with the per capita income approach, Nepal's GNI per capita, PPP is US\$ 2260 as of World Bank. Further, one-quarter of its population lives below poverty line (Nepal Economy, 2015). This clearly shows that poverty is in large magnitude in Nepal.

Another approach of poverty in Nepal is basic needs approach where poverty is defined as the unavailability of basic requirements like clothes, shelter and food. He mentions that a person needs an average daily intake of 2256 calories and value of the lowest actual daily consumption of other necessities in Nepal (Chhetri, 2004). If any person can't get that required amount of calories, he can be rated as poor. Due to the very high level of poverty, the Social Index of Nepal is also very low and its human development rank is 145th (HDR, 2014). However, it is in good condition in social progress index in south Asia. As of the Social Progress Index, 2015 it is listed in 98th position out of 133 countries scoring 55.33 points in the global survey (Social Progress Imperative, 2015). In Nepal, foreign investment is the main source of development of any economy but due to lack of clear policies regarding foreign investment it seems not satisfactory (NPC, 2011).

Tourism is an important sector of Nepalese economy. Continuously it has helped Nepalese economy to increase employment, to earn foreign currency and it has also helped to improve regional imbalance. Highest snow Peak Mountains, lush evergreen forests of Terai, socio and cultural diversity of Nepal, etc. attracts tourists from the other countries every year. Because of lack of industrial areas tourism has become a prominent sector to provide employment and income.

Poverty in Nepal is all pervasive and deep-rooted. Various factors have contributed to the prevalence of this state of affairs. Relatively slow economic growth accompanied by a relatively high rate of population growth has accelerated the poverty condition. Major social development indicators such as life expectancy rate all testify to the condition of poverty and deprivation prevailing in Nepal (APO, 1997).

Since poverty is a socio-cultural and economic phenomenon and it varies from place to place and from time to time, there is not a single definition acceptance to all.

As states by UN in 1998, poverty is a rejection of choices and chances where the violation of human dignity is probable. It is all about incapability to take part actively in the society. It is the state of not having adequate food, clothes, access to school and clinic, ownership of land to grow food, access to job to earn and credit for one's own living. It is a condition of an individual of being insecure, helplessness and excluded from the households and

communities. Further, it is a condition of vulnerability to violence where the living condition would be delicate and low standard without the availability of water and sanitation.

Further IMF states in 1999 that poverty is an agony, and it usually hurts the poor people regarding physical and emotional pains being starved from lack of food, hourly-long work, disgraces on reliance and powerlessness. It is also like a condition of being morally painful in making choices of saving the lives of ill family members or feeding the children who are starved.

The disparity in the distribution of natural resources is also a cause of poverty having multiplier effects in the society. Social and economic structures of the community have accelerated the acute disparity in the distribution of production assets disfavoring lower-class community. Historically the lower class / ethnicity people have been disfavored in the distribution of critical resources such as land, education and employment. Widespread inequality between lower class and upper-class community is the main barrier to the economic growth of the disadvantaged group in particular and society in general. The opportunity for particular in education is largely limited to higher castes with more resources and landlord group (Bista, 1999). Government resources are mainly diverted to promote the welfare of well to do groups leading to the perpetuation of inequality among the caste group.

As for more than 200 years, people from Nepal have been leaving their home seeking employment opportunity on abroad. Since then, migrated population has been sending remittance back to their home. Migration of labor in a foreign country has a long history in Nepal. It was started even before the first Nepali man traveled to Lahore on the early 19th century to join the army of Sikh ruler(Ranjit Singh) who were popularly known as Lahore (Seddon et.al.2001xxx). International migration of Nepalese people took place after an Anglo-Nepal war of 1814 for economic opportunity other than trade and business. Because of the geopolitical location of Nepal number of migrants has been from Nepal have a destination to India and at the same time, a large number of immigrants to Nepal have been from India. During 11/12th centuries, the process of the encroachment of communal economy started in Nepal and was accelerated fast by the 'Unification Campaign' of Prithvi Narayan Shah. Because of extractive and exploitative policy of Rana regime had been further seeped up. In this period British ruler lured the Gurkha valor warriors because they were interested to employ some of the ethnic group from Nepal such as Gurung, Magar, Rai and Limbu to expand the British colony. Rana Prime Mister (Bir Shamsher) gave approve to send 27,000 soldiers, which was about 205 of an adult male population at the time (Mishra, 1987,

117). In the past, there were three forms of emigration and movement for agriculture and other economic activities.

Ghimire (2012) states in 'Impact of Remittance on Nepalese Economy' that migration for employment is a tendency of current emigrations which is the major income sources for Nepalese households. He further elaborates that Nepali people have never been entirely dependent on agriculture due to which they are more inclined to labor migration, which is also a main source of income in Nepal. There is a high dependency on a land of the people in Nepal which caused a high rate of emigration abroad. These days, the remittances have been contributing effectively not only the households but also to the economy of Nepal.

Although, migration has both positive and negative impact in the place of the origin, however, migration is the immediate solution of the problems. On the context of current political background, insecurity, terrorism and abduction of youth in the Terai region, migration is increasing every day. The impact of remittance send by migrants has not only supported their household but also the stagnant national economy imparting millions of dollar sent by lakhs of Nepalese migrants over the world. Migration has given a temporary solution to unemployment problems and has helped the government to fight against the unemployment and underemployment to some extent. Utilization of remittance at household level has increased per capita income of Nepal although Nepal is suffering from economic crisis. In this context, the present study attempts to cover the factors for migration and the role of remittance of migrant workers in poverty reduction in Budhabare VDC ward no 9 of Jhapa district.

Due to the high population growth rate of Nepal the population of Nepal is increasing day by day, therefore, its role in the development of all sectors is becoming very important in recent years (Wagle, 2012). Due to the lack of opportunities in the country to get employment and earnings, skilled, semi-skilled and unskilled all types of people have shown inclined to the foreign employment that have resulted in substantial growth of remittance economy (Uchai, 2014). In the current situation, the magnitude of remittance is estimated to exceed Rs. 100 billion which is coming through the registered sources, if all the unregistered sources (illegal sources and with their friends also) has to be counted it is estimated to exceed Rs. 125 billion in Nepal. If this present trend continues, it is speculated that remittance economy will substitute many other sectors of the economy in coming new years (WB, 2011).

Remittance is established as a major source of economic development of the developing countries. According to the data of the last year, about 3300 billion U.S. dollar is entering to the developing countries. The remittance income is increased by 50% in the developing countries like India, China, and Mexico. The remittance flow is double than that of Foreign Aid and Foreign Direct Investment from developed countries to under developed countries.

Most of the migrated people are from the rural sector of Nepal but due to the lack of the banking facilities in the rural areas, they are sending their earnings from the informal mediums up to now. In this present condition, most of the migrated people of rural areas are migrated to India for work.

Khadka (2010) states that in Nepal, remittance is contributing effectively in reducing poverty at rural areas where there are minimum opportunities to earn and get jobs. But due to the lack of proper government policy to encourage the remittance income in the productive sectors; almost 80 percent of the remittance money is used in the unproductive sectors like house building, land buying and other luxurious goods and gadgets. He further states that people usually go outside of the country to have better earnings that will contribute to reducing poverty of rural areas.

In the early days of Nepalese international relations, remittance brought by British Gorkha soldiers and the wages earned in different parts of India by seasonally employed Nepalese labors were significant in the Nepalese economy, but no due attention was given to it. There was no accounting of Nepalese employed in India. British Gorkha soldiers brought remittance in foreign hard currencies. Later on, in 1990's when there was massive out flux of Nepalese labor in the Gulf countries and Malaysia. Foreign currency brought by them increased tremendously, and foreign employment and remittance brought by them attracted the national attention. Internal arm conflict started in 1995 had a negative impact on several sectors of the economy such as industry, tourism and even in the agriculture. The sustainability of Nepalese economy depended mostly in foreign aid and remittance. This is how remittances got prime attention in Nepalese context, and several countries were opened for foreign employment. Nepalese unemployed youth started to be attracted to foreign employment. The importance of remittance on Nepalese economy can be judged by the growth in the number of persons leaving the country each year for foreign employment.

Growth of Remittance

In this present situation of Nepalese economy, remittance provides not only the significant portion of the GDP but it also contributes in savings and investment. The growth of remittance depends on the number of labor forces working outside the country, the level of earnings and the portion of income that is sent back to home. Other sources of remittance such as government transfers, the investment made by nations in other countries. The size of remittance also determines the availability of foreign currency in the country. Nepal Rastra Bank, the central bank of Nepal publishes data related to remittances continuously. The growth of the remittances and sources of remittances is given in the following table. The category of other remittance includes the money remitted by the labor employed in a foreign land. It is only the money sent through the official agencies (formal channels).

Table 1
Total Convertible Foreign Exchange, Total Remittance,
Gorkha Remittance, Other Remittance and
Their Share and Growth in Different Fiscal Year

(Rs. in million)

FY	Total* CFE Receipt	Total Remittanc e	Gorkha+ Remittan ce	Other # Remittan ce	Share of other remittanc e in total remittanc e	Share of Remitta nce in CFE (%)	Annual growth rate of other rem.
1994/95	39150.3	3506.7	1842.9	1663.8	47.45	8.95	---
1995/96	37459.8	2660.2	716.0	1944.2	73.08	7.1	16.85
1996/97	38280.4	2938.0	979.9	1958.1	66.6	7.67	0.71
1997/98	44383.9	4084.2	1285.9	2798.1	68.5	9.08	42.89
1998/99	55939.8	6520.6	1627.0	4898.6	75.04	11.25	75.06
1999/00	64250.0	6031.4	1288.2	4744.2	78.6	9.39	-3.15
2000/01	89823.2	9797.6	3557.5	6240.1	63.7	10.91	31.53
2001/02	76153.3	14859.8	4334.2	10525.6	70.8	19.5	68.67
2002/03	98659.8	41630.0	4221.4	37408.6	89.8	42.1	255.40
2003/04	120643.0	56629.8	4504.8	52125.0	92.04	46.9	100.39
Total							

(Source: NRB Quarterly Economic Bulletin April 2004- MID July 2004.)

* Economic survey, 2003/04

+ Total Remittance minus Gorkha Remittance

Convertible Foreign Exchange

The above- given **table 1** shows that the convertible foreign exchange grew from Rs. 39150.3 million in 1994/95 to Rs. 120643 million in 2003/04 which is about 3.08 times more. Similarly, remittance increased 16.15 times. It indicates that when the remittance is increased then, the convertible foreign exchange also increased because the increasing rate of remittance contributes to an increasing rate of convertible foreign exchange. Except in the year 2001/02 when there is an increase in the remittance income but it does not contribute to the increase in the total Convertible Foreign Exchange, which is slightly decreased in the year 2001/02 compared to the previous year 2000/01. It is also shown by the share of remittance in convertible foreign exchange. Initially, which was 7.24 percent but it was highly jumped in twice of 46.9 percent in the year 2003/04. The trend is fluctuating after 1998/99 to 2000 but after 2001/02, it highly jumped. The another remittance grew from Rs.

1663.8 million in 1994/95 to Rs.52125 million in 2003/04 which is about 31.33 times more. Its share in total remittance is appreciable. Initially, the share of other remittance in total was 47.45 percent which grew 92.04 percent in 2003/04. After 2000/01, it increased at a high rate. After 1994/95 it did not go down from 47.45 percent rather went on the path of the increasing trend. The annual growth rate of another remittance, the rate of change is extraordinary that was 255.40 percent in 2002/03. The rate of change occurred negative (3.15 percent) once in 1999/00. But other Fiscal Year the rate of change was not negative but highly fluctuating. So, the flow of another remittance has been favorable to increase in convertible foreign exchange and remittance. As a summary, the annual growth rate of remittance, total CFE receipt as well as the share of remittance is increasing year by year. Especially after the year 2001/02 ,the value of remittance and the share of remittance are increased dramatically with the increment of Nepalese labor in the foreign countries.

Remittance Received (% of GDP) in Nepal

According to the current data of World Bank, Nepal’s remittance contribution to GDP is in increasing order. When we analyze the trend from 2010-2013, it seems like this:

Country Name	2010	2011	2012	2013
Nepal	21.6	22.3	25.4	29.0

The trend seems increasing and it is because of the fact that thousands of Nepali are going outside of the country per day. From an economic point of view, the economy of the country is also be borne by remittance as 29.0 GDP is being contributed by the remittance which is indeed the good part.

Contribution of Remittance to the National Economy

It is known to all of us that the role of remittance to the economic growth of the country was not discovered in Nepal before 1990’s. From the mid-1990’s remittance was viewed as a significant contributor to the national economy. Though the remittance is playing direct as well as the indirect roles to promote the national economy, we can only study the direct roles of the remittance income because of the availability of the required data. The direct effects of remittance income to the national economy increase in CFE increase in saving and Investment, a decrease in the unemployment rate, etc. Investment depends on domestic saving and foreign assistance. Since there is an increase in domestic savings due to remittances, it has helped in the investment and growth of an economy. The data obtained from economic survey 2004/05 in this required is presented in the following table:

Table 2
Composition of GDP, Saving, Investment
And Remittance in Nepal in different Fiscal Year

(Rs. in million)

FY	GDP in Product Price	Domestic Saving	Investment	Remittance	Remittance as percentage of GDP	Remittance as percentage of saving	Remittance as percentage of investment
1994/95	219175	32465	55231	3506.7	1.59	10.8	6.34
1995/96	248913	34426	68017	2660.2	1.06	7.72	3.91
1996/97	280513	39162	71084	3938.0	1.4	10.05	5.53
1997/98	300845	41438	74728	4084.2	1.35	9.85	5.46
1998/99	342036	46563	70061	6520.6	1.9	14.0	9.30
1999/00	379488	57577	92272	6031.4	1.58	10.47	6.53
2000/01	410287	61030	98313	9797.6	2.38	16.05	9.96
2001/02	422301	49807	103616	14959.8	3.54	30.03	14.44
2002/03	454935	52747	117504	41630.0	9.15	78.92	35.42
2003/04	494882	60493	132107	56629.8	11.44	93.61	42.86

(Source: Economic Survey, 2004/05)

The above **table no.2** shows that the GDP grew from Rs. 219175 million in 1994/95 to Rs. 494822 million in 2003/04 which is 2.26 times more. The saving also increased from Rs.32465 million to Rs. 60493 million in the same period which is 1.86 times more and an investment increased by 2.39 times. If we compare the growth of remittance, it is 16.15 times more in the same period. Initially, the contribution of remittance to the GDP was only the

1.59 percent that grew to the tone of 11.44 percent providing. It's important to note that remittance as the percentage of saving has increased from about 10.8 percent in 1994/95 to more than 93 percent in 2003/04. If we compare the contribution of remittance in the investment portfolio, it has increased from 6.34 percent in 1994/95 to 42.86 percent in the year 2003/04. It indicates that if remittance is increased it has support to increase domestic saving. If domestic saving is increased, investment also increased and if the investment is increased GDP also increased. Thus, the positive relationship of these sectors is found each other. From all above data, whether it is economic growth or economic stability or economic vulnerability of the country in a conflict- ridden situation, remittance has played a significant role.

As a summary, it has clearly shown that National GDP growth rate is directly related to the various factors like the total saving of the economy and total investment of the economy. On the other hand, saving is the determinant of the investment, without which the economy can't get higher GDP growth rate. The investment of the country like Nepal is directly dependent on the remittance inserted into the economy. Therefore, we can say that the remittance is the major factor for the development of the country like Nepal.

1.1.3 Foreign Labour Employment and Remittance Economy of Nepal

Foreign Labour Employment

Sanwal (1965) mentions about the foreign employment of Nepal, which has been linked with the defeat of Kaji Amar Singh of Nepalese army by the British East India in 1814. May 1815 agreement between Kaji Amar Singh Thapa and Major General Ochterlony of East Indian Company made Nepalese deserve to join the British, East India Company. Due to this event and agreement, Nepal initiated the emigration process for a military purpose. However, the invisible emigration process was already started with India in mid- 1800s. There is another finding as mentioned by Dixit (1997) that in eastern hills parts of India and far eastern hills parts of India was encouraged peasantry for the promotion of tea plantation and settlements in the forest area. These created an environment that most of Nepalese migrated to India not only for military joining purpose but other works purpose. Only after 1950 with a Friendship Treaty between India and Nepal in 1950, free movements between two countries were implemented by consolidating the previous agreement.

It was after the establishment of a democratic system in Nepal in 1990 that Nepal integrated herself to the world and then diversities in the dimension of emigration occurred. Enactment

of foreign labor employment act 1985 realized the importance of emigration through the unofficial channel and recognized the future of foreign labor employment. A Search of employment outside the country was entrusted to manpower agencies.

In this present situation, the Balance of Payments position of the country remained at a surplus of Rs. 27.75 billion in 2013/14 compared to a lower surplus of Rs. 15.20 billion in the previous year. The higher surplus in the BOP was an account of an upsurge in remittances.

On the current transfers, in the review year, 2005/06 net receipts rose by 28.9 percent and aggregated Rs. 125.99 billion in comparison to a rise of 15.1 billion in the previous year. Worker's remittances, on the other hand, soared by 47.8 percent in the review year 2012/13 in comparison to a lower growth of 11.9 percent in the previous year; Which is contributed well in the foreign assets and total foreign exchange reserves. (Economic Report: 2005/06, NRB)

Foreign Labor Employment Trend and Composition

Restoration of democracy in 1990's opened the door of an international labor market. Near about 8 million nonresidential Nepalese are spread over forty countries (Department of Labor, 2003). The supply of Nepalese youth in foreign countries in search of work is increasing day by day at a high rate; that is unstoppable in this present trend of migration. The distribution of Nepalese about as shown by the population census of 2011 is given in the following table.

Table 3**Number of Migrant Nepalese Working in Different Countries in 2011**

S.N.	Countries	Number of People	In Percent
1.	India	596065	77.74
2.	Saudi Arabia	66880	8.72
3.	UAE	13549	1.76
4.	Malaysia	6520	0.85
5.	Qatar	25520	3.32
6.	Hong Kong	11255	1.46
7.	Korea	2880	0.37
8.	Singapore	3075	0.40
9.	Kuwait	4201	0.54
10.	Bahrain	2808	0.36
11.	Japan	3540	0.46
12.	China	1280	0.16
13.	Russia and Other	845	0.11
14.	Other Asian Countries	3980	0.51
15.	Australia	2345	0.30
16.	The United Kingdom	7580	0.98
17.	Germany	1875	0.24
18.	France	230	0.02
19.	Other European Countries	2025	0.26
20.	USA, Canada and Mexico	8578	1.11
21.	Other countries	1678	0.21
	Total	766,709	100

(Source: Population Census 2011, National Report CBS)

Above table shows that total absentees of the country, reported by the population census report 2011, are 766,709. Out of this number 596,065 people i.e., 77.74% of total absentees have gone to India, which implies that migration in Nepal is still associated with India, Major destination of Nepalese emigrants except India are Hong Kong, Malaysia, Saudi Arabia, Qatar, UAE, UK and the USA , etc. More especially, only three Gulf countries Saudi Arabia,

Qatar and UAE have contained more than 60 percent of Nepalese absentees except India. This brings the fact that Nepalese emigrants are mainly in this three countries.

Growth Pattern of Foreign Employment

The Government of Nepal, Labor, and Employment Promotion Department has opened 107 countries where Nepalese workers can go for employment purposes. Out of them, 91 countries have been recognized after the year 1997/87 A .D. Even though all the required data is not available with the official agency and department of the country, the available record shows that Nepalese people have spread all over the world from South Asia to America, Europe, and Africa. According to the report prepared by Labor and Employment Promotion Department of the government, the number of people in search of foreign employment can be shown in the following table:

Table 4

**Number of Nepalese Migrant Workers Employed in Different
Part of the World in Different Fiscal Year:**

FY	Arabian Countries	East Asia	South East Asia	Other Asian Countries	Africa	Europe America Australia	Other	Total
1995/96	2015	114	-	-	-	-	5	2134
1996/97	2638	522	51	-	-	-	48	3259
1997/98	7166	347	89	-	-	-	143	7745
1998/99	26883	696	171	46	-	-	-	27796
1999/00	34098	1119	180	71	14	32	28	35543
2000/01	42862	681	11313	47	12	61	89	55025
2001/02	50719	689	53078	58	16	84	89	104739
2002/03	59269	1345	44062	70	6	85	161	104998
2003/04	53805	2119	45892	462	16	115	337	102786
2004/05	71141	1085	66322	842	-	229	84	139703
Total	350596	7817	222196	1596	64	974	974	583728

(Source: Labor and Employment Promotion Department)

The above **table 4** shows that from FY 1995/96 to the FY 2004/06 total of 5,83,728 Nepalese people are migrated to the other countries in the search of employment. Out of that total number, more than half of the labors went to the Arabian countries. The next main region of

choice for Nepalese workers is South East Asia where 222,196 people are migrated for work in that same period of 10 years. The third main destination of Nepalese workers is East Asia, where 7817 people are employed. After East Asia, the Nepalese workers are scattered all over the world. Among other countries: Other Asian Countries, Africa, America, Europe, Australia, etc. are the main choices. These numbers show that the major destinations of Nepalese migrant workers are the Gulf region and South East Asia. This data does not show migrant workers in India and migrant workers officially unregistered even in these regions.

If we look into the growth of emigrated labor force, it seems the fluctuating but the trend is increasing in each and every case. In the period of ten years, the number of people migrated to the other countries for work has increased from 2134 to 583728 which is 273.5 times more than the initial data. Annual growth rate of migration is tremendous in every Fiscal Year except 2001/03, 2004/05 in which year it was slow growth. The Fiscal Year 2002/03 has even a negative growth. It shows that more and number of people is seeking foreign employment that further results in the growth of remittance in the economy.

Most Favored Destinations of Nepalese Workers

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

The Nepalese workers are either unskilled or semi-skilled, so they prefer those countries for the foreign employment where they can adjust with their qualification. So, the Gulf or Arabian Countries are being the easiest destinations for Nepalese workers to get employment and earn some money. The countries that have maximum number of Nepalese workers in different fiscal years are given in the following table:

Table 5
Number of Nepalese Migrant Workers in Different Countries

In Selected Fiscal Years:

FY	S. Arab	Qatar	UAE	Malaysia	Total
1999/00	17867	8791	6360	171	33184
2000/01	17966	14086	8950	11306	52308
2001/02	21094	19895	8411	52926	102526
2002/03	17990	26850	12650	43812	101302
2003/04	16875	24128	12760	45760	99523
2004/05	13366	42394	12626	66291	134677

(Source: Labor and Employment Promotion Department, 2006)

The above **table 5** indicates that up to FY 2000/01 Saudi Arabia received the maximum number of Nepalese of workers in one country and Qatar followed by Saudi Arabia. In 2001/02, Malaysia received the highest number followed by Saudi Arabia. Form 2002/03 onwards Malaysia remained first and Qatar remained second most the desired country by the Nepalese workers. The importance of Saudi Arabia has somewhat diminished in those years as a principle employing country for Nepalese foreign employment seekers. It is also the evident from the table that there is rapid growth in the demand for Nepalese workers in Malaysia and Qatar. There is stable demand in the United Arab Emirates. There is the declining trend of Nepalese workers in Saudi Arabia. In these days, because of the inequality in the salary for the Nepalese workers related to the workers from the other countries, the employment policy of the government of the Malaysian Government, etc. The rising trend of Nepalese workers to Malaysia also tends to decrease in the early six months of this Fiscal Year. The data shows that in these early six months of this present FY, the Nepalese workers prefer to go to Qatar and Dubai of UAE.

1.1.4 RD:

Dependence: For developing countries like Nepal, remittance is an important source of foreign income and increasing dramatically in size over recent decades. The regularly or periodically transferred private income from international migrants to family members in their country of origin is remittance. It represents one of the largest sources of financial flows to developing countries. A major source of foreign exchange earnings is foreign

employment and it is sustaining the positive balance of payment in Nepal.

Domestic purpose such as managing land and building, children education, health care, entertainment, and so-on has mostly used remittance income. To operate micro and macro level business, it can be used in productive and commercial sector in some extent. To enhance the productivity and for economic development huge amount of money is needed for the underdeveloped country. In the context of Nepal remittance income is one of the major sources of capital formation

Distribution: Remittance can have a large effect on income distribution and asset accumulation in rural area. These three questions determine the distributional impact of remittance on rural economy

1. Who migrates?
2. How much do different groups of migrants remit?
3. How are these remittances used (that is consumed or invested) in the rural economy?

Diversification: To diversify a farm family's income earning remittances are being used. Market imperfections (e.g absence of credit and insurance) that are commonly in agrarian economies can cause this situation. Remittances do increase the likelihood that a rural family will diversify into other income earning pursuits. The potential of income diversification in general and remittances, in particular, to overcome credit and risk constraints is part of rural household livelihood strategy and the decision is taken at the household level(Stark and Bloom, 1985).

1.2 Problem Statement

In this twenty -first century globalization age, remittance has become a cornerstone of development for any developing countries like Nepal. The magnitude may differ, but the role of the remittance to the development cannot be denied. The developing countries in this age cannot even initiate a footpath ahead without external assistance like remittance and the foreign aid. In the case of Nepal, in a post-war situation, the one and only source of economic stabilization and growth rate maintenance is the income from remittance. According to CBS Nepal's per capita income is increased to the US \$ 311 from the US \$ 240, which is only due to the increasing trend of remittance income.

If we concentrate on the poverty situation of our country, its magnitude is very large especially in the rural areas, as most of the people are migrated to the other countries for work and earn only for the existence of their family. In rural areas we can find that most of the lower and middle- class families are drowned in debt. If any member of that family is migrated to other countries its debt is comparatively less than other families. So, remittance income is playing very vital role in the rural economic situation. According to the data of World Bank Report, 2009, a total of 2.1 million Nepali's is working abroad, including in India. The major factor attributing to large demand labor employment from Nepal are related to higher rate of unemployment, limited employment opportunities, low salary structure in the economy, insecurity in the rural areas because of insurgency and so on (Karki, 2006). Another main reason is the willingness and enthusiasm of Nepal youth to visit and work in the foreign country.

Since many years, the foreign employment rate is increasing, but most of unskilled labor had gone to the foreign land. Nepalese labor forces seeking foreign employment having very low level of technical education and formal training. They are compelled to take risky, difficult and dirty work in foreign country. Slowly, training institute is being established in Nepal to develop skills on individuals who are seeking foreign employment so that earning capacity of the employed can be increased and competitiveness in the labor market can be increased. But these institutes are in infancy. Individuals seeking foreign employment have spent large amount of money as a cost for employment. The cost includes passport fee, medical charge, visa fee air fare and commission to the employment agency. To finance the employment individuals have to dependent on several sources of funds which included internal saving, borrowing from the relatives, funds received from the sales of fixed assets like land and animals, borrowing from money lenders etc. Formal financial institutions like banks, cooperatives and finance companies do not provide loan easily. It is very difficult to arrange the funds needed to a foreign employment by people coming from lower income class. (Karki, 2006).

Other problems are mal practice and fraud activities of the manpower agencies, employment agent, and employer of the destination countries. The agreement between the migrant workers and Manpower Agencies are often violated. The government hasn't been able to regulate them. The rights of the migrant workers cannot be insured inside Nepal and also in the labor- importing countries. The per capita earning of the workers is very low.

The huge number of labor force, which is making contribution outside the country, is sending remittance to Nepal. Remittance has become characterized by both brain and brain drain and foreign labor migration has emerged as major source of income for migrants' household and the Nation (Kansakar 2003). This emigration trend has been developing as a permanent culture of rural society. At present emigration is burning issue of Nepal it is rapidly increasing day by day. Several studies have been conducted in this field by different research institutions and scholars but most of these studies are concentrated with internal migration and do not describe the socio-economic impact to their household, from point of rural development perspective. The trends of emigration are increasing every day from the Terai too.

Budhbare VDC is also located in Terai villages. According to VDC office, many people from the VDC have gone abroad for employment. It is seen that the remittance has brought a visible change in economic status of the family and the tendency of emigration for employment is increasing day by day in the VDC either. However, there are not any formal researches and studies in this area. The utilization of remittance at the present household level and relationship between remittance and their social status in the rural area is not known clearly. In such context, remittance as a source of income and its utilization in different purpose is seen as a relevant issue to study.

1.3 Objectives and Research Questions:

The main objective of the study is to analyze the role of remittance in rural poverty reduction of the study area. Besides this, the specific objectives of this study are as follows:

- To examine general poverty scenario of the study area.
- To analyze the nature and extent of remittance income in the study area.
- To gauge the impact of emigration on poverty reduction of the study area.
- To find out how remittance change (before and after) on their socioeconomic status.

The major research questions of the study are:

1. What socio-economic and developmental changes of remittance cause to migrants' household in the study area?
2. How the remittance is being utilized to sustain livelihood and reduced poverty in study area?
3. What is the level of dependence on remittances?

4. What is the distribution of remittances between different groups of household in the sample?
5. How does remittances income related to strategies for household diversification?
6. Does remittance contribute to greater income inequality?

1.4 Rationale and Motivation of the Study:

The problem of emigration and remittance is burning issues in Nepal. Although few studies have been made concerning the emigration from Nepal. Only a few studies have done on the field of impact of remittance in their social life of migrants and rural development (Bhattarai, 2005). This study has provided additional information about the various aspects of the emigration, characteristics of migrants, utilization of remittance, impact at the household level and effect remittance in rural poverty reduction and development from the study area. This information carried out by this study may be the milestone for development planners, researchers, students, governmental organizations, institution and agencies that concerned with it. In addition to this, the study can be helpful to provide supplementary information and to understand trends of out emigration from Nepal. At the situation, when the government has taken remittance as the backbone of the national economy, the information is helpful for the decision makers to reduce poverty, unemployment and formulation of long- term development policies.

In the past, the kind of job of Nepalese workers used to get abroad was only the armed force. After the restoration of democracy, the international job market was opened in 40 countries. Thus in the new phenomenon of entering into the WTO, efficient and skilled labor force is required and diversification in the skill and destination. This study will also concentrate on the role of remittances in rural Nepal and guide to make it more helpful in eradicating rural poverty and increasing the capacity of the labor force. The economic indicators will help to plan rural area.

If we try to analyze the present manpower of Nepal, about 70% of the educated manpower is migrated for work, some of them are coming back to Nepal and some of them are settling there forever, but all of them are sending money from there for their family and relatives. So, the remittance is coming for all over the world to Nepal where the Nepalese people are migrated. Certainly that amount of remittance is helping Nepalese economy to reduce the poverty level. When we compare the poverty level as well as the living standard of the migrated family and non-migrated family, the migrated people's family is in a high condition

of living standard, or they are feeling very comfortable to fulfill their basic needs for their existence.

But most of the remittance income is used in the unproductive fields like house building, land purchasing, purchasing of luxurious goods and consumption etc. therefore the remittance income is not playing its actual role for the development of the country as well as the reduction of the poverty level of the entire country. In other words, in these days, the remittance income is used in the advantage of the migrated people and their families only. If the remittance income is invested in the productive sectors like industries, development activities etc, then only the effect of that remittance income can be felt by other citizens of Nepal.

2. Literature Review:

Different institutions i.e. CEDA, CENAS, NPC, NEW ERA, CBS as well as other independent scholars, have performed their researches on migration. Various emigrational aspects have been studied mostly the causes, effects pattern, distinction, characteristics, problems, etc. All those confine it to the migrant. The utilization of remittance and its effects in rural development have not been studied. Thus, availability of literature referring to Nepal; in this regard is almost absent. It does not mean that there is nothing available about the scenes behind the migrant but these are not directly concerned with the problem. In this respect, some sample studies have been done in some Asian countries which are put here for review.

2.1 Theoretical Reviews

Rosenstein (1885) enunciated the law of migration, which addresses the push-pull factors of the migration. It is still a predominant framework of migration analysis. Push factor such as land tenure system, an unfavorable form of trade, rural poverty, wide dispersion of poverty and income are concerned with the place of the origin, where pull factors such as unemployment, opportunities, education and other available facilities are related to the place of destination. According to him, migrants move from low opportunity area to high opportunity area. The distance of place of destination also influences the volume of migration. He further suggested that migration is frequently proportional to development.

Stouffer Samuel (1940) believes that migration is a function of intervening obstacles. Positive factors related to the place of destination are the source of the attraction whereas the migrants are repulsed by a negative factor that is concerned with the place of origin.

Thomson (1953) expresses his view on migration that the desire to improve economic status is the main motive of migration. The desire to secure freedom from political oppression, desire for religious freedom, personal maladjustments to the family and community are as the other motives for migration. Poor peasants and farm workers with little or no land tend to migrate from those areas where such unfavorable situation exists. So far internal rural- urban migration is concerned, the educated and energetic person is leaving their village and going to the city.

Simon Kuznets (1964) has focused his view on the relationship between internal migration and economic development. Further, he clarified that only those who can migrate who have risk bearing capabilities and can adjust in new places. Younger better educated and more

enterprising people, who expect higher income, longer pay off periods or consistent scheme for future income are motivated to migrate to an urban area where they can get such income-generating employment opportunities. The model developed by Lee (1966) is summarized as "Push-Pull Obstacles" model. The decision of migration and the process of migration are the result of push -pull factors that are related to the place of origin and place of destination respectively. Furthermore, he has clarified that intervening and personal factors are associated with the event of migration.

Todaro (1969) explains migration on the basis of perceived income and employment opportunities. According to him, high probability of obtaining a job in the urban area and expected income differences between origin and; destination are the deterrent factors between origin and destination places influences the migration.

Bouge (1969) says that whenever one cannot satisfy his needs he migrates to another place where he may get relief from the undesired atmosphere, unpleasant resource, lack of employment, discriminatory treatment, alienation from the community and natural calamities. On the other hand, the major pull factors are employment opportunities, facilities of education and training, preferable environment and living condition. He also noted that the particular characteristics of migrants in terms of age, literary and marital statuses are also responsible to some extent.

Peterson (1969) has focused his attention on the environment having economic, social, technology and policy component as the factor of migration. Talking about the system approach he argues that rural -urban migration is interdependent. It means a change in one part of sub system can affect the whole system.

Cox (1976) enumerates the personal reason and general causes of migration separately. Personal reason for migration is to help or to be near to relatives, to find a climate more suitable for health, to find more congenial neighbors and to render voluntary military services. General causes for migration are population pressure, trade fluctuations etc. The ideas of Cox are similar to the ideas of Bouge. Weiner (1985) gives four clusters of variables shaping international migration. The first cluster is differential variable, such as in wage and land prices. The second cluster is spatial variables such as distance and transportation costs. Affinity variables comprise the third cluster of religion, culture language, and kinship network. The fourth cluster of variables comprises the access variables such as the rules for entry and exists.

From that literature reviewed it can be concluded that migration is the result of push and pull factors. Migration theory is related with repulsions and attraction of the places of the origin and destination respectively. The study reveals that the shape of migration is determined due to a factor associated with migrants and place of both. In the theoretical review, it seems that a few scholars (e.g. Peterson, 1975) emphasize on the typologies of migration while other (e.g. Ravenstein: 1985: Lee: 1966 and others) analyses the causes.

2.2 Migration Studies in Nepal

There are adequate literature on migration in Nepal. Most of the researchers have focused their attention on the description of the causes, patterns and characteristics of migrants. MC Dougal (1968) have studied the migration in the western hill, inner terai, and western terai. In the finding of this researchers, regional migration is happened due to lack of cash income that is especially needed for the fulfillment of their daily needs i.e. to buy salt, kerosene clothes, sugar and other necessities. K.C. (1975) talks about the great migration flow from Achham, Doti and Dadeldhura to terai and India for seasonal employment, yearly shopping to look after the land in terai and to escape from the extreme cold of winter.

A study of Suda village of Kanchanpur district by HMG in 1975 finds that low productivity, lack of food availability, lack of land are the main reasons of out- migration. Yadav (1977) reported that more than fifty percent of migrants to Katmandu valley fall in the age group 20-30 and thirty-seven percent of the migrants are unmarried. Most of them are from a so called high ethnic group like Brahmins, Chhetri, and Newars. 90% of the migrants are literate; out of which early three -fifth have attained matriculation education level. At the origin place, 75% had to farm as their occupation, but at the destination place only 2% of the migrants have farming as their occupation. While most of them are students, they are still depending mainly on their original source of livelihood. It is reported that economic factors, educational opportunities, and other facilities are the reasons of their migration. CEDA (1977) made a study in migration in far western development region basically on Kailali and Kanchanpur districts. The study finds population pressure, shortage of food production, social erosion, adverse natural climates, lack of employment and lack of cash income as the factors that pushes migrants from the place of origin. On the other hand, it finds land availability and employment opportunities elsewhere are the pull factors.

Gyawali (2001) argues that some household has increased their living standard and on the other hand the local agricultural land is changing into non-agricultural land. He also mentions that migrants fall mostly in the age group 26-50 years and most of them are married. Seddon (2003) defines that the proportion of migrants from developing countries has become increasingly significant and he included the urban area as the destination of Nepalese migrant's workers. Similarly, he points remittance to be of national importance as it forms the major part of national income in a country like Nepal and boosts up the household standard of the people. Elvira Garner (2001) has studied labor markets and migration in Nepal, that includes the case of workers in Katmandu valley working in carpet factories. Her study emphasizes comparison between agriculture income and non-agriculture increasingly important.

The significance of wage labor in semi-industrial production and in the service sector is growing rapidly. Along with this change, there is increasing labor migration, as part of the population seeks working labor market in urban areas both in Nepal and India or further abroad. In the Nepalese urban labor market, carpet production evolved as one of the most prominent industries but decreasing market of carpet in Nepal and abroad affects the industries and workers. The study showed that decline in income opportunities have drastically affected saving and remittance. As a consequence, workers with access to more attractive labor markets sought new destinations, particularly in the Gulf States.

Acharya (2003) has described that economic factors includes poverty, prosperity, and unemployment, under employment, trade etc. For example, Nepalese men have moved away from the country for employment and alleviating poverty. In recent year, general lack of well-paying employment opportunity at home and the opening up of labor market have pushed even the youth from the middle class to look for work outside the country.

Poudel (1990) has studied employment and working condition as well as the mode of living in the case of Nepali watchman in Bombay. He reported that most of the Nepalese watchmen in Bombay migrate from the hill area of far western development region (FWDR) of Nepal, particularly from the Doti, Achham, Baitadi and Dadeldhura districts because of the scarcity of farmland, low agriculture particularly and very little non-farming employment. Similarly, on the average, Far Western Development Region, people are poor and indebted. So to meet their household expenses and payment of their loan, they have to look for work outside the area. In addition, the pull factors (high level of wage, easy access to work, open boarder and high industrialization etc.) are supporting factor for them to

migrate. This study analyzes the sector of employment working condition and mode of life of a migrant worker in general.

Garner and Gurung (2003) reported about the destination of Nepalese migrant workers and variability of remittance according to destination. The report explains remittance to be of national importance as it plays the vital role of Nepali economy at the macro level. It has also emphasized the fact that the remittances are directly reinvested in promoting further migration rather than being spent in most vital needs. In addition to it, he noted that international labor migration has rapidly increased during the last five to ten years and the gulf countries have become one of the prime destinations since the mid -1990 and certainly one of the dynamic ones.

Lal's (2002) study shows the important role of migration in changing the population size of the Terai region. The volume of the population living in the Terai has increased mainly because of migration from hills to Terai and immigration to Terai from abroad. Similarly, his study shows that migration of population to Terai from outside and inside had adversely affected the socio-economic and environmental conditions of the regions.

Bista (1975) has done a study on migration, which is based on sample survey made in Kailali and Kanchanpur districts of far western development region. The main findings of the study are there is one -way flow of migration from hill to terai region and migrants where selective of age, size and occupation. Population pressure, food shortage, and poverty in the hill are the main reasons of migration. The study also suggested that availability of intervening opportunities through investment in road, irrigation in hill would make lower the volume to the development of Terai area.

New Era (1981) defines migration as demographic, economic, political and social problems. It differentiates as seasonal, permanent and temporary. The study further includes migration processes as seasonal and permanent, emigration and immigration and urban migration. The study concludes push and pulls factors as defined by CEDA including impact and consequences of migration.

NPC (1988) explains migration stream in Nepal by publishing statistics from demographic sample survey 1986/87. It describes migration stream as from village to village migration and village urban (town) mobility as sex, age and dependent, agriculture and seeking jobs for internal migration. The reason for international migration (emigration) as to join service peruses education and to seeks jobs.

Himal South Asia magazine (1997) highlights the causes of the labor of migration. Dixit (1997) writes Nepalese are being migrated since very long in the history of Nepal due to the economic desperation because their unproductive land (farms) is not able to provide subsistence; highlanders by the hundreds of thousands descend to India in search of livelihood. He includes this process of emigration was started due to army recruitment and tea plantation and how it is continuous and growing in large scale. He says the taxation levied system and rapacious system during the Rana period was one of the major push factors of emigration. We have received several studies pertaining to emigration, its eco-consequences either they are in the form of books or articles. That means study about the matter by finding the books, articles newspaper, and thesis, report etc. that are published in the past. This chapter helps to take adequate feedback to broader the information base and inputs to the study. Since there are not so much adequate study materials related with this topic published in Nepal. This chapter tries to detail the conceptual theoretical concept regarding the definition of remittance as well as the term poverty.

Remittance means the transferring money from one place to another. Remittance is the amount transferred by workers aboard to support their families back home. Euphemistically, present day Nepalese economy is characterized by "Remittance Economy". Its genesis starts from right from the beginning of world war in which Nepalese fought not for the protection of their homeland but in the course of fulfilling duty in which they are engaged. At the time of British rule in India, Those days when "Nawabs" of Lucknow were watching helplessly the loot of their huge wealth. The possessions thus received went to the treasury of the rulers, but the salary of the soldiers received formed the part to support their families. Remittance business is created by the foreign employment, which has the long experience in Nepal. For the foreign employment Nepalese people are engaged before some centuries. The Nepalese people were earned "Brave Soldier" in the history of the world before some decades. Nepalese people are earned a name and fame for the fighting the victory in the war so that they are called as "Bir Gorkhali". Nepalese migrated people are called 'Lahore' because they employed and earned money in Lahore which is in Pakistan now. Some of the Nepalese were earned money in Malaysia so they were called "Malayako Lahore".

According to a study conducted by Prof. Seddon, Jagannath Adhikari and Ganesh Gurung entitled "Foreign Labor Migration and the Remittance Economy of Nepal" for DFID (Department for International Development of the British Government) in the year 2005, nearly Rs.69 billion was remitted by the Nepalese working in foreign countries in 1997. Of

this, nearly 40 billion came from an estimated one million Nepalese working in India whereas the rest (nearly Rs.29 billion) came from people working in other parts of the world.

According to him, the recorded value of money sent back from abroad more than doubled, from 1974/75 (Rs.90.7 million) to 1980/81 (Rs.216.8 million). Over the next decade, the official value of foreign remittances increased three- fold, to reach Rs. 676.8 million by 1989/90. By the middle of the 1990's, the value of officially recorded remittances from abroad was around Rs. 2.9 billion, of this, "Gurkha Remittances" accounted for between a quarter and a third.

E.G. Ravenstein, (1885) was the first person to attempt forming migration theory. Ravenstein's "laws of migration" is also known as, push-pull factors of migration; still predominates as the framework of migration analysis. According to him, push factors are land tenure system, an unfavorable form of trade, wide dispersion of poverty and income, pressure of rural poverty in income; the pressure of rural poverty in general and so on. Pull factors are employment, education and other facilities are known as the bright light of the towns. On the one hand, push factors push the migrants from their place of the other hand pull factors pull the migration to the place of destination.

M.P. Todaro (1976) states that migration is stimulated primarily by rational economic consideration of relative benefit, which are mostly financial. The decision to migrate is influenced by the difference between expected incomes between two places, the odds, probability of getting a job in a new area is inversely related to employment rate in the new area.

Most of the people of that time are migrated to work in the British Regiments. This study examines the historical perspectives, present condition, The trend and dimension of Remittance, the problems associated with the remittance and its measurements, the use of the gained money as well as the skills, the investment pattern of that remittance and also the employment condition of the people returned from the foreign employment. It also examines about the Nepalese foreign employment system and its objectives with other questions related with the remittance. This study concludes that apart from India, about 86percent of the people are migrated to Gulf Countries like Malaysia, Saudi Arab, Qatar, Dubai etc. Rest percent are migrated to the other countries of the World. This study examines the role of manpower agencies in the field of foreign employment. This study concludes that even though the role of manpower agencies in obtaining Work Permit, Government acceptance

letter, tickets etc is very helpful but most of the manpower agencies of Nepal are looting the people in the name of foreign employment.

2.3 Poverty:

Poverty means deprivation of their security & well-being. Poverty is the condition where people's basic needs like food, clothing, shelter, education & health care are not being met and take away peoples right and freedoms, dignity and peace of mind. Poverty is about physical deprivation as well as the lack of opportunity and loss of hope. The Human Development Index (HDI) and social indicators clearly reflect that Nepalese people are poor.

Absolute poverty occurs when people cannot obtain adequate resources (measured in terms of calories or nutrition) to support a minimum level of physical health. Absolute poverty means about the same everywhere, and can be eradicated as demonstrated by some countries. Relative poverty occurs when people do not enjoy a certain minimum level of living standards as determined by a government (and enjoyed by the bulk of the population) that vary from country to country, sometimes within the same country. Relative poverty occurs everywhere, is said to be increasing, and may never be eradicated.

2.4 Remittance:

World Development Report (2006) defines that remittance is the money sent by migrants working abroad to their home countries and considered as the development tool. It has considered that remittance contributes to a huge international capital flow. The report has indicated that the value of remittance worldwide is estimated to be US \$232 billion across all countries and \$167 billion of which was sent to developing countries. Another study by the world Bank (2005) found remittances to be effective in reducing Poverty consequences either they are in the form of books or articles. This chapter helps to take adequate feedback to broader the information base and inputs to the study. Since there are not so much adequate study materials related with this topic published in Nepal.

This chapter tries to detail the conceptual theoretical concept regarding the definition of remittance as well as the term poverty.

Remittance means the transferring money from one place to another. Remittance is the amount transferred by workers aboard to support their families back home. Euphemistically, present day Nepalese economy is characterized by "Remittance Economy". Its genesis starts from right from the beginning of world war which Nepalese fought not for the protection of

their homeland but in the course of fulfilling duty in which they are engaged. At the time of British rule in India, Those days when "Nawabs" of Lucknow were watching helplessly the loot of their huge wealth. The possessions thus received went to the treasury of the rulers, but the salary of the soldiers received formed the part to support their families. Remittance business is created by the foreign employment that has the long experience in Nepal. For the foreign employment, Nepalese people are engaged before some centuries. The Nepalese people were earned "Brave Soldier" in the history of world before some decades. Nepalese people are earned a name and fame for the fighting the victory in the war so that they are called as "Bir Gorkhali". Nepalese migrated people are called 'Lahore' because they employed and earned money in Lahore which is in Pakistan now. Some of the Nepalese were earned money in Malaysia so they were called "Malayako Lahore".

According to a study conducted by Prof. Seddon, Jagannath Adhikari and Ganesh Gurung entitled "Foreign Labor Migration and the Remittance Economy of Nepal" for DFID (Department for International Development of the British Government) in the year 2005, nearly Rs.69 billion was remitted by the Nepalese working in foreign countries in 1997. Of this, nearly 40 billion came from an estimated one million Nepalese working in India whereas the rest (nearly Rs.29 billion) came from people working in other parts of the world.

According to him, the recorded value of money sent back from abroad more than doubled, from 1974/75 (Rs.90.7 million) to 1980/81 (Rs.216.8 million). Over the next decade, the official value of foreign remittances increased three- fold, to reach Rs. 676.8 million by 1989/90. By the middle of the 1990's, the value of officially recorded remittances from abroad was around Rs. 2.9 billion, of this, "Gurkha Remittances" accounted for between a quarter and a third. (Source: www.nepalnews.com.np/ntimes/issue169/economy)

From the past 14 years up to now, about 1.4 million people are migrated to other countries in the search of employment. Even though, the number of people migrated directly with the permission of government is one million but estimation of the same number of people are migrated from the individual level and from the medium of other third countries.

According to the data provided by the Labor and Employment Promotion Department up to the date, the total of 9 lakh 35 thousand three hundred and 41 people are migrated for work. According to the same data, about 2,96,032 people are migrated to Malaysia, about 2,04,486 people to Qatar, about 1,47,503 to Saudi Arabia, 80 thousand to UAE, 5 thousand and six hundred to South Korea, summing up all of them 7 lakh 33 thousand people are migrated to these countries for work. Rest of the people are migrated to the other countries. The above

data is from 2050 B.S. up to now. Even though before 2050 B.S. also Nepalese people were migrated to the other countries but the actual data of that period is not available to the government. Similarly, the data of the people migrated for their further studies but getting employment there and sending money and migrated with their own effort is not available with the Government.

According to the vice-president of Nepal Foreign Employment Association Mr. Madan Mahat; the total of about 1.8 million people from Nepal are migrated to the other countries for the search of the employment by both either through the formal or informal mediums. According to the Director General of Labor and Employment Promotion Department Mr. Keshar Bahadur Baniya; Nepalese people are migrated to other countries because they can get the desired work there and also they can earn more money than in the native country. According to the Government data, maximum of 1 lakh 65 thousand people are migrated in the year 2062/63. The number of people going to the foreign employment is not decreasing after the restoration of peace in Nepal also. In the period of one month (Jestha 2064), about 65 thousand people are migrated for the foreign employment. Generally, semi-skilled people are migrating to the Gulf countries like Qatar, Malaysia, UAE etc and the literate and skilled labor is migrating to the countries like Korea, Israel, Cyprus, Hong-Kong etc. The Government of Nepal opened 107 countries for the foreign employment of Nepalese labors, but the labor-contract was signed with Qatar only.

EM.P. Todaro (1976) states that migration is stimulated primarily by rational economic consideration of relative benefit which are mostly financial. Decision to migrate is influenced by the difference between expected income between two places, the odds, probability of getting a job in a new area is inversely related to employment rate in the new area.

Besides traditional sources like salaries and pensions of Gurkha soldiers servicing in the British and Indian Army, thousands of Nepalese, Some of them engaged in three "D" jobs (that is Dangerous, Dirty and Difficult) are sending billions of rupees back home. This has emerged as a vibrant sector of the country's economy. (Source: www.nepalnews.com.np/ntimes/issue169/economy)

Poverty is the well-known major problem of all over the world. Especially for the countries like Nepal, it is the burning issue. Various economists and institutions in the context of the world had conducted many studies and researches but a few researches, have conducted in the context of Nepal to fulfill the required amount of information about the role of remittance income to reduce the rural poverty in Nepal. In this sense, we can address the rural poverty as

the overall poverty of the country because most of the people of the rural area are under the poverty line as already described and most of the people of urban areas like Kathmandu, Pokhara, and other major cities and other popular developed districts.

For this purpose first of all, we have to define the word poverty. The word poverty is defined by so many economists in their own words like:

The research report of NRB (2006) conducted by the Special Study Section Of NRB entitled "Foreign Employment, Remittance Economy and Nepal" states that the migration of Nepalese workers started after 1816's peace treaty between Nepal and Britain. Most of the people of that time are migrated to work in the British Regiments.

The above literature is basically focused on the cause and consequences of the migration. Even though there is no more literature in Nepali context, internationally there are adequate literatures which are also more focused on the implications of migration. It is a considerable condition that minimum literature of Nepal is not more focused on remittance and its impact at household level. Thus, this study has been carried out at the micro level to fulfill the need of how remittance can be useful to contribute to the livelihood of rural people.

2.5 Operational Definitions

Remittance: Remittance can be defined as the sum of money that emigrants send back to his/her country of origin.

Forced Migration: Migration that takes places when the migrant has no choice about whether move to or not.

Immigration: The process of coming to live permanently in a country that is not one's own.

Internal Migration: Movement of people from one place/region of the country to another.

Brain Drain: It means the out flow of literate or skilled or both types of manpower from the country.

Economically Active Population: People who fall within the age bracket of eleven to sixty years old.

Emigrant: A person who leaves their country to live or work in another country.

Place of Destination: Place of destination is defined as the place where the migrants stay for a short period or a long period leading to permanent settlement.

Place of Origin: Place of origin is defined as the place of starting from where the migrants move to the place of destination. In our case Budhabare, ward-9 is the places of origin.

Career Migration: The movement of people in response to occupational opportunities in business, enterprises, bureaucracies or the military is defined as career migration.

Chain Migration: The movement of clusters of individuals from a common place or origin to another place. The earlier migrants provide later migrants with aid and information.

Circular Migration: A well-defined pattern of migration such as seasonal work or grazing of livestock or sending children temporarily into domestic service, in which migrants return to their place of origin.

Diaspora: This dispersion abroad of a group is Diaspora.

Global Migration: Human movement across continents.

Impelled Migration: Migration that takes place under the great economic, political, or social pressures.

Repatriation: The return of migrants or displaced persons to their place of origin.

Innovative Migration: Those people who move from their country of origin or place of origin to some other place either in their own country or other foreign countries and who change their occupation in their place of destination are called innovative migrants.

3. Methodology:

3.1 Research Design

This chapter deals with the overall design of the study from its methods to others procedural things. Since the study is basically the remittance and its impact in household level, it is primarily based on primary data collected from the actual field. Further, other secondary data related with remittances, migrations, impact of migrations etc. were also collected to substantiate the findings.

The study is all about the case study of Budhabare VDC ward no. 9. The research is basically qualitative ones where quantitative data were also used as to provide descriptive as well as analytical backing for the study. The simple quantitative tools were used to provide insight on the proposed study.

3.1.1 Conceptual Framework

Community having vulnerable livelihood assets like lack of land, low productivity, lack of employment and finance repulse the labor force to the place where they can get better opportunities to secure their household livelihood. Whenever people feel that they are unable to fulfill their need within their community, they adopt migration as a household livelihood strategy. In this context, labor migration becomes supplementary income source for the household in their place of origin. In the process of labor migration, push factors repulse the labor force from the place of origin, pull factors attracts them to the place of destination. In this regard, to clarify these things related to labor migration the push-pull factors obstacle model developed by Lee has been also used as a conceptual framework for the analysis of the data in this micro level study. Emigrants send remittance to their households. The study made effort to find out where the part of remittance remained after consumption in the migrants' family is again reinvested. The change in the status of livelihood of migrants' households resulted in the change in their social status. These changes involved the change at the level of their reputation, opportunities in decision making, involvement planning and development programs within community.

3.2 Selection of Study Area

Budhabare VDC -9 of Jhapa is located in the north-east of the district and the eastern development region of Nepal. It is also experiencing emigration to abroad. Unemployment and willingness to earn more money is the major cause of emigration in this district. After the trend of emigration increased in this district people's expectation has very much raised due to market influence and the government has not able to create jobs opportunities for the jobs seekers. Hence, people started looking for job opportunities abroad. As mentioned above from the study area also, a lot of people have migrated since 1990.

However, so far none has studied the socio-economic background of the migrant labor and its impact on the rural development activities of this area. Likewise, no study has been carried out regarding the role of remittance in poverty reduction so far in Nepali context.

3.3 Nature and Sources of Data

The study entitled "Role of remittance in rural poverty Reduction" is the case study of Budhabare VDC. Ward no 9 of Jhapa District. Basically, the study is based on the primary data; it is also from the relatives of the migrated people in the absence of the family of the migrated people. The required data is collected from the field study of the researcher himself as well as some data's about remittance is taken from the secondary sources that are both published as well as unpublished, The required data are collected by using the questionnaire method. The collected data are processed according to the need of the study.

3.4 Sample Selection Procedure

According to the National Population and Housing Census, 2011 there is a total of 5270 households where 22,936 (10,938 male and 11,998 female) population resides in Budhabare VDC, Jhapa. In ward no. 9 of Budhabare VDC, there are 1044 households and total population is 5362 of which 2736 are male and 2626 are female. The youth age of (16-24) is 1019 (501 Male; 518 Female). Similarly, the youth age of (25-45) is 1836 i.e., 925 male 911 female. The density of population is 3.12 per SQ. m. (VDC Profile, 2009). According to the data of Budhabare VDC office, among the total no. of households in Ward no. 9, 24 households are migrated to other places in the year 2064/65 B.S. Among the total population about 36.6 percent of the people are migrated to another place. Among them about 36.3 percent of the people are migrated for their further studies, and about 18.7 percent of the people are migrated for work. From the 1044 total households in the study area, 100

households were selected using proportional to size with random sampling method. To make the study meaningful as well as advanced, within the limited period a larger sample size was not feasible. The sample is 9.57 percent of the total households, which can be considered to be representative of the universe of study. The strata are the nine wards of the VDC; the selection of sample households in each ward is made proportional to the size basis. The size is the total number of the households in each ward. This survey was conducted from January 1, 2015, to February 29, 2015, A.D.

3.5 Data Collection

3.5.1 Primary Data Collection

The data were collected selecting the 100 households of the returnees from abroad. They were interviewed through the set interview schedule and questionnaires. Both open and closed ended questions were set. In-person visit of the researcher with the respondents was carried out.

3.5.2 Secondary Data Collection

Some of the secondary data were also used to make the study effective. The secondary data were basically collected from the reliable sources as Nepal Rastra Bank, National Population, and Housing Census, 2011, Central Bureau of Statistics, different journals, analytical reports of NGOs/INGOs/UN and other study reports basically based on migrations and remittances were used. These data were used for literature review as well as analytical purposes.

3.5.3 Data Collection Techniques

The data collection process has entirely based on the basic principle of triangulation. The techniques to be used to the data collection are summarized below:

Interview Schedule

The interview schedule as mentioned in annex 1, was the main tool to collect information from the workers' households. Various types of questions were designed for emigrant workers households so as to get information regarding the topic mentioned above. Basically, the information related to socio-economic based data of migrants has been collected by this research tool.

Observation: Some of the information are collected from participant observation. Especially life styles, e.g. infrastructure facilities of migrants, etc. were observed to generate qualitative data.

Key Informant Interview

A key informant interview is one of the appropriate methods for acquiring primary data. In this study, the key informants were local leaders, teachers, and others knowledgeable persons. The interview is taken from about 15 key persons. The information collected from them is about the factors of emigration, social change, development in the rural area and utilization of remittance, etc.

3.6 Data Presentation and Analysis

While analyzing the data, the available data from the various sources were collected, classified and tabulated to meet the needs of the study. Data processing has been done with the help of a scientific calculator and the computer. Data are presented in percentage form when to require, tables, graphs, diagram are used to meet the requirement of this study. Data are studied comparatively to get required results about the efficiency of that remittance income and the effect of that remittance income in the research area. The survey in identifying the income status of the 100 households was carried out through which total income including remittance and total income excluding remittance was analyzed. Moreover, income inequality measurement was also done through the help of mathematical tool as Gini coefficient, and its analysis was done accordingly.

3.7 Limitations

The study has not claimed to have accomplished the complete totality on the objectives because the study has constraints of time and resources. Hence, the study confines itself within the limitation as said above. There are mainly the study covers Budhabare VDC of Jhapa district. Data for the study are collected with limited tools such as interview, schedule, and focus group discussion, key informants' interview and observation, etc.

Though it is the study of Budhabare VDC, the households selected for field survey are from Ward no.-9. During the interview the information is taken from those people who were available at home rather than the household head and the information obtained from the field is based on their response. No verification has been done after taking information. The researcher alone has carried out the field survey within two months and that may limit the quality of research. Some information presented here is based on the focus group discussion and key informants views.

4. Results and Analysis:

4.1 Sample Characteristics:

4.1.1 Social Characteristics of Respondents

A social condition such as caste/ethnic composition, a size of the family, age, material status and literacy determine the willingness and clarity of the individual to participate in the foreign labor market. In the process of field survey, we found the main castes of the study area are Chhetri, Brahmin, Gurung, Kami, Magar and Saki, etc. For the purpose of the study the sample households in respect of the above-described castes were taken. The main Social characteristics considered important for these groups were family size, marital status and literacy rates. The information obtained by interviewing the respondent is presented in the following table.

The following table 6 shows that among workers seeking foreign employment from Budhabare VDC is mostly dominated by Chhetri, Brahmin and Gurung. Comparing the age of the migrant of the three casts with other castes, the average age of the migrant of these castes is very high while other casts like Sarki, Kami has very low average age of the migrant workers. On the another aspect of the above table, we can see that the literacy level of the migrant workers from the upper so called upper castes like Brahmin and Chhetri is quite high compared to the another caste's migrants. The literacy level of the migrants of Bahrain is 100 percent where the literacy percentage of the Chhetri is almost 93. The above table presents the another fact that the family size of the respondents from the low castes like Sarki, Kami, Magar and other is high compared to Bahrain, which is also playing the vital role to foreign employment for the young and dynamic labor forces even they are also educated. Most of the people of the lower caste get married in their childhood, which means that the percent of the married population in the lower cast in comparison to the other cast is very high which is also the another main important aspect as a push factor of foreign employment.

Table 6**Average Family Size, Age, Marital Status and Literacy****Percentage of Different Ethnic Groups of Sampled Households**

Caste/Ethnic Group	No. of Respondents	Average family size (no.)	Percent of married	Percent of literate
Chhetri	38	5.13	61.3	92.8
Bhramin	27	4.81	58.2	100
Gurung	10	5.1	71.3	80.3
Kami	7	4.28	80.7	68.2
Magar	6	5.5	70.5	75.6
Sarki	5	7	83.2	62.5
Others	7	5.57	78.6	76.9
Total	100	5.34	71.97	80

(Source: Field Survey, 2015)

4.1.2 Sources of Income of Sampled Households

In the study area even though the different people are engaged in the different occupations like Agriculture, Jobs (government as well as private), Business and Foreign Employment, etc. which are the main sources of income of the respondents family of the study area. The situation of the income depending on their sources in the sampled households is shown in the following table.

Table 7**Sources of Income of the Sampled Households**

S.No.	Sources of Income	Number Of Households*	Percentage
1.	Agriculture	78	40.83
2.	Business	45	23.56
3.	Jobs	24	12.57
4.	Foreign Employment	32	16.75
5.	Others	12	6.29
6.	Total	191	100

(Source: Field Survey, 2015)

(Note: Due to multiple answers the total no of sample households is more than 100)

The above *table 7* presents the income sources of the respondents of the sample area. From that table we can find that most of the family depends on the Agriculture, the second largest sources of income are Business whereas the third largest source of income is Foreign Employment whereas about 17 percent of the household's main source of income is Foreign Employment.

4.1.3 Economic Condition

Economic condition is one of the most important factors of emigration. It is expected that people from lower economic condition (a type of people with a problem in fulfilling their basic needs) should seek foreign employment. Mainly the lower economic condition families went to India for foreign employment because of the cost of funding; foreign employment is quite high, and poor people may not be able to afford it. In this VDC respondents were classified into lower, lower middle, middle and high-income group according to their assessment of their economic condition, the information obtained is presented in the following table

Table 8
Frequency Distribution of Economic Condition of Different
Ethnic Groups of Respondents from Budhabare VDC-9

Caste/Ethnic group	No. of Respondents	Economic Condition			
		Lower Income Group	Medium low Income Group	Medium Income Group	Higher Income Group
Chhetri/Bhramin	65	16	21	17	11
Gurung	10	2	1	4	3
Kami	7	5	1	1	-
Magar	6	4	1	1	-
Sarki	5	5	0	0	-
Others	7	4	2	1	-
Total	100	36	26	24	14

(Source: field survey, 2015)

Table 8 presents the summary about the economic condition of the respondents and their family. From the above table we can see that among the sample households most of the households are Brahmin and Chhetri, where they are quite strong economic background i.e. 11 household from total of 65 households are from high-income group whereas 17 households are from medium income group, 21 households are from medium-low-income group, and only 16 households are in the lowest income group, in percent only the 24.61 percent of the population from brain and Chhetri are in lower income group. After Brahmin and Chhetri, Gurung is the economically strong cast in which only the 20 percent of the total household are in a lower income group. Among the sample households Sarki caste is the poorest caste in which all 100 percent of the sample households are in the lower income group. From the above table, we can see that there is no any family in the high-income group besides brain/Chhetri and Gurung castes.

4.1.4 Causes Seeking to Foreign Employment

Even though the poverty being the main factor of foreign employment; there must be several reasons of seeking foreign employment. The reason may be economic, social or political. They may be related to the acquired skills and various other reasons. To find out the causes of seeking employment the respondents were asked to identify the prime causes to go for foreign employment. They gave more than one reason as follows;

Table 9
Frequency Distribution of Causes of Seeking Foreign
Employment from Budhabare VDC-9

Caste/Ethnic Groups	No. of Respondents	Causes			
		Unemployment	Family Debt	Conflict	Earn Money
Chhetri/Bhramin	65	63	24	11	23
Gurung	10	10	3	2	4
Kami	7	5	7	0	2
Magar	6	5	3	2	2
Sarki	5	5	4	0	1
Others	7	6	4	0	6
Total	100	94	42	15	38

(Source: Field Survey, 2015)

(Note: Due to the multiple answers the total will be more than 100 percent).

Above Table 9 shows that unemployment is the main cause of foreign employment for all the castes and ethnic groups. Among all the sample households about 94 percent of the sample, households had stated unemployment as the main cause of foreign employment. The second main important cause is family debt burden that is also playing as the major push factor of the foreign employment. Comparing the other castes with Brahmin and Chhetri, the percentage of emigrated population due to Family debt burden quite high in the case of other castes like Sarki, Kami and other castes. Among the total sample households about 42 percentage of the respondent are emigrated due to the family debt burden. Which means that among the ethnic groups Sarki, Kami, Magar, and other Dalit showed a higher percentage of family debt burdens than Chhetri/Bhramin? The third reason of foreign employment is to earn money, the percentage of respondents stating the major cause is earn money and family debt burden are quite similar i.e. 38 percent respondents has emigrated to the foreign countries to earn more money than they were earning in Nepal before emigration to the foreign countries. After that, 15 percent of the respondents had stated that they are migrated due to the conflict problem of Nepal. About 17 percent of the migrated Chhetri/Bhramin are migrated to avoid conflict or to save their lives. Chhetri/Bhramin group were predominately more inciting from conflict.

It was concluded from our study that employment, Family Debt, Earn money and conflict are the main causes to seek foreign employment.

4.1.5 Cost Paid for Foreign Employment

Foreign employment requires a sizable amount of money to be invested in passport, medical checkup, manpower agency commission, visa expenditure, air fare, the cost of internal travel time to time from home area to Kathmandu and also to the district headquarter Chandraghadi and hotel charge in Kathmandu at the time of processing for the foreign employment. To find out the costs paid by the respondents, they were asked to quote expenses in different categories. The summarized version of the cost paid by the different income groups is given in the following table:

Table 10
Average Cost Paid and Range of Costs for Foreign Employment
By Different Ethnic Group from Buhdabare VDC-9

(In Rs. '000')

Caste/Ethnic Group	No of Respondents	Average cost (in Rs. 000)	Ranges of Cost	
			Minimum	Maximum
Cheetri/Bhramin	65	90	5	1089
Gurung	10	88.5	20	150
Kami	7	8	2	60
Magar	6	49.5	10	95
Sarki	5	12	1.5	80
Others	7	52	20	120
Total	100	50	1.5	324

(Source: Field Survey, 2015)

Above table 10 shows that the highest cost of 90 thousand for foreign employment is paid by Chhetri/Bhramin. Secondly Gurung also had paid 88.5 thousand which is quite similar to the cost paid by the Chhetri/Bhramin's. After that Magar and Other castes had paid an average of around 50 thousand for the foreign employment. Kami and Sarki Ethnic groups had gained very low average cost of Rs.8 thousand and Rs.12 thousand respectively.

Bhramin and Chhetri prefer developed countries like UK, USA, Japan, Korea etc. Whereas lower income groups like Kami and Sarki paid very low average cost because the cost paid to immigrate to India and other neighbor countries is very low. We can see that there is too much variation in the cost of the foreign employment in all types of caste/ethnic groups. This is because the cost paid to immigrate to India is very low whereas the cost paid for the other developed countries is quite high compared to India.

Dalit had paid high average cost than another group because they have not more information about foreign employment. The lowest cost paid by the respondents of the sampled

households is 15 hundred rupees which are paid by Sarki caste to immigrate to India whereas the highest cost paid is Rs. 1,089 thousand to immigrate to the USA. It shows that the respondent of this VDC had a wide range of cost, and it was high variability with the sample.

Table 11
Frequency Distribution of Source of Financing of Cost of Foreign
Employment for Different Ethnic Groups of Budhabare VDC-9

Caste/Ethnic Group	No. of Respondents	Sources of Financing		
		Loan	Sales of property	Family Saving
Cheetri/Bhramin	65	52	-	13
Gurung	10	6	-	3
Kami	7	6	1	-
Magar	6	4	1	1
Sarki	5	5	1	-
Others	7	4	2	1
Total	100	77	5	18

(Source: Field Survey, 2015)

Above *table 11* shows that 77 percent respondents of the total borrowed loan to pay for the cost of foreign employment. Another 18 percent respondents had paid from their family savings, and only 5 percent respondents had paid to the cost of foreign employment by selling their property. Only the low- income groups like Kami, Sarki, Magar and others sold their land and other property to pay for the foreign employment. Among the respondents who use family saving the maximum number was from Chhetri/Bhramin categories. It can be concluded that the cost of foreign employment is financed by borrowing and family savings. Family saving is used by so called upper castes like Bhramin and Chhetri.

4.1.6 Types of Jobs and Duration of Stay in Foreign Employment

Since the skill of Nepalese workers is quite low; most of them get employment in a manual job. To find out the types jobs performed the respondents were asked to give the type of work they did while being employed in a foreign country that is categorized into five types, they are Construction, Mechanical, Agricultural Farming, Industrial works and Hotel/Catering.

Duration of foreign stay of emigrants' workers depends upon availability to work, facilities provided by company, salary rate, the health of workers, visa permit date, home urgency and other several reasons. Sometime the respondents return their home before the agreement date

due to an inferior type of job, low salary and family affairs such as a death of any family members, sickness and their bad health and also the employer firm expelled them due to the unusual characters of the workers. To find out the duration of foreign stay the respondents were asked to provide their length of stay. The results of both the types of a job performed and the duration of stay in the foreign. Employment is summarized in the following table:

Table 12

Types of Jobs Performed and Duration of Stay in Foreign Country of Respondents from Budhabare VDC-9

Caste/ Ethnic Group	No of Respondents	Occupation					Average Duration of Stay
		Constr- uction	Mecha- nical	Agri- farmi ng	Indus trial	Hotel/ Catering	
Cheetri/B hramin	65	14	27	7	12	5	3 Yrs
Gurung	10	4	-	-	4	2	3.25 Yrs
Kami	7	6	-	1	-	-	2.8 Yrs
Magar	6	3	-	1	2	-	2.7 Yrs
Sarki	5	3	-	1	-	1	2.5 Yrs
Others	7	4	2	-	1	-	2.7 Yrs
Total	100	34	29	10	17	8	2.8 Yrs

(Source: Field Survey, 2015)

Table 12 shows that most of the migrated respondents work in the construction areas in which 34 percent work in that occupation. Most of the people from lower cast work in the construction areas due to lack of other technical knowledge to work in other areas. The second most employed area is Mechanical in which 29 percent respondents are working. In this category, only the Bhramin and Chhetri caste are employed among 34 percent of respondents 32 percent of respondents working in the mechanical areas are from Chhetri/Bhramin ethnic group only the 2 percent of the respondents are from the other castes. The third largest area of employment for the Nepalese workers is Industrial area where most of the Nepalese workers are working as a labor. Other areas of employment for the Nepalese workers are Agro- Farming and also the Hotel and Catering where 17 percent and 8 percent

of the total respondents are working respectively. According to Duration of stay from the field survey, we know that the respondents from Gurung ethnic group have the longest duration of stay where they stay an average of 3.25 years once. After Gurung, Chhetri/Bhramin spends an average of 3 years in foreign employment at a time. The Sarki cast has a minimum duration of stay of 2.5 years. Other all the castes' duration of stay is around 2.8 years. It means the average duration of stay of the respondents from Budhabare VDC is 2.8 years.

4.1.7 Causes to Return Back to Work Again

The labor employed about when returns to his/her home he has two options. He may stay in his native country and have to take some new profession/continue as a farmer or return back to the same foreign employment. Those who return may be returning for several reasons such as easy continuation of a job, unavailability of job at home, avoiding conflict. Those who don't return may not be returning again with several reasons such as difficulty in a job, willingness to stay with family, no urgency to make more money because the debt has been paid, marriage or death of the older member of the family and got another employment in their native country ,etc. How the sample households responded to the further employment in foreign land was solicited through the questionnaires and the responses are summarized as below:

Table 13
Causes to Return for Foreign Employment
For Different Ethnic Group of Respondents

Caste/Ethnic Group	No. of Respondents	Causes of return		
		Employment Purpose	Conflict	No Plan to go
Cheetri/Bhramin	65	42	15	8
Gurung	10	8	1	1
Kami	7	7	-	-
Magar	6	5	-	1
Sarki	5	5	-	-
Others	7	3	1	3
Total	100	70	17	13

(Source: Field Survey, 2015)

The above table shows that because of unemployment problem i.e. they can't get any jobs in their native country even returning back from the foreign employment, 70 percent respondent return to foreign employment. Other 17 percent of the people said that they can survive in their own country but the conflict problem is pushing them back to the foreign employment. Among the total respondents only 13 percent respondents don't plan to return again which may be because they had done difficult, danger and dirty work in abroad. Ethnic groups wise almost all the lower caste are planning to return back to the foreign employment, where as some of the respondents from Bhramin/Chhetri and other castes don't plan to go to the foreign employment again. It can be concluded that continuous foreign employment is means to avoid the unemployment and the conflict in the country.

4.1.8 Income Earned Abroad

It is often said that Nepalese workers get low paying jobs in overseas. So, they earn less money than laborers from other countries. But income earned abroad depends on skill of workers, salary payment by company, rules and regulations of the working country, types of company, duration of stay etc. To find out the income earned by Nepalese labor in abroad the respondents were asked to give their monthly salary earnings. The respondent's answers are given in the following table:

Table 14
Income Earned in Abroad for Different Ethnic Group of Respondents

Caste/Ethnic Group	No of Respondents	Average Monthly Income (In thousand)							
		Based on Destination		Based on Skill		Types of Jobs			
		Gulf	Malaysia	Skilled	Unskilled	Mech a.	Hotel	Ind.	Agr.
Cheetri /Bhramin	65	15.13	12.4	24	10.5	25	15.5	12.5	-
Gurung	10	12.5	12	20	8.75	21	14	10	8.5
Kami	7	9.83	8.5	17	7.5	18	-	8.5	7.8
Magar	6	9.76	8.5	21	9	14	15	9.5	8.5
Sarki	5	8.5	7.5	18	7.5	15	11	9	-
Others	7	10.3	9	20	-	18	14	9.5	9.5
Total	100	11	9.65	20	8.54	18.5	13.58	9.83	8.5

(Source: Field Survey, 2015)

Above **table 14** shows that the respondents who have done the work in Gulf Countries earned more money than the respondents worked in Malaysia. Comparing these two countries the average monthly income of the respondents in Malaysia is Rs.9.65 thousand where the average monthly income in Gulf countries is Rs.11 thousand. Comparing the income of the respondent's caste wise, we can get the result that the respondents from Cheetri/Bhramin get more average monthly income than the others because they understand all the rules and regulations of their work and their salary before their departure to the destination country. The monthly average income in Gulf Countries and Malaysia is lowest for the Sarki caste because most of the workers from that caste are illiterate. In another aspect of this table we can understand that the average monthly income between skilled workers and unskilled workers is very different. The skilled workers are getting the average monthly income of around 20 thousand whereas the unskilled workers are getting around 8.5 thousand rupees as monthly average income. The average monthly income varies according to the types of jobs also. Among the four types of jobs Mechanical, Hotel, Industry and Agriculture the workers working in Mechanical firms get highest monthly salary which is 25 thousand rupees per

month is the Gulf countries also. Caste wise variation is that most of the Cheetri/Bhramin are working in the mechanical firms so their average monthly income is highest than the others. According to the types of jobs, the workers working in Hotel, Industries and Agriculture get average monthly income of 13.58 Rupees, 9.83 Rupees and 8.5 Rupees respectively. It means that the workers working in Agricultural sector are getting very little money of Rs. 8.5 per month.

4.1.9 Utilization of Remittance and Skills Learned in Foreign Employment

The use of remittances depends on the priority placed by the individuals of different uses, the size of remittance, the time of availability, opportunity for investment and several other factors. Majority of migrant workers go abroad because of unemployment at home and poverty in the households. Generally, the earnings made by them are not big. The cost of foreign employment is born by borrowing therefore the income earned has to be spent on the payment of the principal and the interest amount. There may be family rituals in waiting. Keeping all these conditions in mind the respondents were asked to identify the uses they made for the money earned abroad. Each Individual spent the earnings in more than one uses. To find out the use of remittance by the respondents they were asked to list the use of the money in different heads.

Most of the migrant Nepalese workers are unskilled, so the Nepalese migrants' workers have learnt different kinds of skill abroad. When they return back they are expected to utilize those skills back home but they are observed to utilize their skills in home country. It might depend on different conditions. These conditions may be place availability of work, availability of industry, quality of skills learnt, lack of technology, financial availability etc. To find out the perceived reasons, the respondents were asked to provide reasons. The answers given by the respondents are presented in the following table:

Table 15**Use of Remittance and the Skills learnt in Foreign Employment**

Caste/ Ethnic group	No of Respondents	Utilization of Remittance				Use of Skills	
		Household Expenses	Loan Payment	Investment (Land, Shares)	Social Activities	Yes	No
Cheetri/ Bhramin	65	65	47	19	16	12	48
Gurung	10	9	2	2	6	2	8
Kami	7	7	6	-	-	-	7
Magar	6	6	5	2	-	2	4
Sarki	5	5	5	-	-	-	5
Others	7	5	4	3	1	-	7
Total	100	97	69	26	23	16	84

(Source: Field Survey, 2015)

(Note: Due to the multiple answers the total numbers of the households are more than the total number of sample size.)

The above table presents the fact about the utilization of Remittance income as well as the utilization of skills learnt in foreign employment. From it, we can conclude that among all the respondents and their household, 97 percent of the respondents uses their income in the household expenses i.e. in food, cloths, health and the education of their family. 69 percent of the households use their income in loan payment of their family which can be taken for the same purpose or which can be the family debt before his foreign employment. Only about 26 households are using their income from abroad in investment purpose i.e. for buying land, Home and Shares or establishing industries. Among all the respondents only the 23 percent of the respondents are spending some amount of their income in Social activities i.e. in Schools, roads, water taps etc. Only the respondents form Cheetri/Bhramin, Gurung etc are donating some amount of their money to the social activities, apart from those other castes like Kami, Sarki, Magar are using almost all of their income in Regular household expenditure and in loan payment. It concludes that, the big amount of remittance income

earned by the respondents in the study area is spending their remittance income in regular household expenses and in payment of loans and their interest.

In another aspect of this table, this presents the utilization of skills earned in foreign employment. Among all the respondents only the 16 percent of the respondents replied that the skills learned in foreign employment is helping them in their lifestyle after the foreign employment in their native country. Among all the respondents 84 percent of the respondents replied that the skills learnt in foreign employment is not helpful in their future life after foreign employment in any areas.

4.1.10 Change in Household Economy Due to Foreign Employment

It is often believed that if somebody receives foreign employment his household economy will improve. The change is economic wellbeing improvement in living standard; improvement in skill, social status might be same of the areas where the changes take place etc. If the respondents are able to gain more than the income which is needed to run their family and also to pay their loans principal as well as their interest amount then only their economic condition can improve and their poverty problem can be reduced. To find out the change in household economic condition due to foreign employment, the respondents were asked to give their own judgment about their economic condition before foreign employment and after foreign employment and comparison of these two time periods. The answer given by them is presented in the following table.

Table 16

**Frequency Distribution of Change in Different Indicators of Respondents
Due to Foreign Employment**

Indicators	Change in Conditions			Total
	Increased	Decreased	Remained Same	
Economic Status	69	8	23	100
Standard Of Living	57	3	40	100
Social Attitude	73	-	27	100
Skills	82	-	18	100

(Source: Field Survey, 2015)

The above analysis is based not on the ethnic composition or group but it is based on the total sample size without categorization. It shows that 69 percent of the respondents reported that their Economic Status is increased due to foreign employment. 23 percent of the

respondents replied that their economic status is same before and after foreign employment. 8 percent of the respondent's economic status has decreased due to the foreign employment it means they had increased the sum of family debt for the reason of foreign employment. The decrement in economic status might have been resulted with high cost and low pay in foreign employment or short period of foreign employment. Another 57 percent of the respondents had increased their standard of living, 40 percent of the respondents had replied that their standard of living remained same and 3 percent respondents said that their standard of living is decreased after returning from foreign employment due to increment in family debt. In the context of Social Attitude about 73 percent of the respondents replied that they have increased their social attitude and rest 27 percent respondent's social attitude remained same but social attitude of no any family has decreased due to the foreign employment. In another aspect of foreign employment, 82 percent of the respondents had learnt some new skills there either it may be useful here or not. The rest 18 percent of the respondents replied that they didn't learnt any new skills while working abroad.

From the above table it can be concluded that most of the respondents felt that there was a positive change in their household economic and social indicators like Economic Status, Standard of Living, Social Attitude and Skills Development etc. after returning from foreign employment.

4.1.11 Impact on Other Indicators

How the foreign employment and remittance impacted on certain household indicators? Do they live in better house? Do they send their children to better schools? How the health condition of their family changed? Are their family members better dressed? Are they protected from rural indebtedness at the time of need? These were very pertinent questions. Positive impact on them dependent on size of income of respondents brought from foreign employment, family size, earlier economic condition of the family, knowledge and education of the respondents, culture of society etc. To find out the impact of an employment on households indicators the respondents were asked to respond on the changes brought by the foreign employment. The answers provided by the respondents are given in the following table.

The above given *table 17* shows that 78 percentage of the respondents reported to have improved their condition of housing. It shows that anybody who had returned from foreign employment either have made new house or repaired old house to improve their housing condition. 22 percent of the respondents had reported that their housing condition is same

before and after foreign employment but the static condition was not given. It might be low income or other more pressing priorities like loan payment, household expenditure, marriage of a member of their family etc. No any respondent's housing condition is worsened after returning from foreign employment.

Table 17
Frequency Distribution of Impact
On Other Household Indicators of the Respondents

Indicators	Increased	Worsened	Same	Total
Condition of housing	78	-	22	100
Education of children	69	-	31	100
Health of family members	46	18	32	100
Clothing	74	-	26	100
Cash available with them	37	22	41	100

(Source: Field Survey, 2015)

Among the total households, 69 percent of the households reported that the education of their children have improved due to the income earned by their parents from foreign employment. It might be the result of improvement of economic condition of the individuals who could afford boarding school for their children. However, no one among the respondents had reported to worsen the education of their children due to the foreign employment. The rest 31 percent of the respondents had reported that the education status of their children remained same before and after foreign employment.

46 percent respondents said that the health status of their family had improved due to their foreign employment where about 18 percent of the respondents replied that health status of their family had worsened due to the foreign employment either of the respondents himself or of his family members. The rest 32 percent of the respondents said that the health condition of their family members remained same even after returning from foreign employment. It might be due to general health condition of the area and health awareness.

More than seventy percent (74%) of the respondents said that household members are using better clothing after returning from foreign employment. It might be related to the increasing purchasing power and cloth after returning with the respondent and also with their family members. The rest 26 percent of the respondents had replied that their clothing status is same before and after returning from foreign employment.

When the availability of liquid cash to meet various household needs was assessed, about 37 percent of the respondents had increased their cash holding with them, another 41 percent of the respondent's cash holding has remained same and the rest 22 percent of the respondents had worsened their cash holding after returning from foreign employment. It might be due to the low income earned from foreign employment or the income earned from abroad is just equal to the sum of household expenditure and payment of loans and their interest or it might have been the result of high expenses, low income or the high cost of foreign employment. It indicates that foreign employment has increased the liquidity situation of about 37 percent of the participants of foreign employment.

The remittance is fulfilling the basic needs as well as improving other social and economic aspects of the life of respondents of study area. We can see that the remittance not only have benefited employee himself but also other member of his family. Thus it can be concluded that remittance is playing positive role to reduce poverty level of the respondents and their family in the study area

4.2 Demographic Status

There is a total of 5270 households where 22,936 (10,938 male and 11,998 female) population resides in Budhabare VDC, Jhapa according to the National Population and Housing Census, 2011 There are 1044 households and the total population is 5362 of which 2736 are male, and 2626 are female in Ward no. 9 . The youth age of (16-24) is 1019 (501 Male; 518 Female). Similarly, the youth age of (25-44) is 1836 i.e 925 male 911 female. The density of population is 3.12 per SQ. m. (VDC Profile, 2009). According to the data of Budhabare VDC office, among the total no. of households in Ward no. 9, 24 households are migrated to another place in the year 2064/65 B.S. Table 6 gives the demographic information.

Table 18
Distribution of Population by sex and age groups

Age Group	Male population	Female population	Total	Percent
Below 16 years	773	745	1518	28.31
16-24 years	501	518	1019	19.00
25-44 years	925	911	1836	34.24
45-59 years	245	235	480	8.95
60-75 years	252	179	431	8.03
Above 75 years	40	38	78	1.45
Total	2736	2626	5362	100.00

(Source: NPHC, 2011)

Age-wise, *the Table 18* shows that the dependent population is very high in this ward because 28.31 percent of population is below 16 years.. The population age between 16 to 44 years) is 53.24 percent which is considered working age. The population above 60 years is 8.03. The ages of 16-60 years population is regarded as an economically active population and below 16 years and above 60 years are regarded as economically inactive or dependent population. Based on that above assumption, there is dependency ratio of 37.79, which seems high.

4.3 Household Status

This title gives us the information about the poverty situation of the sample households from the structure and condition of their houses. Out of the sampled households, 27 were made up of rod, concrete and cement; 44 were of stone and slate stone roof; and 29 were of mud and thatched roof. It indicates that that most of the sample households have made by stone and slate stone roof.

4.4 Education Status of Respondents

It is surely not the subject of debate that education is the main factor determining the foreign level employment and the earning from that foreign employment i.e. remittance. Besides that, education also helps to reduce the poverty because of education based employment in the home country also. Thus, in the study area realizing the above fact that education is the prime factor for reduction of poverty, there are so many educational institutions. There are three secondary schools, one lower secondary school, six primary schools and four private

boarding secondary schools, 1 higher secondary school in the study area. The following table 19 gives us the information about the education status of the study area (sample households).

Table 19
Educational Status of Sample Households
(6 years of age and over)

Educational Status	Male		Female		Total Population	Total Percentage
	No.	%	No.	%		
Illiterate	38	16.66	67	22.94	105	20.19
Literate	52	22.82	112	38.36	164	31.54
Educated up to SLC Pass	95	41.66	91	31.17	186	35.77
Well Educated (Bachelor level and above)	43	18.86	22	7.53	65	12.5
Total	228	100	292	100	520	100

(Source: Field Survey, 2015)

The above- **table 19** shows that out of 520 sample population 105 people are illiterate, 164 people are literate, 186 people are educated up to SLC level, and 65 people are well educated (Bachelor level and above). In the above table, it is clearly shown that the number of female illiterate is more than the no of male illiterate. Most of the male population is educated above SLC level, but most of the female are only literate. In the sample area, the literacy rate is quite high in comparison to the national index. The literacy rate in the sample area is 79.81.

4.5 Family Size

Table 20
Distribution of Sampled Household by Family Size

Family Size	No of Households	Cumulative
1-2	18	18
3-4	37	55
5-6	27	82
7-8	12	94
Above 8	6	100
Total	100	

(Source: Field Survey, 2015)

The above- given **table 20** shows that the highest no of family size is 3-4 member family household, that is 37 percent. In the same way, the lowest number of family size is above

eight member family household which is only six percent in the total of 100 households. Nowadays the young and educated parents have not more than two children because of the family planning. But more households have more than two children because of their ignorance, the desired or emphasis on the male child rather than the female child and child marriage, etc. which is another major factor of poverty in the study area.

4.6 Size of Land Holding

In the study area, most of the people's main occupation is agriculture. However, there is extreme inequality in the distribution of land. The land is categorized into two forms, i.e. Khet, and Bari. Most of the poor families do not have Khet. They have only small pieces of land (Pakho and Bari), and few of them have Khet. The following table shows the unequal distribution and holding of land among the sample households.

Table 21

Distribution of Land among Sample Households

Size of land Holding (Ropani)	No. of Households
Landless	4
Below 2	18
2-5	21
5-10	19
10-15	21
15-20	11
Above 20	6
Total	100

(Source: Field Survey, 2015)

The above -given **table 21** shows that there is an unequal distribution of land among the total sample households. Among the 100 households 4 percent households are landless, percentages of land holding households below 2 Ropani and 2 to 5 Ropani are 18 and 21 percent respectively. Similarly, 5-10 Ropani is 19 percent, 10-15 Ropani is 21 percent, 15-20 Ropani is 11 percent and above 20 Ropani is 6 percent respectively. So, the unequal distribution of land is also playing a role of catalyst for the poor families to go to the foreign employment. It can also be said that unequal distribution of land is one of the causes of poverty in the study area.

It is known to all of us that the land holding is not the only factor determining the level of poverty in the study area, the holding of live stocks, holding of poultry with the holding of land are also the determinants of the poverty situation. The no. of households having land with other livestock's and poultry are shown in the following table:

Table 22

Land, Livestock & Poultry in the Study Area

Land only	Livestock only	Poultry only	Land and Livestock	Land and poultry	Livestock and poultry	Land livestock and poultry	None of all	Total
35	5	2	265	10	4	465	20	806

(Source: NLSS 2010/11, vol.2)

The above **table 22** shows that the no of households having land, livestock and poultry is highest in the study area, which is 58 percent. The no. of households having none of all is 22, the households having land only is 35 and the no. of households having land and livestock is also high in the number that is 265 (33%). It clearly shows the unequal distribution of factors of poverty measurement, which is another push factor of foreign employment to the people of the study area.

4.7 Occupational Status

Table 23

Distribution of Household and Population According to Major Occupation

Main Occupation	No. of Households	Economically Active population (Age 15-59 years)	
		No.	Percentage
Agriculture	78	212	72.60
Non-Agriculture	22	80	27.4
Total	100	292	100.00

(Source: Field Survey, 2015)

4.8 Ethnic Composition

Table 24

Distribution of Total Sampled Population and Household by cast

S. N.	Caste/Ethnic Group	Total No of Sampled Households	Total Sampled Population	
			No	Percent
1.	Chhetri	38	195	37.5
2.	Bhramin	27	130	25.0
3.	Gurung	10	51	9.80
4.	Kami	7	37	7.12
5.	Magar	6	33	6.35
6.	Sarki	5	35	6.73
7.	Others	7	39	7.50
Total		100	520	100.00

(Source: Field Survey, 2015)

Table 24 Shows that the total population of the study area is divided into different caste such as Chhetri, Bhramin, Gurung, Kami, Magar, Sarki, etc. From the above data, the majority of household is found Chhetri, which is 38 percent of total sampled household and 37.5 percent of total sampled population. Bhramin is second largest caste in this VDC as well in the sampled population which is 25 percent of the total sampled population. Gurung, Kami, Magar, Sarki are followed by them which are 9.8 percent, 7.12 percent, 6.35 percent and 6.73 respectively of the total sampled population.

4.9 Extent of Poverty and Unemployment

It is clear to all of us that unemployment is the main cause of the poverty in any state, and the unemployment plays the major role of migration to the other places from their native-born place. In this study also, we found that the main cause of the migration of the youth of the study area is due to lack of job in their home country. Most of the workers of the study area are migrated to those countries where they don't need any special qualification to migrate like India, Qatar, Malaysia, UAE, KSA and other Gulf countries and also to other South Asian countries. Their migration to the different countries depends upon the economic condition of their family, and also the regular money income of the members of the family. This is shown in the following table:

Table 25**Regular Money Income of the Sample Households**

S.N.	Regular Monthly Income (in NRs.)	No of Households
1.	Less than 5000	24
2.	5000-10000	21
3.	10000-20000	35
4.	20000-50000	14
5.	Above 50000	6
Total Households		100

(Source: Field Survey, 2015)

The above **Table 25** presents the fact of the sample households of the study area that about 45 percent of the total sampled households receive less than NRs.10000 per month. Which means an average of NRs 1650 per month is available to each person of the sample households. This is very below the absolute poverty line. Only 6 percent of the households receive more than 50000 per month as the regular income. Among the hundred households about 24 percent of the households receive less than NRs. 5000 per month, which is the very low indicating high rate of poverty for the existence of the family members. The above-given table is dependent on the production of agricultural Products also therefore if the weather and other factors behave against them, the income condition can also be very less than the stated level. It was already stated that the main occupation of 78 percent of the people of the study area is agriculture. Which means about 78 percent people has disguised unemployment and seasonal unemployment. The occupational dependency is also another cause of the foreign employment of the study area. The kind of unemployment and the level of unemployment are shown in the following table:

Table 26**Employment Status of the Sample Households**

S.N.	Group of Population	No of sample people	Employment Status (employed people)	Percent
1.	Active Population	292	172	58.90%
2.	Inactive Population	228	0	43%
3.	Total Population	520	172	33.077%

(Source: Field Survey, 2015)

The above- given *table 26* shows that in the sample households of the study area, only about 58% of an Active population are employed but as overall situation, only about 33% of the population are employed it means that about 67% of the population of the study area are unemployed which is very higher. Among those employed population about 15% of the population are employed in their own agricultural works i.e. they are also in the form of disguised unemployment and seasonal unemployment. Therefore to be very specific only about 18% population of the study area is employed as full employment. In that figure of 18% population about only 7% of the total population are employed in the permanent jobs rest of the population are employed in the temporary jobs and the foreign employment.

Thus, as a conclusion from the above *table 26* we can say that on the one hand among the sample total population of 520 about 43 percent of the population are fully dependent population and on the other hand among the active population of 292, about only 58% of the population is employed it means the rate of employment of the study area is very low, and the rate of dependency in the study area is very high.

4.10 Income with and Without Remittance of the respondents:

It was also tried to figure out the ratio of income of the individual with and without remittance. Through this analysis, Gini coefficient was tried to identify so that income distribution in terms of inequality could be assessed.

4.10.1 The Procedure for Computing the Gini Coefficient in My Study:

Since the study collected the primary data of all the households of the selected area, it was easy to collect the data of income status of the households. As the research question demands whether the remittance has the contributing effect to equalize or reduce the income inequality or not, I must compute the Gini on with and without remittance. Thus, I adopted the procedure to compute the Gini in both the cases regarding total income including remittance and excluding remittance of the sample households of the study area. First, I summed up the total income of each household adding all the income of the particular households. Then I also added up the total income from the remittance of the households that they acquired from the remittance. In computing the total income without remittance, I deducted the amount of remittance in the total income of each of the households. The households were categorized from 0 to 100 and their incomes were ordered from lowest to highest. After summing up total income with remittance and without remittance, the calculation was done on the percent of total population by dividing each household by 100. For example, household no. 1 percent is 0.01; household no. 2 percent is 0.02 and so on. Then it was computed the percent of income

on total income and percent of income on without remittance by dividing the sum of the total income in each household. After that, the cumulative income with and without remittance of each of the households was calculated. The then area under Lorenz curve was calculated for household no. 1 by adding up cumulative income percent of household no. 1 to the household no. Zero divided by 2, the total of it was multiplied by 0.01. For household no. 2, add of cumulative income percent of household no. 2 to the household no. 1, to the sum divided by 2 and multiply by 0.01 (least percent population) and so on. For without remittance also, same method applied. Then all of the household's area under Lorenz was found out, and that was summed up at the last. Then the value of "A", which is upper the value of Lorenz curve, was calculated for each of the households through the formula. The "A" value is just the total value of the area under Lorenz minus by 0.5. After calculating, the "A" value the Gini was computed by dividing the 'A' value by 0.5. The Gini value with and without remittance was computed to analyze whether there is the role of remittance to promote and equalize income equality. As we know that the value of Gini starts from 0 to 1. Gini value with 0 is perfect income equality whereas 1 is perfect inequality. The value between 0 and one can be said as moderate.

Here, remittance seems to have an equalizing effect because households' remittance of the selected VDC has contributed to reduce the income inequality.

The value of Gini Coefficient for the distribution on total income:

Area
 A= 0.180599
 Gini= 0.361197

The value of Gini coefficient is 0.361197, that means the income distribution with remittance is minimally unequal.

The value of Gini Coefficient for the distribution on income without remittance:

Area
 A= 0.221964
 Gini = 0.443927

Here, the value of Gini coefficient is 0.443927, that means the income distribution without remittance is unequal but moderately.

Findings: When we compare the value of Gini with remittance and without remittance, the value of Gini without remittance is higher (0.443927) than the Gini value with remittance (0.361197). So, there is high inequality when there is no remittance contribution whereas

there is comparatively low inequality when there is the contribution of remittance. Thus, we can conclude that the remittance has a contribution in reducing inequality in the selected area as Budhabare VDC-9, meaning remittance does not contribute to greater income inequality rather it contributes to reducing income inequality.

5. Summary, Findings, Conclusions and Recommendations:

5.1 Summary

To fulfill the objective of the present study, Budhabare VDC ward no. 9 of Jhapa district was selected area, and a sample survey was conducted during 2015. The sample size was 100 households were chosen by proportional random sampling method, and data were collected through questionnaire method. Some secondary data were used to show and compare the composition of foreign employment and remittance of the national level as well as of the local level in the study. Data are analyzed by using simple statistical tools like mean, percentage and ratio.

5.2 Major Findings of the Study

From the study, following conclusions are drawn.

1. It has been found that in the study area, remittance has contributed to reducing income inequality that means remittance does not contribute to greater income inequality rather it contributes to reducing income inequality.

2. The main destinations of Nepalese workers are Gulf countries like Malaysia, Saudi Arab, Qatar. More than sixty percent of the workers are employed in Gulf countries. By country-wise Malaysia, Saudi Arab, Qatar, UAE are the main destinations of the Nepalese workers. Up to the FY 2062/63, the no of workers went to Malaysia are 296032, Qatar 204486, Saudi Arab 147503 and UAE 79152.

The Department of Foreign Employment, Government of Nepal, granted final approval to 217164 people for foreign employment in 2008/09. This percent has surged by 35.4 percent to 2, 94,094 in 2009/10.

In 2009/10, the number of people granted permission for the employment in Malaysia stood at 113933 which is a substantial rise of 240.7 percent comparison to the previous year. Of the total number of people granted permission for foreign employment, approximately 38.5 percent find their way to Malaysia followed by Saudi Arab, Qatar and UAE. While Qatar served as the major foreign employment destination for Nepal up to 2008/9, Malaysia secured the top position in 2009/10.

3. According to NRB, total remittance received through registered sources by Nepal in FY 2062/63 is more than 100 billion, which was very large than the previous year.
4. The Contribution of remittance to GDP, Saving and Investment in 2005/06 were 16.8 percent, 93.61 percent and 47.6 percent respectively. The share of remittance in Convertible foreign exchange reserve was accounted by 46.9 in 2003/04.
5. The socio-economic characters of migrant workers were age group most of 25-40 year, 71.97 percent of the migrant workers are married, and 80 percent of the migrants are literate, 62 percent migrants coming from lower income group, 38 percent migrants from higher income group and 78 percent of the migrants coming from agriculture occupation.
6. The average income of the households in the study area is only around NRs. 10,000 per month and only the 58.90 percent of the total active population and only the 33.077 percent of the total population of the study area are employed. It means that the dependency ratio is very high in the study area.
7. Major reasons to seek foreign employment include unemployment, family debt burden, conflict problems and to earn more money than which they are earning in their country.
8. The means to get foreign employment for most of the sample (85 percent) respondents were Manpower Agencies. Others went either through unregistered agents or personal initiative.
9. The majority of the foreign job seekers (about 83 percent) didn't have skills and took unskilled labor jobs in industries.
10. The average cost paid for foreign employment by the respondents of the study area was Rs. 50 thousand. It ranges between Rs. 15 hundred minimum and to 324 thousand was maximum.
11. The source of financing for foreign employment for 77 percent of the migrant workers was a loan, 18 percent from family savings and 5 percent from property selling.
12. A major sector of employment for Nepalese workers were building construction (34 percent) and Mechanical (29 percent).
13. The average stay duration of abroad of the respondents was 2.8 years. If we classify them cast wise, it ranges between 2.5 years of minimum (Sarki cast) and 3.25 years of maximum (Gurung cast).

14. Average family members migrated to foreign countries are two members where Maximum numbers of respondents' family members are five and the minimum of one.

15. The respondents of this VDC want to go again to foreign employment because of the unemployment (70 percent) and conflict (17 percent). Out of the causes, maximum respondents, of Bhramin/Chhetri were suffering from conflict. Among the total respondent 13 percent of them have no plan to go abroad again to foreign employment.

16. The workers earned more income in Gulf countries than Malaysia. It was average Rs. 11 thousand and Rs. 9.65 thousand per month. The skilled workers earned much more money than unskilled workers which was Rs. 20 thousand incomes per month of skilled workers and Rs. 8.54 thousand of unskilled workers. In types of jobs, the workers working in mechanical sector earns a maximum income of Rs. 18.5 thousand per month and the workers working in the agriculture sector earns the lowest income of Rs. 8.5 thousand per month.

17. Above 60 percent respondents used formal channels (banks and registered transfer agencies) to send remittance. Informal channels like hundi, relative and friends and bringing back by themselves were other channels of remittance transfer.

18. The larger amount of the remittance income has been used for household expenses (97 percent), loan repayment (69 percent), investment only of 26 percent and social spending (23 percent). Minimum part of remittances has been used into a productive sector like as land purchase (20%), bank deposited (14%) and other small business and investment (10%). In this case, the respondents from Bhramin and Chhetri are forward.

19. Among the returnees from foreign employment, only 16 percent of the workers are using the gained skill in aboard employment whereas the rest 84 percent of the respondents have not benefited from that gained skill in foreign employment. It is because of lack of technology, lack of capital, lack of market and lack of positive social attitude etc.

20. The respondents of this VDC were not utilized their remittance caused by conflict and non-availability of sizable investment funds for investing in productive sector of the economy sector.

21. The respondents of this VDC said that remittances have increased their household economic and social indicators after returning from foreign employment. Around 69 percent respondents said that remittances has increased their economic status, 57 percent of the respondents said that remittance income has increased their standard of living, around 73 percent of the respondent's social attitude has increased due to remittance income and around

82 percent of the respondents increased their skills. But around 23 percent respondents said that economic status has been same, 40 percent have remained same standard of living, 27 percent said that their social status have remained same and 18 percent said that remained same level of their skill after returning from the foreign employment.

22. The respondents of this VDC said that remittance have also done impact on their other indicators. It was said that around 78 percent respondents improve their condition of housing, 69 percent respondents improve their education of children, 46 percent improve their health of their family members, 74 percent improve their clothing situation, and 37 percent of the respondents have increased cash available with them. But around 18 percent respondents have worsened health of their family members and 22 percent of the respondents have worsened cash available with them. And around 22 percent of the respondents have the same level of housing, 31 percent respondents have the same level of education of children, 32 percent respondents have the same level of health of their family members, 26 percent of the respondents have the same level of clothing, and 41 percent of the respondents have constant cash available with them.

As a summary, it can be concluded that the Economic and Social condition of all the families who have involved in foreign employment has increased. It may be in both aspects i.e. economic as well as social but surely there is a positive change in the status of the families of the respondents due to remittance income. Therefore, we can say that remittance income is playing very vital role in reducing the poverty level of the study area.

5.3 Recommendations

From this study about the role of remittance to reduce rural poverty in Nepal, some recommendations are made as follow: Since Most of the Nepalese migrant workers have gone to Gulf countries and Malaysia, so these destinations are a congested area of the Nepalese workers. Thus, manpower agencies, agent and employed company all have been cheated to maximum workers. On the other hand, the workers of these destinations cannot earn much more money than other destinations like Japan, Korea, Hong Kong, USA, etc. So the Ministry of Labor and Transport Management of GON should make new policy to identify new potentialities destinations and create opportunities to go these destinations, where the workers will earn more money than the existing countries. Apart from these, the labor contract should be done between two countries to give safe environment for the workers.

1. Nepalese economy has received a large amount of remittance, but remittances are still being transferred through informal channels. Formal channels should be promoted. At least one formal institution must be established to facilitate transfer remittance in each destination.
2. Most of the respondents of rural areas came from lower income groups and based on agriculture occupation. So, they cannot easily afford for foreign employment. If they go foreign countries for employment, they should borrow or loan at the high- interest rate. So the policy should be made to give more opportunities to poor people of rural areas as well as facilitated to them from funds for foreign employment. In the case of this study area, almost all the workers from the lower income group are migrated to India to work because of lack of money with them where they are earning a very little amount of money comparing with the migrant workers to other Gulf countries and Malaysia. Thus, GON should provide loans to the poor people in the cheap interest rate for foreign employment.
3. Most of the respondents of this study area have gone to foreign employment in unskilled condition. So they cannot earn more income than skilled workers. So, the technical training institution should be established in rural areas and a person who wants to go to the foreign employment, should be given training related to the work has to be done in abroad and also the language of the migrating country before going to foreign employment.
4. Most of the respondents had not utilized their remittance and newly learnt skills at abroad when they came back home because of lack of technology, conflict problems, non-availability of sizable investment funds and lack of market, etc. So the policy should make to solve the conflict situation, create a good environment and provided sufficient technology as well as market and the GON should play the role of facilitator for all the investors and the workers.
5. Surely remittance income is playing a very positive role to reduce rural poverty of the study area and also it is improving the social as well as other economic indicators of this study area but this is not satisfactory. The maximum part of the remittance income has been used in unproductive sectors like regular household expenses, loan payment, house improvement and social spending, etc. This doesn't give any return in the future. Thus, the policy should be made to give more information to the respondents on using their remittance income into productive sectors like investment

- in Shares, Business, etc. and should be given more opportunities to them in using their newly learnt skill after returning from the foreign employment.
6. The concept of economic diplomacy should be implemented from the government of Nepal to increase the demand of Nepalese labor in the foreign labor market.
 7. The Bilateral Agreement should be done from the ministry level with all the labor-importing countries. Agreement done with United Arab Emirates and Korea can be the best examples of the positive impact of the agreement.
 8. The labor desk should be established in the airports of labor migrating countries to help the Nepalese labor in various problems.
 9. The concept of labor attaché should be implemented in every embassy. So that, all the problems of migrated labors can be solved from the different desk.
 10. Different incentives should be provided by the government level as well as from the private sectors for encouraging the people to remit earned money through the formal channels.

Finally, this above case study of role of remittance to reduce rural poverty and the status of foreign job seekers of Budhabare VDC which is very important current issue of the Nepalese economy, therefore this study is very significant, while the study is conducted in small size and may not be sufficient to make general conclusions for the whole nation about the role of remittance income and labor migration. I am confident and hopeful that it will be certainly beneficial to the people of Budhabre VDC as a whole and side by side for the people of other neighboring VDC of the entire country.

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Annexes :

Annex 1 : Households Survey Questionnaire

1. Household Data

Name of Head of family			
Age of HHH			
Education of HHH			
Religion			
Ethnic			
Total family size			
Male			
Female			
Age of Family	0-7	8-15	16+
Literate number			
Illiterate number			

2. Assets

a. House

SN	House	Type of House(1,2,3,4)	Market Price
1			
2			
3			
4			
5			

(1=concrete, 2=Stone, 3= Mud, 4= if any other type specify)

b. Land

S.N.	Description	Plot1	Plot2	Plot3	Total Units
1	Size of plot in hectares				
2	Land quality (1,2,3)				
3	Rented In				
4	Rented Out				
5.	Value				

Land quality (1-Cultivation Land; 2-Grazing Field; 3-Forest)

c. Livestock Owned

Types	Number/Units	Current Value
Milking Cows		
Other Cows		
Oxen		
Sheep		
Goat		
Buffaloes		
Chicken		
Duck		
Others		

d. Cash Balance

S. No.	Channels	Balance Amount
1.	Banks	
2.	Co-operatives	
3.	Others	
Total Amount		

e. Machinery and Equipment Owned

SN	Types of Equipment	Current Value
1		
2		
3		
4. Rented In		
5. Rented out		
Total Value		

f. Vehicles Owned

SN	Types of Vehicles	Current Value
1		
2		
3		
Total Value		

g. Jewellery and other valuables:

SN	Types of valuables	Current Value
1	Diamond	
2	Gold	
3	Silver	
4	Stones	

3. Income and Expenses

a. Income from Livestock

S.N	Sources of Income	Production Units	Consumption Units	Selling Income	Total Income
1	Milk production				
2	Selling of Animals				
3	Renting of Animals				
4	Selling of Meat				
5	Selling of Skins				
6	If other specify				

b. Expenses incurred in livestock

S.N	Types of cost	Cost last 12 months
1	Fodder	
2	Medicine and veterinarian fees	
3	Buying of Animals	
4	Renting In	
5	If other specify	
Total Expenses		

c. Income from Agricultural products

Types of Crops	Production Units	Selling Units	Consumption Units	Selling Income	Total Income
Rice					
Finger Millet					
Maize					
Potatoes					
Wheat					

d. Expenses for production cost of crops

SN	Types of Inputs	Unit of Measure	Total Cost last 12 months
1.	Fertilizer		
2.	Seeds		
3.	Pesticides		
4.	Labor		
5.	If other cost Specify		
Total Expenses			

e. Income from Vegetables

Types of Crops	Production Units	Selling Units	Consumption Units	Selling Income	Total Income
Cauliflower					
Cabbage					
Bittergourd					
Green leaf (Saag)					
Turnip					
Bhodi					
Onion					
Others					

f. Environmental Income for last 12 months

SN.	Headings	Amount
1	Selling of Firewood	
2	Selling of herbs and medicinal plants	
3	Selling of fruits	
4	Selling of Vegetables	
5	Selling of furniture wood	
6	If other specify	

g. Income from Salaries

SN	Person	Salary/Wage	Pension	Type of work	Nature (part time or full time)	Seasonal/Non	Daily Value if wage
1							
2							
3							
4							
Total Value							

h. Expenses from salaries

SN	Name of Employee	Expenses in Transportation
1		
2		
3		

i. Non Farm Income

S.N	Particulars	Income	Cost of Raw Materials	Labor Cost	Other Operating Cost	Net Income/Loss
1	Shops					
2	Artisans					
3	Carpentry					
4	Tourism					
5	Brewery					
6	Others					

4. Remittance

a.

Sources	Location	Started year	Type of work	Frequency	Remitted amount (in last 12 months)

b. Do the remittances permit you to consume certain goods or make certain investments that would not be able to incur without these remittances?

Assets/Investment as a result of Remittances	Consumed Goods

c. Which of your livelihood strategies are affected or influenced by the remittances?

Sources	Tick(✓)
Food	
Education	
Health	
Trade	

d. What are the sources of money to go abroad?

Sources	Tick(✓)
Self	
Loan from Bank	
Loan from landlord	
By selling fixed property	

e. Income from Remittances for Last 12 months

SN	Heading	Income
1	Demand draft	
2	Cash/ Traveler's cheques	
3	Hundi System	
4	Transfer in kinds like gold	
5	Personal delivery via friends, family members, couriers, traders etc	
6	Via bank, post offices and money transfer operators	

f. Expenses Incurred to Remittances

SN	Heading	Expenses
1	Cost of Air ticket	
2	Fee of consultancy	
3	Payment of tax	
4	Payment of Interest	
5	Cost of materials for taking abroad	

g. What do you use remittances money for:

- Living expenses of a single person
- Living expenses of a family
- Living expenses of an extended family

- Living expenses of a village
- Housing
- Schooling
- Medical expenses
- Investment
- Welfare products
- Community development
- Co-development projects
- Other

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