

FOREIGN EMPLOYMENT AND USE OF REMITTANCE IN MAHALAXMI MUNICIPALITY OF LALITPUR DISTRICT IN NEPAL

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Abstract

Foreign employment plays vital role in maintaining the Nepalese's economy. Main source of information of this study is primary data and some secondary data are also used for the supplementary usage of the study. Primary data were collected through the direct questionnaire method used the semi-structured for the sample area of people who were selected by judgemental sampling method. Descriptive statistics has been used as the tools of data to analyse for the foreign employment and use of remittance in Nepal with reference to Mahalaxmi Municipality of Lalitpur district. Most of the youth belonging to 26-35 years old were involved in the foreign employment in the sample area. Maximum migrant people are involved in construction and industrial labour. They stay in foreign country (2-3) year at one time. Major destination for foreign employment is Malaysia and Qatar. The foreign employee people earn minimum Rs(20-30)thousand and maximum above Rs 60 thousand per month. They spend their maximum remittance income for food and education. By the help of remittance income earn through the foreign employment urban people also used physical facilities like rural people for their daily life.

Key words: foreign employment, consumption, income, remittance, unemployment, etc.

1. Introduction

Remittance is one of the significant sources of income in the country. It is obtained from the foreign employment. It refers to the work which is done in the foreign land or opportunity is provided by the foreign country to the employees. The least developed country like Nepal, foreign employment is one of the important sources of employment where most of the youths remain unemployed. Through the foreign employment, individual and country get benefitted. The country gets remittance and individual gets knowledge, experience, skill and system of working environment. It contributes to gain economic development and economic growth by the workers' knowledge, experiences, skills, systems of work and remittance which they earn despite of their hard work. Therefore, foreign employment and remittance has become the backbone to Nepal.

Nepal received remittances worth Rs. 699 billion in the Fiscal Year 2016/17 ranking fourth in the list of countries with large contribution of remittances to GDP, according to a report launched by Ministry of Labour, Employment and Social Security, with support from International Organization for Migration, the UN Migration Agency, the International Labour Organization

(ILO) and the Asia Foundation. Considering the large number of undocumented workers abroad, it is (Sedan and David, 2001) estimated that remittances could have accounted for more than 13% (up to a maximum of 25%) of GDP in the mid-late 1990s in the top 20 recipients of remittances expressed as a percentage of GDP (IMF). Despite a slowdown in the growth of GDP, domestic consumption has not subsided, thanks to the large inflow of remittances. Looking to the scenario of economic aspect of the country, the most skilled manpower have to be produced to get more increment on the remittance of the country, the more they are paid on foreign land, the more remittance increase on our side. The remittance should be used on productive area rather than in household, but the recent trend shows that either they buy a piece of land or construct building, or invest in small businesses on hometown. By this, people don't have proper deposits in the bank. Remittance contributes more than 20% of the Nepal's GDP.

The remittance sent by migrant workers has made a rural people more independent in economic aspects and also changed the structure of the rural to semi-urban area by the development of infrastructures. As the labour force migrates the production capacity is also less as paddy fields remain uncultivated due to the lack of manpower. When the males migrate to foreign countries females only cannot provide proper care to the children and household works and themselves too. The women can make decision and they are independent as they have better economic support by the remittance. Some females have become entrepreneurs and more self-empowered too. Adams (2004) examined the impact of remittance on the spending behaviour of households for consumption and investments, in both rural and urban of Guatemala. Owiafe (2008) analysed the impact of external remittance on poverty reduction in Ghana. Qayyum (2008) has prepared a research titled "Impact of Remittance on Economic Growth and Poverty in Pakistan. Zhut and Luo (2008) examined the impact of remittance on rural poverty and inequality in China. Anupam (2009) compared the impact of remittance inflows and grants on capital formation and economic growth. Molester (2010) tried to examine the contribution of migration to poverty reduction in rural households in Kosovo. Karki (2012) published a report on impact evaluation of remittance in the Dhanusha district that its main objective was to identify the socio-economic impacts of remittance in rural household.

2. Objectives of the Studies

The main objective of this research is to analyse the status of foreign employment and use of remittance in Mahalaxmi Municipality of Lalitpur district.

3. Research Methodology

A number of steps were followed to accomplish the present study.

3.1 Research Design

This paper aims to analyse the status of foreign employment and use of remittance in different purpose of their daily life. In social science research, field work is the central and important method for collecting the primary information. Secondary information also plays supplementary role. This study is based on both primary and secondary data and has used descriptive statistics for data analysis tools.

3.2 Sample Size and Data collection

There are 1905 households in Mahalaxmi Municipality-1, Lalitpur district. Among them, 100 representative households have been selected by judgemental sampling methods at least whose one family member is in foreign employment. The direct personal interview with family members who have been receiving remittance has been taken for the interview during the field survey through the open and closed ended semi-structure questions. Descriptive statistics tools have been used to analyse data with the help of micro-excel program.

4. Empirical Result and Discussion

4.1 Nature of Migrants for Foreign Employment

Natures of international migration are multiple and it changes for any given country over time. Understanding those natures, identifying what if any issues they raise for migrants and their countries of origin and destination and determining appropriate and effective policy options for addressing such issues needs to be done.

4.1.1 Age of Foreign Migrants

Basically the young people are migrants for employment in different country from Nepal. The different age groups of Nepalese peoples who are migrants in the foreign country for the employment in the study area are shown in the table below.

Table 4.1: Age Group of Foreign Migrants

Age Group	Total people	Percentage
18-25	25	25
26-35	41	41
36-45	29	29
Above 45	5	5
Total	100	100

Source: Field survey, 2019

Table 4.1 express the different age group people migrants for the foreign employment. From the total migrants people of the sample area 25% are from the age between 18-25 years, 41% are from the age between 26-35 years, 29% are from the age between 36-45 years and 5% are the age above 45 years for the foreign employment. These features indicate that most of the youths are migrated in increasing order in foreign employment.

4.1.2 Types of Job and Duration of Stay in Foreign Employment

Explain the types of jobs performed the respondents were asked to give the type of work they did while being employed in foreign country which is categorized into four types. They are construction, mechanical, agricultural farming and industrial works. Duration of foreign stay of migrant's workers depends upon availability of work, facilities provided by company, salary rate, health of workers, visa permit date, home urgency and other several reasons. Sometimes the respondents return their home before the agreement date due to inferior type of job, low salary and family affairs such as death of any family members, sickness and their own bad health and also the employer firm expelled them due to their some 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 job performed and the duration of stay in the foreign employment are summarized in following table.

Table 4.2: Types of Job and Duration of Stay in Foreign Employment

Cast	Respondent	Construction	Machine	Agriculture	Industry	Duration
Brahmin	25	12	4	2	7	3 years
Chhetri	30	11	6	3	10	3years
Rai	8	4	2	1	1	2.5years
Dalit	16	8	4	2	2	2.5years
Tamang	6	2	3	1	1	2 years
Newar	10	5	2	2	0	2.5years
Other	5	1	1	1	2	2.8years
Total	100	43	12	12	23	
percent	100	43	12	12	23	

Source: Field Survey, 2019

From the table 4.2 analysis the migrant people, their occupation in that country and working duration. Table shows the maximum people of chhetry and Brahmin community people were in migrant for the foreign employment. From the total migrant people for employment in foreign country 43% has got the construction works, 23% has got the work in industrial sector and 12% has got the work in machine and agricultural sector. All the foreign migrant peoples have stayed their (2-3) year duration for the employment at the same time.

4.1.3 Major Destination of Migrants

In the process of migration, destination is an important and crucial factor. The destination is that country where migrant workers go for the work. The table below shows the destination countries of migrants of the study area.

Table 4.3:Major Destinations of Migrants

Destination	Total household	Percentage
Malaysia	29	29
Qatar	21	21
Saudi Arabia	11	11
UAE	9	9
Kuwait	3	3
South Korea	6	6
Bahrain	7	7
Other	9	9
Total	100	100

Source: Field Survey, 2019

Table.4.3 shows the destination countries of Nepalese migrants from the study area. From the total respondents, 29% migrants go to Malaysia, 21% migrants to Qatar, 11% migrants to UAE, 9% of the migrants to Kuwait, 6% to South Korea and 9% to other countries.

4.1.4 Reasons behind the Choice of Destination

At present, Gulf countries and Malaysia have been receiving workers since 1990s. The respondents reported several reasons for choosing destination country. These reasons are as follows:

Table 4.4: Reasons behind the Choice of Destination

Causes	Total Respondents	Percentage
Easy entry/exit	29	29
Job security	21	21
Higher wage rate	18	18
Less costly	15	15
Presence of friends and relative	14	14
Easy availability of works	3	3
Total	100	100

Source: Field Survey, 2019

Table 4.4 shows the reason behind choice of destination for the different country. From the total respondents of study areas, 29% migrants chose the destination in terms of easy entry/exit, 21% for job security, 18% for the high wage rate, 15% for the less cost, 14% for the presence of friends and relatives and 3% for easy availability of work.

4.1.5 Main Causes of Foreign Employment

Major causes of migration to foreign countries are unemployment, political instability, and lack of opportunity, family pressure, and insufficient agricultural production. The frequency distributions of main causes of migration found in the study are shown in the following table:

Table 4.5: Main Causes of Foreign Employment

Causes	Households	Percentage
Unemployment	65	65
Political instability	13	13
Lack of opportunity	7	7
Family pressure	6	6
Low agriculture product	6	6
Ineptness	3	3
Total	100	100

Sources: Field Survey, 2019

Table 4.5 shows the main causes of foreign migration of sample areas people. From the total respondents of study area, 65% agree on unemployment. Besides, political instability and other causes were reported that forced to foreign employment.

4.2 Income and Expenditure Pattern of Migrant People

4.2.1 Monthly Average Income of Labour Migrants

Income can play a greater role for taking decision to migrate. Income gives the higher

social status in Nepalese society. So people are taking decision to migrate whose income is lower than other members of the society. The income of emigrants has been expressed in the following table:

Table 4.6: Monthly Average Incomes of Labour Migrants

Income (In Rs. thousand)	No. of migrant people	Percentage
20 to 30	5	5
30 to 40	18	18
40 to 50	38	38
50 to 60	25	25
60 above	14	14
Total	100	100

Sources: Field survey, 2019

The Table 4.6 shows that among the labour migrants about 5% earn between the ranges of Rs.20-30 thousand per month, 18% earn Rs.30-40 thousand, 38% earn Rs.40-50 thousand, 25% earn between Rs.50-60 thousand and 14% earn more than Rs.60 thousand.

4.2.2 Expenditure pattern of Household in sample Area People

There are some positive as well as negative effects of remittance in the economy of the Mahalaxmi immigrants households. Income earning from the foreign employment is vary importance of the local community people, but expenditure pattern of that income in the society through migrant people or his family member play vital role of the local community socio-economic situation. The expenditure pattern of the sample area people express the following table as:

Table 4.7: Expenditure Pattern of Remittance

Area of expenditure	Household	Per cent
Bought land	31	31
Reformed in education	20	20
Increased in business	10	10
Returned debt	12	12
Constructed building	13	13
To buy living standard reform	14	14
total	100	100

Source: Field survey, 2019

Table 4.7 shows that the uses of remittance from the sample area people for different purpose. It shows that the highest proportion of the remittance have been used to buy land, reformed in education and constructed building which are 31%, 20%, and 13% respectively. This expenditure pattern shows the positive impacts in the economic life of migrant households, but very few people used their income for the business purpose which is only 10% of households from the total sample population. So the remittance income had not increased any economic activities in the community.

4.2.3 Used the Physical Facility of Sample area People

In the study area, immigrant households are using modern facilities like furniture (table, chair and cupboard), gas stoves, television, radio and vehicles. The living standard of some households is like those of the urban area. The living standards of the households have changed drastically after the involvement of their family member in the foreign labour migration which is express as:

Table 4.8: Physical Facilities of People (Before and after)

Categories	Household(Before)	Present	Household(After)	present
Vehicle	10	10	20	20
Radio	92	92	100	100
TV	85	85	100	100
Mobile	70	70	100	100
Bio-gas	77	77	100	100
Electric fan	55	55	75	75
Camera	43	43	88	88
Computer/laptop	16	16	65	65
Internet facilities	8	8	59	59

Source: Field survey, 2019

Table 4.8 shows the changes in household assets, electronic goods and services which are related to living standards. In the migrant’s households, all goods and services related to physical facilities for the daily life are increasing after going the migration for the foreign employment.

5. Conclusion

This study analyses the status of foreign employment and remittance used pattern in Nepal, which covers Mahalaxmi Municipality of Lalitpur district. This research analyses the status and causes of migrant people for foreign employment and how much they earn from these country as well as how they expend that money in the sample area households.

From the total migrant 41% are youth, which shows that most of the youth are migrants. Maximum of them went for construction works then after they went for industry labour. They stay foreign country (2-3) year at the one time. They choose Malaysia and Quarter as major destinations of foreign employment from the sample area people covers 29% and 21% respectively for the employment in the main eight countries. The main reason to choose those countries as destination for the employment is easy to entry and exit, job security and high wage rate which cover the 29%, 21% and 18% respectively from the total respondent in the interview of sample area. Main cause of migration is unemployment in the sample area people which covers 65% as viewed by the total respondents.

This research covers income-consumption pattern of the sample area people. Remittance is the main sources of the sample area people whose minimum one of the family member had migrant for employment in foreign country. The migrant labour get

minimum Rs. 20 to 30 thousands and maximum is above Rs. 60 thousands from the foreign employment in per month. The maximum expenditure of average people is for the daily food consumption in sample area then they spend for education and cloth which covers 31%, 12% and 19% respectively. The remittance plays vital role to increase the goods and services related to physical facilities for the daily life to increase the living standard for the local community people after the remittance from the foreign employment.

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