

THE FOREIGN EMPLOYMENT, REMITTANCE AND ITS IMPACTS ON NEPALESE ECONOMY

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ABSTRACT: This article assesses the recent status of foreign employment, remittance inflow, and its impacts on socio-economic sectors of Nepal. This study is based on secondary data of the period 2008/09 to 2018/19 obtained from various sources and descriptive statistical methods are used. On analyzing the trend of foreign employment, Malaysia was the first destination country for Nepali migrant workers but, in the recent years, Qatar has surpassed Malaysia in this regard. In the year 2018/19, 243068 Nepalese youths went abroad for employment and they, in return, brought back a sum of NPR 879.27 billion into the country in the form of remittance in the fiscal year 2018/19. Out of the total amount, Nepal obtained more than 30 percent of the remittance from Gulf countries. In 2018, in terms of remittance inflow, Nepal was ranked as 19th beneficiary country in the world and at 4th in South Asian countries. Similarly, Nepal ranked 5th in the world and 1st in South Asian countries in terms of Remittance to GDP ratio with a ratio of 27.3 percent in 2018/19. Remittance has become a key measure of Nepal for rural poverty reduction as well as capital formation. It helps in GDP growth and improves quality of life of the people. It is noted that, remittance income increased by 319 percent, GDP growth increased by 208 percent, poverty reduced by 12.3 percent, child mortality rate decreased by 21.3 child per 1000 living birth, life expectancy increased by 3.42 year, and Human Development Index improved by 0.066 during the study period. Thus, it is concluded that the remittance inflow has positively affected the Nepalese economy. But, the foreign employment is not free from challenges, so these challenges ought to be solved by Nepalese government as soon as possible. Again, such heavy dependence of national economy upon remittance is also questionable. It causes increase in import of consumption goods, decrease in Foreign Direct Investment, shortage of skilled and energetic human resources, and creates financial crisis due to sudden decrease in remittance inflow, so the government ought to work in the way of self dependent economy as well.

Keywords: Foreign Employment, Remittance, GDP, Poverty Reduction, Social Change.

INTRODUCTION

Employment is a general agreement between employer and employee, such that the employee provides certain services and the employer in return pays salary or hourly wage to the employee for the exercising their services. The foreign employment commonly known as temporary migration is the process of going from home country to foreign country with the intention of working and earning foreign currency. According to Foreign Employment Act 2064 of Nepal, "Foreign employment means employment in which a worker gets abroad." Nowadays, it has become a common trend for Nepalese youths to go to different countries for working and earning. The major attraction of foreign employment is the difference in amount of earning caused by higher exchange value of money of employer countries. According to the Department of Foreign Employment, every day around 1500 Nepalese youths were going abroad for jobs before the pandemic (COVID-19) hit the world. Although the foreign employment has become a milestone for the reducing the national poverty, uplifting the standard of living, and source of foreign currency, but it may be harmful for the country in a long run.

Millions of people, especially from the developing countries are leaving their country of residence in search of better employment opportunities and managing the settlement of their dependents. Globalization and integration of regional economies have added stimulus to the growing mobility of workers across borders. Poverty and inability to earn enough to support oneself and their family are major pull factors for the movement from one region to another. Labor migration has moved to the top of the policy agendas of many countries in the 21st century. In global context, around 272 million individual which add up to the 3.5 percent of global population are estimated to be living outside their country of birth for the sake of gaining improved economic opportunities (MoLESS, 2020).

Migration of people from one place to another is a usual phenomenon as the ancestor also migrated for their betterment. The history of international migration for foreign employment in Nepalese context dates back around 200 years. In 19th century young people of hilly areas of Nepal migrated to the city of 'Lahore' in the northern region of Punjab (in today's Pakistan) and they joined up as soldiers in the army of the Sikh ruler, Ranjit Singh. That is why, even today, people who work abroad are popularly known as 'Lahure' (Bhattarai, 2007). The formal history of foreign employment of Nepal began with the establishment of First Gorkha Regiment by British East India Company. Looking at the historic trend of Nepalese workers to move abroad in search of work, India was and is the major country due to the open border and traditional, religious, and cultural similarities.

From the mid-1980, Nepalese workers started to migrate to the Gulf countries and Malaysia for work. In 1993/94, the number of labor approval issued by the Department of Foreign Employment was just 3605 (MoLESS, 2020). Since then, the number has been continuously increasing day by day and it reached to 527814 in 2013/14. Labor migrants from Nepal are predominantly male with

more than 80 percent of the total labor migration. In the past, Malaysia was the first priority destination for Nepalese youth, but, now, the number of workers going for employment in that country has declined. Although, the number of migrants towards Gulf countries are also in a decreasing trend, Qatar is the first destination country for Nepali migrants, followed by UAE, Saudi Arabia, Kuwait, Bahrain, Malaysia, Oman, Afghanistan, Japan, South Korea are top ten destination country respectively in the past 3 years (NRB, 2077).

At present, all most all rural households depend on at least one member's earning from employment whether it is from domestic or abroad. In the last decade, foreign labor migration has become the backbone of Nepalese economy and society. The subsequent remittances have been equivalent to over a quarter of the GDP in recent years, with latest figure of 879.3 billion NPR in 2018/19, making it a significant source of foreign exchange earnings (MoF, 2076/77).

The word 'Remittance' means the money transfer made by one person to another person or agencies. It is also known as payment that is made to a business such as bill payment or an invoice when someone shops online. But the term remittance is most commonly known as a payment made by a person of one country to someone of another country. Nowadays, the term remittance is usually known as payment made by foreign workers to their family members in their home countries. The most common way of making a remittance is by using electronic payment system, banking services or money transfer services such as Western Union, International Money Express, etc. Remittance plays a vital role in the developing countries like Nepal. Remittance has become a means of reducing the poverty and raising the standard of living of people of home country. Since the 1990, remittance has been a source for investment and it contributes to a significant portion of GDP of Nepal.

Remittance makes a constructive impact on the economy of developing countries like Nepal. It contributes significantly towards the poverty reduction and improvement in country's income inequality and helps to increase the standard of living of the families that receive them. Remittance also serves towards creating skilled human resource as children get access to educational facilities. It can also increase the consumption of goods and services, which increases national income as well as GDP. Similarly, remittance helps to increase saving and investment. In short, remittance helps in poverty reduction, reducing unemployment, maintaining the reserve of foreign currency, and improving the balance of payment.

Although most of the migrants are male, but there is growing fascination and involvement of women in foreign employment in recent days. In international labor market, the prospects or job opportunities for Nepalese women is increasing in care industries and domestic works. The involvement of women in foreign employment is helpful in reduction of poverty and improvement in basic needs such as food, basic goods, education, health care, etc.

In recent times, with the increasing number of Nepalese attracted towards foreign employment, various issues are arising, such as increasing of fraudulent activities and irregularities inside the country, lack of adequate information regarding rights and security measure of foreign employees, lack of adequate information regarding social, cultural lifestyle of destination country as well as lack of information regarding rights and security measure of foreign employees at destination country. Some other incidents like illegal migration, trafficking and human smuggling through informal medium are also increasing. Furthermore, the manpower agencies that are working in foreign employment sector are being more business oriented than being responsible toward foreign employees. The government service structure and service delivery system are also not effective in responding to public demands.

It is certain to say that the foreign employment and remittance inflow in Nepal may be badly affected by COVID-19. Due to adverse effect of COVID-19, many businesses of destination countries are struggling to continue their operations and that is why, they have reduced working hours, compelled to work just for food without payment, provided no pay holiday, and in some cases job opportunities have also been curtailed, which caused a decrease in remittance and affected every aspect of Nepalese economy such as decrease in productive investment, consumption, investment on education and health care, expenditure on food and other basic goods.

STUDY OBJECTIVE

Foreign employment and remittance inflows have become a major economic phenomenon of Nepalese economy. The remittance inflow in the country has been increasing and Nepalese economy heavily depends on it. Thus, this study tries to analyze the trend of migrants and remittance inflows and its impacts on the economy. The specific objectives of the study are mentioned below:

- a. To analyze the current status and the trend of labor migration from Nepal.
- b. To accesses the remittance inflow in Nepal.
- c. To examine the impact of remittance inflow on Nepalese economy

METHODOLOGY AND DATA

The present study analyzes the current status and trend of Nepalese migrants and remittance inflows in Nepal and its impacts on the Nepalese economy. So, the research design followed in the study is descriptive in nature and the secondary data and information were used. This article depends mainly on the analysis of the secondary data of past eleven Nepalese fiscal years i.e. 2008/09 to 2018/19. The necessary secondary data were collected from the different government publications such as: publication of Economic Survey of Ministry of Finance (MoF), Ministry of Labour, Employment and Social Security (MoLESS), Periodic Plans of National Planning Commission (NPC). Some of the data used in the study were also collected from the publications of Nepal Rastra Bank (NRB). Similarly, some data were also collected from the publications and website of the World Bank (WB), United Nation's Development Program (UNDP). The collected data were analyzed by relevant statistical techniques.

THE TREND OF LABOR MIGRATION IN NEPAL

The formal history of labor migration in Nepal begins after the establishment of British-Gorkha Regiment according to the treaty of Sugauli in 1816. Nepalese people also went to work in tea states of Darjeeling and the forest of Assam of India since the mid of the 19th century. Similarly, Malaysia is another historical destination for Nepalese young people as they went for the recruitment in the Malayan Armed Forces after the independence of Malaysia from the United Kingdom in 1957. Also, some of the Nepalese people became security guards in urban areas of Malaysia. Nepalese people started to go to Malaysia and Gulf countries through working visa after 1980. There after, the number of Nepalese workers going to Malaysia has increased year by year. Malaysia was the first destination country for Nepalese youth, but in recent times, that position has been acquired by the Gulf country Qatar. Nepalese have access to 110 countries for the foreign employment. The Government to Government (G2G) relationship with Japan has been established, but the relationship is yet to be implemented (MoLESS, 2020). Although, Nepalese migrants have gone to more than 100 different countries around the world, Qatar, Malaysia, Saudi Arabia, and UAE are the top four destinations for Nepalese youths. The number of labor permit given by government till 1993/94 is 3605, but the number reached to 527814 after two decades. The volume of annual out migration has decreased in the recent periods. The statistical data of Nepalese migrants going abroad for foreign employment are presented below in the Table - 1:

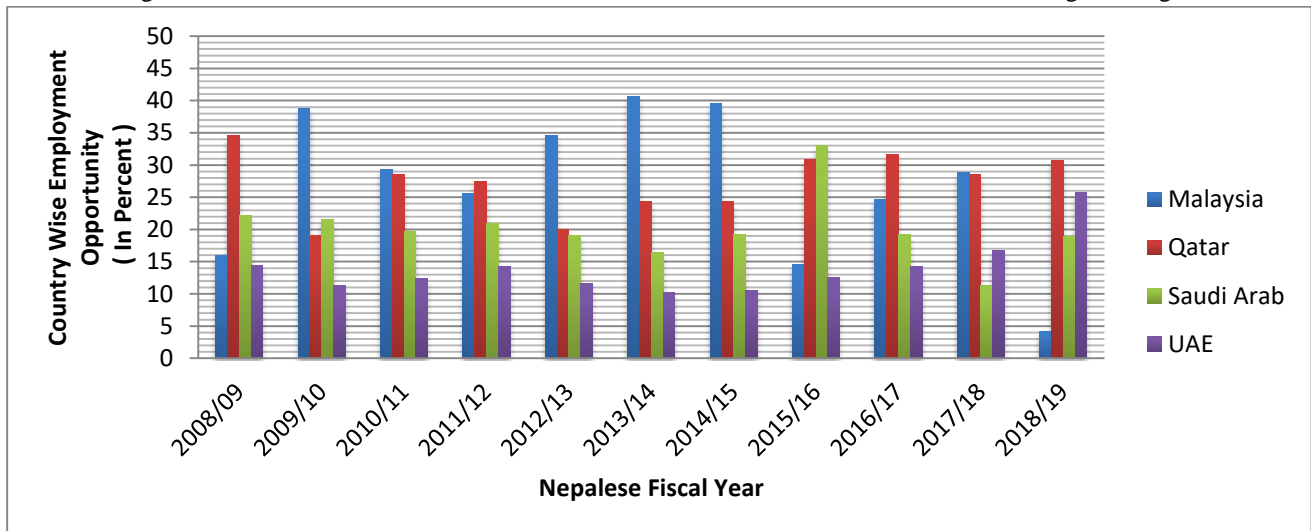
Table – 1:
Trend of Labor Migration to Major Destination Countries

Nepali Fiscal Year	Malaysia	Qatar	Saudi Arabia	UAE	Kuwait	South Korea	Bahrain	Japan	Others	Total
2008/09	35070 (15.94)	76175 (34.63)	48749 (22.16)	31688 (14.41)	2291 (1.04)	2909 (1.32)	6360 (2.89)	1827 (0.83)	14896 (6.77)	219965
2009/10	113982 (38.76)	55940 (19.02)	63400 (21.56)	33188 (11.28)	8255 (2.81)	2532 (0.86)	4234 (1.44)	516 (0.18)	12047 (4.10)	294094
2010/11	105906 (29.41)	102966 (28.59)	71116 (19.75)	44464 (12.35)	15187 (4.22)	3728 (1.04)	4647 (1.29)	6003 (1.67)	6099 (1.69)	360116
2011/12	98367 (25.57)	105681 (27.47)	80455 (20.92)	54482 (14.16)	24575 (6.39)	5627 (1.46)	5865 (1.52)	3163 (0.30)	8469 (2.20)	384665
2012/13	156770 (34.57)	90935 (20.05)	86276 (19.02)	52295 (11.53)	14401 (3.18)	4299 (0.95)	3390 (0.75)	3114 (0.21)	44229 (9.75)	453543
2013/14	214149 (40.57)	128874 (24.42)	86876 (16.46)	54965 (10.14)	19353 (3.67)	2125 (0.40)	4185 (0.79)	3435 (0.40)	15189 (2.88)	527814
2014/15	202828 (39.55)	124368 (24.25)	98246 (19.16)	53699 (10.47)	9668 (1.89)	5158 (0.81)	4165 (0.55)	2300 (0.55)	11919 (2.32)	512887
2015/16	60979 (14.56)	129038 (30.82)	138529 (33.08)	52793 (12.61)	10049 (2.40)	7432 (1.78)	3146 (0.75)	3059 (0.92)	12903 (3.08)	418713
2016/17	98437 (24.67)	125892 (31.55)	76884 (19.27)	56526 (14.17)	13576 (3.40)	5808 (1.46)	4007 (1.00)	2251 (0.56)	15597 (3.91)	398978
2017/18	104207 (28.78)	103174 (28.50)	40963 (11.32)	60243 (16.64)	17555 (4.85)	8040 (2.22)	4862 (1.32)	761 (0.21)	22218 (6.14)	362023
2018/19	9999 (4.10)	75024 (30.76)	46080 (18.90)	62776 (25.74)	15995 (6.56)	7741 (3.17)	4633 (1.90)	959 (0.39)	20661 (8.47)	243068

Source:- *Nepalma Bipreshan Aaprabahako Sthiti, Anusandhan Bibhag*, Nepal Rastra Bank, 2076. Note:- The employment and remittance obtained from neighboring country India is not included.

In the above table, it is pointed that the number of Nepalese labor migrants going abroad was increasing successively and reached to a study period maximum of 527814 in 2013/14. There after, the number of people receiving labor permit was decreasing consecutively and the number recorded at 243068 in 2018/19. Nowadays, according to labor permit, Gulf Countries have become the major destination for foreign employment as more than 83 percent of workers went to the Gulf Countries in the fiscal year 2018/19. In the past, the tendency of going to work in Malaysia was high (39.55 percent of total foreign employment in FY 2014/15), but at present, the number has heavily decreased (4.10 percent in FY 2018/19) due to various reasons. The above table shows that the first destination of Nepalese migrants has become Qatar after the FY 2015/16. In FY 2018/19, Nepalese migrants had received 30.76 percent, 25.74 percent and 18.90 percent of employment from Qatar, UAE and Saudi Arabia respectively.

The comparative data describing the flow of Nepalese migrant workers towards the four major destination countries and their distribution among those countries from the Fiscal Year 2008/09 to 2018/19 is illustrated in the following bar diagram:



REMITTANCE INFLOW

Remittance is generally known as the money that migrants send back to their families in their home country. The history of international labor migration in Nepal started around 200 years ago. Remittance was formally recognized by the government of Nepal in 1985 with the enactment of the Foreign Employment Act. The outflow of Nepalese youth for employment started after the restoration of democracy in 1990. According to World Bank data, Nepal received 55 million USD as remittance in 1993 and it has been gradually increasing from 1997 and reached to 8294 million USD in 2018. On the basis of Remittance GDP ratio of 2018, Nepal is among the top five countries along with Tonga, Kyrgyz Republic, Tajikistan and Haiti (Chhetri et al, 2020).

REMITTANCE INFLOW IN SAARC COUNTRIES

The South Asian Association for Regional Cooperation (SAARC) is the regional inter governmental organization and geopolitical union of South Asian countries. India, Pakistan, Bangladesh, Nepal, Sri Lanka, Bhutan, Maldives and Afghanistan are the members of SAARC. According to World Bank, around 18.97 percent remittance of the world was received in SAARC countries in 2018 and India received the highest remittance (83.1 billion USD) in the world in 2019. The amount of remittance and percentage of GDP are presented below:

Table – 2:

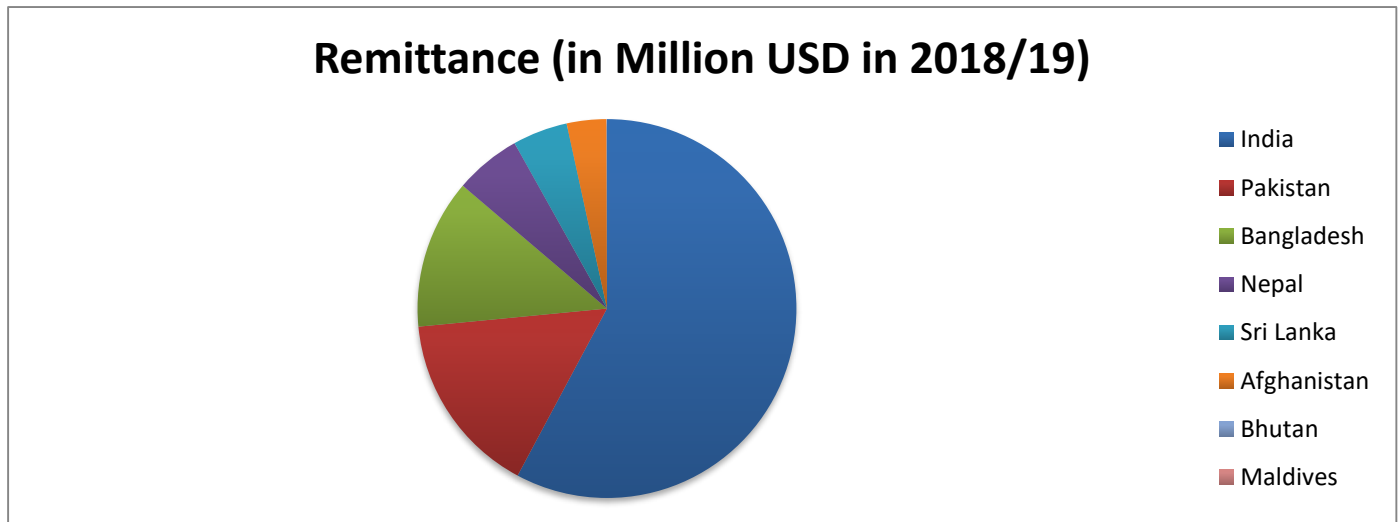
Country	Remittance (in Million USD in 2018/19)	Percentage of GDP
India	83131	2.8
Pakistan	22507	7.9
Bangladesh	18348	5.8
Nepal	8128	27.3
Sri Lanka	6747	7.8
Afghanistan	4868	4.6
Bhutan	47	1.7
Maldives	4	0.1

Source: - World Bank Staff Calculation, 2020.

In the above table, it is clear that the India has secured the top position according to remittance inflow to the SAARC countries, while Pakistan and Bangladesh brought 22507 million USD and 18348 million USD respectively in the year 2018/19. Similarly, Nepal registered 8128 million USD as remittance and secured 4th position among the SAARC countries in the same period of time. Nepal ranked 1st position among the SAARC nations in terms of Remittance to GDP ratio (27.3 percent) in 2018/19, whereas

Maldives remained at the last position with a remittance of 4 million USD in 2018/19. The percentage share of remittance of GDP of Nepal shows that Nepalese economy heavily depends on remittance, whereas in case of the top remittance receiving country, India, only 2.8 percent share of GDP is contributed by remittance.

The statistical data describing the remittance inflow in the SAARC countries during the year 2018/19 is represented in the Pie-Diagram constructed below:



TREND OF REMITTANCE INFLOW IN NEPAL

Remittance is a part of earnings of migrant workers that they send back to their families in their home country. Nepalese economy heavily relies on the remittance inflow in recent periods. The amount of remittance inflow to Nepal is in an increasing trend due to the globalization and liberalization policy. The opportunities for foreign employment were opened by these policies, and the trend of migration for foreign employment is increasing pattern in the recent decades. Most of the developing nations like Nepal are becoming heavily reliant on remittances. It has played an important role to economic growth and development of such countries. The trend of remittance inflow to Nepal from period of 2008/09 to 2018/19 is listed below:

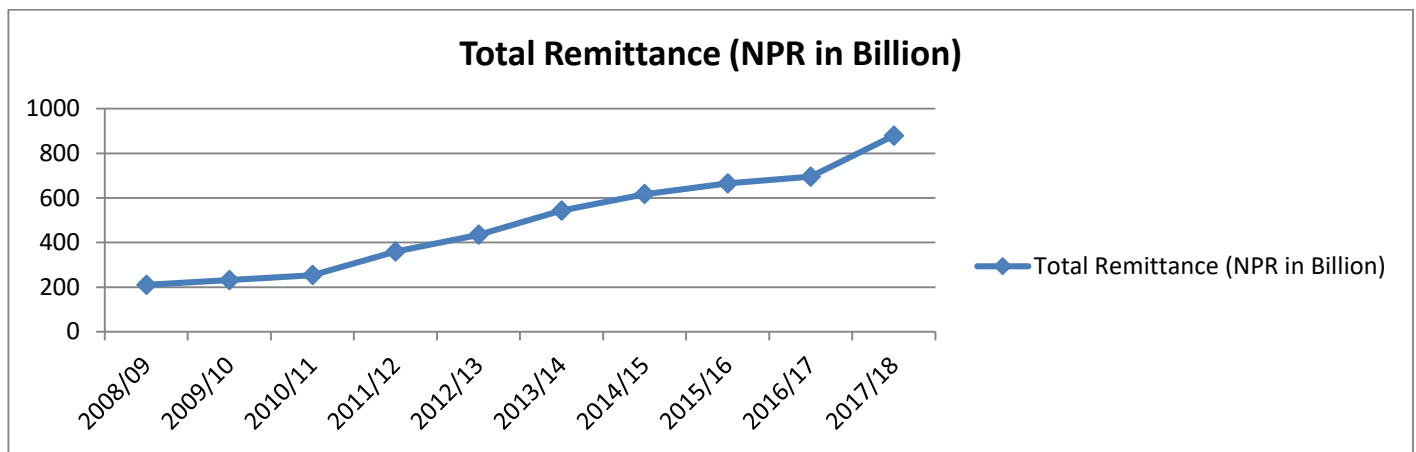
Table – 3:

Nepalese Fiscal Years	Total Remittance (NPR in Lakh)	Percentage of GDP	Growth Rate of Remittance
2008/09	2096985	21.2	-
2009/10	2317253	19.4	10.50
2010/11	2535516	18.5	9.42
2011/12	3595544	23.5	41.81
2012/13	4345817	25.6	20.87
2013/14	5432941	27.7	25.02
2014/15	6172788	29.0	13.62
2015/16	6650642	29.6	7.74
2016/17	6954524	26.3	4.57
2017/18	7550586	24.9	8.57
2018/19	8792713	25.4	16.45

Source: *Nepalma Bipreshan Aaprabahako Sthiti*, Nepal Rastra Bank, 2076

The study about the trend of remittance inflows to Nepal shows that NPR 20969 lakh remittance was received in Fiscal year 2008/09. The above table shows that total remittance increased during the study period from 2008/09 to 2018/19 and reached to NPR 8792713 lakh in the last Fiscal Year. Although the growth rate of remittance inflow to Nepal has been in decreasing trend in recent years. The growth rate of remittance inflow to Nepal was 25.02 percent in FY 2013/14 and it is continuously decreased to FY 2016/17 and reached to 4.57 percent. But, the growth rate increased by 16.45 percent in FY 2018/19. The ratio of remittance with GDP also increased from the FY 2010/11 to 2015/16 and reached to 29.6 percent which was highest in the study period.

The analytical data of the total remittance entering Nepal from various countries during the Fiscal Year 2008/09 to 2018/19 has been picturized in the Plot Diagram given below:



COUNTRY WISE REMITTANCE INFLOW IN NEPAL

At present, Nepal has institutional ties with more than 110 countries for foreign employment. The Gulf countries are the major destinations for Nepali migrants for foreign employment. More than 90 percent of total Nepali migrants are working in Malaysia, Saudi Arabia, Qatar, UAE, Kuwait, and Bahrain. South Korea, Japan, Australia are the other attractive destinations for Nepalese workers, although the G2G relationship for Nepalese workers is yet to be implemented with Japan. Roughly more than 40 percentage of remittance has been received from Gulf Countries in the recent years; however the share decreased to 30.23 percent in the last fiscal year. The share of remittance of major destinations countries are presented below:

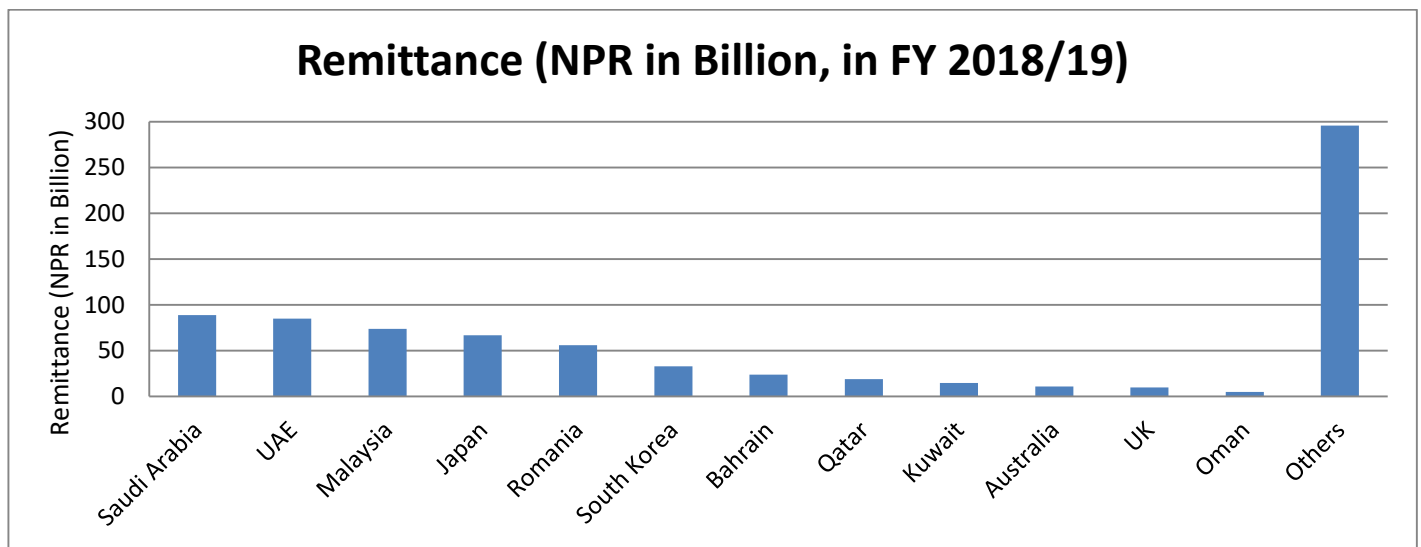
Table – 4:

Country	Remittance (NPR in Billion, in FY 2018/19)	Percentage of Remittance
Saudi Arabia	89	11.35
UAE	85	10.84
Malaysia	74	9.44
Japan	67	8.55
Romania	56	7.14
South Korea	33	4.21
Bahrain	24	3.06
Qatar	19	2.42
Kuwait	15	1.91
Australia	11	1.40
UK	10	1.28
Oman	5	0.64
Others	296	37.76
Total	784	100

Source:- <https://www.spotlightnepal.com>

The share of Gulf Countries in total remittance inflow to Nepal was 30.23 percent in the fiscal year 2018/19 according to above table. Among the Gulf countries, Nepal had received the highest amount of remittance from Saudi Arabia (11.35 percent) and UAE (10.84 percent) remained in second position in the same period. The major destination country in the past period, Malaysia (9.44 percent) remained the third position in terms of total remittance inflow to Nepal. Nepal had received a remarkable amount of remittance from Japan (8.55 percent), South Korea (4.21 percent), and Australia (1.4 percent) also.

A Bar Diagram, shaded with the data of major remittance contributing countries in Nepal from the Fiscal Year 2018/19 has been sketched below:



IMPACT OF REMITTANCE INFLOW TO NEPALESE ECONOMY

Remittance inflow generally has multiplier effects that introduce different positive impacts to the domestic economy through various channels such as saving, investment, consumption, poverty reduction, and income distribution. In general, remittance provides positive impacts in domestic economy. Most of the developing countries like Nepal are benefited by remittance and it plays an important role for economic growth and development of such countries. It has contributed significantly towards raising the government revenue and foreign exchange reserves. Moreover, remittance has increased national savings and reduced poverty.

IMPACTS OF REMITTANCE IN ECONOMIC SECTORS

Remittance inflows to the country have various linkages in the economy. It has positive influence on consumption, investment, and economic growth. Some of the amount of remittance has been used in education and training of children, healthcare and nutrition for the receiving family members. The improved human capital and financial capital (remittance) work effectively on economic growth in the home country. The remittance inflow affects the aggregate demand that increases the expansion of industry and trade. It is true to say that remittance has positively affected the economic growth by providing an alternative way of resources for investment and solving the liquidity constraints. But, the degree of the economic impacts of it on the receiving country is based on the way that the receiver chooses to spend it. The impact of remittance inflows to Nepal is explained by the situation and trend of remittance inflow, amount of GDP, situation of balance of payment, total investment per capita income, and population below the poverty line and this is presented in the following table as well.

Table – 5:

Time period	Remittance Inflows (NPR in Lakh)	Gross Domestic Product (NPR in Crore))	Situation of Balance of Payment (NPR in Crore)	Total Investment (NPR in Billion)	Per Capita Income(USD)	Population below poverty line (In Percent)
2008/09	2096985	98827.2	-4475.84	NA	480	31
2009/10	2317253	119277.4	311.00	456.49	540	25.4
2010/11	2535516	136695.4	-408.97	519.27	610	25.2
2011/12	3595544	152734.4	-13162.7	526.89	700	24.4
2012/13	4345817	169501.1	-6894.0	632.60	750	23.8
2013/14	5432941	196454.0	-12712.7	808.76	770	NA
2014/15	6172788	213015.0	-14503.6	831.98	780	NA
2015/16	6650642	225316.3	-18891.2	763.42	770	21.6
2016/17	6954524	267449.3	-8210.6	1252.13	860	NA
2017/18	6954524	304492.7	-96.0	1641.27	970	NA
2018/19	8792713	345879.0	6740.1	1956.37	1039	18.7

Source:- 11th plan(2008/09 – 2009/10), 13th plan (2013/14-2015/16), 15th plan (2019/20-2023/24), Economic Survey 2018/19) . NA indicates no available. In balance of payment (-) indicates surplus of Payment.

It is noted that the amount of remittance and GDP followed an increasing pattern throughout the study period. Although, it is not necessary to have a direct relationship between growth of remittance inflows and GDP, but the remittance helps to increase GDP by providing financial capital, improved human resources, and increased demand for produced goods directly. It is also noted that the balance of payment (BOP) has been continuously improving except for the FY 2009/10 and 2018/19. The country's total investment has also been increasing except in the FY 2015/16 in the study period. The per capita income of Nepal was 480 USD in FY 2008/09

and it slowly increased and reached to 1039 USD in the FY 2018/19. The most positive impact of remittance inflows to Nepal is that it has been helpful in poverty reduction. The number of population living below the poverty level according to Nepal Living Standard Survey of Central Bureau of Statistics was 31 percent in FY 2008/09. The percentage of people below poverty level decreased remarkably and recorded to 18.7 percent in FY 2018/19. Thus, the above table clearly shows that the remittance inflow has positive impact on the economic sectors directly and indirectly.

IMPACTS OF REMITTANCE IN SOCIAL SECTORS

Being a social entity, the most expected desire of human being is obtaining the maximum satisfaction from the economic and social environment. In the modern materialistic era, the maximum satisfaction or in other words, social change can be achieved through increment of income. Social change has become the index of continued economic progress in terms of modernization and urbanization. Education is the key factor of social change or development. The poverty of people is the major obstacle for the educational development. So, the remittance income has become a means of maintaining quality education. Today, making modern house, toilet, and sanitization of surrounding environment has become a common practice even in the rural areas. Similarly, as people suffer from disease they go to private hospitals and clinics for fast and quality services due to the remittance income. The rising income from remittance income provides easy access to modern facilities such as mobile phone, internet, television, LP gas (for making foods), motor bike, and clothes according to the season, etc. All these tools and facilities improve knowledge and thinking power, and health condition which as a result, decreases the infant and child mortality rate, illiteracy. All these things add up to increase the satisfaction of life and life expectancy, which as a result improves the Human Development Index. The relationship between remittance income and some social indicators has been presented below:

Table – 6:

Time Period	Remittance Inflows (in million USD)	Human development index (HID)	Life Expectancy at birth	Child mortality rate Under -5 year (per 1000 living birth)	Lower Secondary Completion Rate, Total (% of Relevant Age Group)
2009	2983	0.513	67.18	49.3	NA
2010	3464	0.527	67.61	46.8	66.62
2011	4717	0.534	68.03	44.4	67.25
2012	4793	0.548	68.43	42.2	73.63
2013	5589	0.555	68.81	40.1	79.17
2014	5889	0.562	69.17	38.1	83.66
2015	6730	0.568	69.52	36.4	86.61
2016	6612	0.527	69.85	34.8	89.62
2017	6928	0.574	70.17	33.4	94.60
2018	8294	0.579	70.48	32.2	NA
2019	5821*	0.579	70.60	28.0	99.46

Source:- World Development Indicators, World Bank, a Available at [https:// www.worldbank.org](https://www.worldbank.org), Human Development Report Available at <https://www.hdr.undp.org> , * estimated, NA indicates no available.

In the above table, the remittance inflow to the country remained 2983 billion USD in 2009. In the same period, the HDI value, life expectancy at birth, child mortality rate under 5 years of age per 1000 living birth were 0.513, 67.18 year, 49.3 children successively. There after, the remittance inflow has been continuously been in an increasing pattern till the year 2018, only having an exception in the year 2016. Similarly, the value related to life satisfaction such as life expectancy at birth, child mortality rate, and lower secondary completion rate have also been following a continuously increasing trend and have reached to 70.60 year, 28 children, 99.46 percent successively in 2019. Again, the HDI value has also been continuously increasing and uplifted Nepal to medium human development category from the low human development as the value reached to 0.579 in 2019. Thus, the above table has established a positive relationship between the increase in remittance income and social indicators related to human life which clears that the remittance has a positive impact on social sectors.

CONCLUSION

This study attempted to describe about the recent status of foreign employment, remittance inflow, and its impacts on the Nepalese society. The number of labor permit given by government till 1993/94 was 3605, but two decades later, now the number has reached to 527814. Nepal received 55 million USD as remittance in 1993 and it has been gradually increasing from 1997 and reached to 8294 million USD in 2018. Although Nepal has access to 110 countries for foreign employment, but the major destination countries for Nepalese migrants are Malaysia and Gulf Countries. The country Malaysia was the first destination for foreign employment till FY 2014/15, there after the country Qatar has taken the place of Malaysia. The country Qatar contributed to 30.76 percent employment and more than 83 percent employment was provided by Gulf countries in FY 2018/19. Similarly, Nepal received more than 30 percent remittance from Gulf country. Foreign employment has become a major economic phenomenon of Nepal and Nepal is one of leading countries according to remittance. Nepal ranked 5th in the largest recipient of remittance in terms of remittance GDP ratio (27.3 percent) in the world and 1st among the South Asian countries in 2018. Nepal received 8128 million USD as

remittance in the year in 2018/19. It is noted that remittance has a positive association with rural poverty reduction, financial and human capital formation. It has positive impact on GDP and per capita income of Nepal. Remittance is the major source of income for most of the household expenditure for basic goods, education, healthcare, etc. in the country. In the study period, the remittance income increased by 319 percent, GDP growth increased by 208 percent, poverty reduced by 12.3 percent, child mortality rate decreased by 21.3 child per 1000 living birth, average life expectancy increased by 3.42 year, and Human Development Index improved by 0.066. So, we can say that remittance income is the life line of Nepalese economy as well as society.

Although, the foreign employment has many positive impacts on the economy, but it also has some negative impacts that affect the economy in a bad way. These negative impacts can be mentioned as reduction in export and increase in import, shortage of skilled and energetic workers, decrease in Foreign Direct Investments, and so on. Increasing dependency on remittance is another problem because of unexpected stop in the inflow of remittance can bring serious financial crisis.

Moreover, foreign employment helps to bring progress in the economic status of developing countries like Nepal, but it has some challenges as well. The major challenges seen in the foreign employment are lack of skills, being cheated from manpower agencies and brokers, no knowledge about foreign language, no knowledge about the rules and regulation of working countries etc. Similarly, Nepalese workers are imposed to work for long hour without holiday in low wage rate, some women workers are even sexually abused and exploited and they also suffer from bad working and settlement environment in the working countries.

Therefore, the government should prepare appropriate policies to minimize the challenges related to foreign employment and to maximize the benefit of remittance in the sustainable economic growth and development of the country. In the other hand, remittance dependent economy tends to economic vulnerability, so the government ought to work in the way of self dependent economy as well.

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