Socio-economic Impact of Foreign Employment and Remittance in Household Activities in Besishahar Municipality

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Abstract
Remittances from foreign employment have played an important role in the household economy in Nepal. This article aimed to explore the socio-economic impact of foreign employment and remittances on household activities in the Besishahar Municipality. Following the purposive sampling procedure, I selected 30 households for the cross-sectional survey and administered a questionnaire to collect data. In addition to this, 10 participants were selected for in-depth interviews to collect qualitative information. The findings of the study revealed that foreign employment has improved the socioeconomic condition of a family and brought changes in the source of income, children's education, settlement process, and prestige and status of family members in society. I have suggested using the remittance in productive activities such as self-employment, financial investment, etc. rather than investing in unproductive sectors like building a house or purchasing land in urban areas. The findings of the study may be useful in policy making at the local and federal levels in Nepal as a large number of young people migrate every day for foreign employment abroad. Policymakers should be aware of the management of safe labour migratory flows both to the countries of origin and destination. Its implication can be an effective strategy for adaptation as it generates financial and human capital that contributes to the sustainable alleviation of poverty.

Keywords: Foreign employment, remittance, migration, push and pull factors

Introduction
Foreign migration for remittance has a long history in Nepal. As long as artisans and traders from Kathmandu Valley started travelling to Tibet and India for work, labour migration has been an integral part of Nepalese livelihood. Various theories describe the causes of foreign
migration, focussing on both pull and push factors. For example, Micro Theory (Cadwallader, 1992) and Dual Labour Migration Theory (Muller, 2003) describe international labour migration differently. The Macro theory views geographic differences in the supply and demand for labour in origin and destination countries as the major factors driving individual migration decisions. Among the assumptions of this model are that international migration will not occur in the absence of these differentials, that their elimination will bring an end to international movements, and that labour markets (no other markets) are the primary mechanism inducing movements (Cadwallader, 1992). The Micro theory focuses on the level of individual rational actors who make decisions to migrate based upon a cost-benefit calculation that indicates a positive net return to movement. In this approach, human capital characteristics raise the potential benefits of migration and individual, social, or technological factors that lower costs will lead to increased migration (O'reilly, 2022).

The new economics of migration views migration as a family (i.e. group) strategy to diversify sources of income, minimise risks to the household, and overcome barriers to credit and capital. In this model, international migration is a means to compensate for the absence or failure of certain types of markets in developing countries (Bhattarai, 2005). Similarly, Müller (2003) identified that dual labour market theory holds that demand for low-level workers in more developed economies are the critical factor shaping international migration. To avoid the structural inflation that would result from raising entry wages of native workers and to maintain labor as a variable factor of production, employers seek low-wage migrant workers.

Similarly, globalization throughout the world can play an instrumental role in increasing foreign migration for work, study, and other purposes. For example, Cadwallader (1992) highlighted that world system theory focuses not on labour markets in national economies, but on the structure of the world market- notably the "penetration of capitalist economic relations into peripheral, no capitalist societies," which takes place through the concerted actions of neocolonial governments, multinational firms, and national elites. International migration is generated as land, raw materials, and labour in areas of origin are drawn into the world market economy, and traditional systems are disrupted (O'reilly, 2022). The transport, communications, cultural, and ideological links that accompany globalisation further facilitate international migration. In this view, international migration is less affected by wages or employment differentials between countries than by policies toward overseas investments and the international flow of capital and goods.

Nepal, a developing country in South Asia, has a long history of foreign migration. The trend of foreign migration to work in first- and second-world countries is increasing day by day as the remittance they send from these countries may be the main sources of income in Nepal (Mishra & Kunwar, 2020). Similarly, remittance through foreign migration has influenced the national economy including household activities such as food, clothing, housing patterns, education and facilities they use for daily consumption. The trend of foreign migration for remittance can be more in hilly districts such as Lamjung, Kaski, Baglung, Syanja, Palpa, and Magdi due to the well-established Laure culture from the past. Moreover, Besishahar, the district headquarters of Lamjung district, is one of the verifiable settlements, which is additionally not free from the movement of movement and confronting different positive as well as negative
impacts of movement. Furthermore, it is a common inhabitant of diverse ethnic communities including Gurung, Tamang, Magar, and Newar who give priority to foreign employment for remittance. As an inhabitant of this area, I have witnessed the growing trend of foreign employment in this area and the value of remittances for household management. Such a socio-economic situation encouraged me to carry out this study as fewer studies are focussing on foreign employment and remittance in this area. Thus, this document has explored the impacts of remittance through foreign employment on household activities in the Besishahar Municipality, the place of inhabitants of the ethnic majority. The study is guided by the following two research questions: a) What is the impact of remittance through foreign employment on household activities; b) Why do they choose foreign employment?

**Literature Review**

The concept of Immanuel Wallerstein's world system theory (Chirot & Hall, 1982) has been adopted to find the study of the labourers involved in foreign employment. Wallerstein divided the present world system into three parts, core, semi-periphery, and periphery (Simmons, 2011). The core denotes highly developed countries equipped with the latest technologies but lacking raw materials. The semi-periphery and periphery denote developing and underdeveloped countries, respectively, where no opportunities for employment are available. Based on Wallerstein's category, Nepal falls into a periphery country of the other rich countries including the Gulf countries. Nepal has a large amount of manpower and Gulf countries have the technology and import the manpower at low wage rates for working. Various types of research have been conducted internationally on the issue of international labour migration; however, a few studies have been carried out about the world system perspectives and their impact on society and culture.

Regarding the trend of international migration in Nepal, Perry (1976) highlighted that oppressive taxation on land was also a major factor of migration. If the tenants could not pay, they were alienated from their land. The expansion of British power in India, their unquenchable need for labour, and the opening up of new sparsely populated land resulted in labour migration historically, which was solely economic (Perry, 1976:15:76). Later on, however, the reasons have extended beyond the late 20th century until now, the attraction of wage labour opportunities has plunged Nepalese around the world, especially to the Gulf Countries, Eastern Asian Nations, America, and Europe (Sharma et al., 2014). This process of labour migration has been fuelled by political conflict during the Maoist insurgency (Sharma et al., 2014). The trend of women workers in international migration from Nepal has increased in recent years. Although Nepal's law does not discriminate between male and female workers, this is not the case when it comes to foreign employment (Thapa, 2005). Over the last few years, many incidents have been reported that Nepali women are being abused in Gulf countries. As a result of this, the government decided to ban sending Nepali women workers to these countries. Earlier, Seddon et al. (2001) explored not only the socio-economic impact of foreign employment and remittances in Nepal, but also the factors affecting labour migration among different groups of people at various social and economic levels. Furthermore, they identified that the most economically and socially disadvantaged have the greatest difficulty in obtaining anything other than low-paid and insecure employment if they are indeed able to risk attempting foreign labour migration at all (Seddon et
Moreover, remittances from foreign countries have had a positive impact on the family (Parajuli, 2005). Therefore, labour migration has been seen as a means of improving both the standard of living and social prestige.

Ambrosius (2016) found that there is social prestige in people who go abroad for employment. He studied that there was strong evidence for an effective remittance on the recent borrowings, on the existence of debt amounts, on the existence of savings, and in the ownership of it. Chattarjee (2018) witnessed several negative aspects of foreign employment. Many developing countries receive a large proportion of their GDP through remittances. They are typically associated and not reused for generating income. In a different context, Sobiech (2019) identified that remittance contributed to reducing inequality in a society. Similarly, Ekanayake et al. (2020) reported that migration for foreign employment has improved the livelihood of rural people throughout the world. He also revealed that remittances have a positive effect on long-term economic growth by reducing poverty rates. Similarly, Cismas et al. (2020) identified the transformation from higher education to the labour market in peripheral countries. He studied that the remittance cycle is more stable than the business cycle. Furthermore, he analysed the influence of inflow remittance on economic activity which does not stimulate economic growth in Romania.

Regarding the contribution of remittance through foreign employment, the report of the Ministry of Labour and Employment, Nepal, revealed that there has been a huge increase in the inflow of remittances, from 58.6 billion rupees (NPR) in 2003/04 to NPR589.5 billion in 2014/15. Remittances contributed a 10.9% share of the gross domestic product (GDP) in 2003/04 and 27.3% in 2014/15. The migration trend shows that Middle Eastern countries such as Malaysia, Qatar, UAE, and Saudi Arabia have been attractive destinations for Nepalese workers (MoLE, 2016). Similarly, Mishra and Kunwar (2020) suggested that the demand for labour migrants in Gulf countries and Malaysia will continue soon and the overall increasing number of labour permits issued is only one aspect of foreign employment. Highlighting the role of remittance in household activities, Gupta et al. (2021) reported that there was a massive loss in earnings, households substantially reduced meal portions, and consumed fewer food items. Heterogeneous impacts have existed, including foreign employment during COVID-19. Similarly, Nanyiti (2022) examined the impact of remittances on entrepreneurial activities.

The above studies in various contexts highlighted the role of remittance through foreign employment in various sectors of life, including the household economy. However, there is a gap in how remittance has a direct impact on household activities and how migrant workers and their family members perceive foreign employment despite many obstacles in both home and destination places. Thus, this study has explored how foreign employment supports their household activities focussing on the multiethnic communities in rural Nepal.

**Methodology**

As suggested by Creswell and Creswell (2018), I used a mixed research design to explore the impact of foreign employment and remittances on household activities in Besishahar. 30 households were selected for the household survey and 5 participants were purposively selected for focus group discussion. Similarly, observation checklist tools were used to collect information from the primary source. In addition to the data collected through interviews and questionnaires
from selected participants, I analysed some documents related to foreign emigration and remittances in Nepal. The data were encoded and decoded the collected data and also analysed and interpreted them, respectively. Participants who have gone for outside work for at least one year were taken as respondents to Besishahar. The tests were chosen by irregular stratified inspection, in which each ward was considered as one stratum. Similarly, a report from the Department of Foreign Employment (DoFE) that analysed the trends in foreign employment from the fiscal year 2009/10 to 2016/17 was analysed. The quantitative data were analysed using simple statistics, while the qualitative data were analysed thematically.

**Results and Discussion**

Migration is one of the components of populace alteration. An alteration within the volume and stream of movement will alter the estimate, development, and other characteristics of the populace both in sending and accepting zones. The movement inside a nation does not influence it to add up to an estimate of the populace and development rate but influences the territorial and sub-regional populace and development rate inside the country. It may be a worldwide marvel caused not as it were by financial variables, but moreover by social, political, natural well-being, instruction, and transportation variables. It commonly takes put since of the thrust components of less opening within the socio-economic circumstance conjointly since of drag components that exist in more created zones.

The data collected from the questionnaires and focus group discussion from the participants have been analysed systematically using simple statistics and some themes. This finding resonates with Adhikari (2022) who suggested the value of skills in the international job market.

**Major Destination for Foreign Employment**

The participants involved in this study had different countries for foreign employment. Depending on their economic status and the amount they invest, majority of them chose the Gulf countries and Malasiya for their employment. However, countries such as Japan, Korea, Brunei, Portugal and Romania were also popular destination for those who could invest more. The following table shows the major destination for the participants' migration for employment.

<p>| Table 1 |
| Major Destination for Foreign Employment |</p>
<table>
<thead>
<tr>
<th>Destination Countries</th>
<th>Participants</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qatar</td>
<td>6</td>
<td>18</td>
</tr>
<tr>
<td>Dubai</td>
<td>5</td>
<td>13</td>
</tr>
<tr>
<td>Saudi</td>
<td>4</td>
<td>12</td>
</tr>
<tr>
<td>Malaysia</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>Korea</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>Japan</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>Brunei</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Romania</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Portugal</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Australia</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

(Source: Field Survey, 2023)
Table 1 shows the major employment destination countries of the participants involved in this study. Due to their low economic status, the majority of them chose the Gulf countries and Malaysia for remittance. This aligns with Mishra and Kunwar (2020) who reported that the Gulf countries are the major destinations to make remittances for foreign employers. Similarly, based on the household survey and focus group discussion, it is explored that most of them worked as labourers in their destination countries due to the lack of required skills. For example, Hom Ale of 45 expressed his views;

*I could not study due to my poverty. I am just a literate. The only work for the employees like me is labour. Some educated people with vocational skills get a chance to work in an office and get high scores.*

The above remarks indicated that education and vocational skills matter in the chances to get a quality of job and salary.

**Positive Impacts of Remittance from Foreign Employment**

The study found that remittance has a positive impact on household economy, education, and lifestyle. For example, Raju Gurung of 45, shared his views;

*It was very difficult to solve my daily life problems before I went to Dubai. Now, my family has no serious economic problems. My children have been shifted to the private schools. I have some bank balance and can support some amount to my relatives if they need it. It has enriched my social status.*

The above remarks indicated that remittance supported to improvement of the living standard of the migrant workers in rural Nepal. It has a positive impact not only on their economic and educational aspects but also gives a reputation to the family in the society which can be a factor behind the attraction of others in foreign migration. The finding is similar to Ambrosius (2016) who reported that migration has improved the livelihood of the rural people by reducing their poverty and encouraging them to invest in agricultural and non-agricultural sectors.

Although foreign migration supported many Nepali youths financially through the means of remittance, they reported their misfortune working in a foreign land. For example, Sita Parajuli, 26 expressed,

*When I couldn't continue my studies, I went to Kuwait as a caregiver in a private Arabic house. In the beginning days, I was treated as a part of their family member. I started sending money monthly. My family in my hometown was very happy. The day was the darkest day in my life which threw all my dreams. I was raped by Arabic.*

The above incident showed that there are not only positive aspects of foreign employment but also negative and psychological torture in human life. Chatterjee, (2018) witnessed several negative aspects of foreign employment such as an increasing brain drain, widening trade deficits, and labour shortage in the origin including sexual violation.

This study found that the family of the migrant workers used them to build houses and purchase land in urban areas. Some of them spend a huge amount in a luxurious building which
may be unproductive. Similarly, it was found that a large portion of remittance was used in electronic devices such as iPhone, laptops and TVs for family members and their relatives. For example, Ram Thapa of 36 said,

*I got a chance to work in Germany. I went to Germany through an EPS examination. I worked there for 5 years. I earned and used these earnings to build a house in Besishahar. Similarly,*

*The members of my family and my relatives requested me to send electronic devices when I came to Hong Kong. I spent a large amount to buy these devices as they cost high here. If I invested the amount in a productive field, it could reproduce more economy. I think the level of expenditure has increased after I came for foreign migration. (Jyoti Gurung of 40)*

The above remarks indicated the use of remittance in luxuries including construction of building and purchasing electronic devices and clothes. This shows the high living standard of the migrant family members which has created an inequality between the remittance-received and non-received families in society. This finding is consistent with Sobiech, (2019) who identified that remittance contributed to reducing inequality within the remittance-receiving group but it also created inequality among remittance-receiving and non-receiving groups. This article strongly argues that remittances should be used in productive activities such as self-employment, financial investment, etc. rather than building a house or purchasing land in urban areas.

Living standards, education and social prestige are improving day by day. Ekanayake, (2020) also showed that remittance has brought a positive impact on GDP but there is a negative impact on private gross fixed capital formation means that remittance behaves as a compensatory transfer to the recipient households. The study also found that there is social prestige too. Bishnu Pariyar and Kamal Nepali 42 and 37 respectively from ward No.7 said,

*We have been working in Qatar for about ten years. We were disrespected in the village before we went to Qatar. Now, we can eat, live and play together with our villagers. When we income more, everyone is positive including the family members.*

The above remarks showed how remittance changed the attitude of people in Nepali society. Similar to this finding, Cismas et al. (2020) identified that remittance has played a significant role to reduce inequality in the name of the so-called caste system. Nowadays, higher education in foreign countries has become a fashion. Students for higher studies are not only the ultimate goal but also somehow related to foreign employment and remittance earnings. Deepak Thapa, 22 and Sharmila Shrestha 23 said,

*We went to Australia for our higher studies. Life in Australia is not as easy as in my hometown. We struggled a lot. We couldn't afford our lodging, food ding and tuition fees with the amount of money sent from our home. We were allowed to work for limited hours in a week. It was not enough to compensate for our needs as well as the Bank's instalment in Nepal. We worked a lot rather than our studies.*
The above participants shared their worries about working in developed countries and spending a high amount of money. This aligns with the findings of Cismas at al. (2020) who found that the transformation from higher education to the labour market has increased. This type of transformation continues until the graduates has settled in a job. In the present labour market, graduates' career is not fixed as they can shift easily as they prefer. Higher education is a key to upward social mobility but still those who grow up in lower socioeconomic status will be more alert to the threat and tend to seek immediate jobs. Hence, previous studies have shown that family background plays a significant role in university/ college graduates' first job choice and job attainment.

**Causes of Foreign Migration**

The democratically elected government in 1992 declared the journey of economic liberalisation which encouraged foreign employment officially. The impact of the years of armed conflict which ended in 2006 has been associated with the increase in the number of foreign employments. Various factors are the causes of foreign migration. Push factors like economic opportunities and cultural factors like societal pressure, similarly pull factors like opportunities for upward social and career mobility are some notable causes of it.

**Pull and Push Factors for Foreign Migration**

**Push variables:** There are different reasons behind the movement. The common push factors found during the study were unemployment, destitute financial conditions, family pressure and political instability.

The study found that 68% of the respondents migrated due to the lack of employment opportunities. The chances of joining government jobs were very low. Number of factories and industries was very limited in the study area. It is largely dominated by ethnic groups. There was a long history of migration for foreign employment. Mostly, Gurung, Tamang, and Magar joined in East India Company to recover their economic pettiness. The study found that 80% of the respondents migrated for foreign employment due to destitute financial conditions. Similarly, 60% of the respondents migrated due to social exclusion and discrimination basically from the Dalit community. No caste discrimination existed due to higher income whereas financially weak people in the Dalit community were somehow discriminated. The study found that political instability throughout the nation as well as particularly in Besishahar was also one of the push factors of migration for foreign employment. 36% of respondents were migrated due to political instability, corruption, and so on.

**Pull variables:** Allude to the variables that empower relocation such as business openings and other financial openings. Openings for superior work, higher compensation rates, great quality of life, social relationships, and simple accessibility pulled in the individuals within a certain nation. Census Data 2021 revealed that 2.2 million Nepalese are out of the Nation in search of better opportunities. Out of them, 81.28% are male and 18.72% are female. The Department of Foreign Employment (DoFE) has so far approved 110 countries the foreign employment but it is estimated that Nepalese work in as many as 172 countries throughout the world. The study found that 45% of the respondents were attracted to the opening of better works than in Nepal. Even some of the government employees also resigned from their job in Nepal and
migrated abroad. Similarly, 80% of the respondents were attracted to higher compensation rates. Doctors, Pilots, Nurses, and Lawyers were migrated for foreign employment due to higher salaries and benefits. The study also found that 90% of respondents migrated for a better quality of life in the future. The social relationship was another pull factor for foreign employment. The study found that 47% of the respondents migrated to maintain social relationships. They were helped by sending visas as well as money required for further processing.

Reasons for Choosing Foreign Employment

One of the major features of Nepal's socio-economic landscape is foreign labour migration. 98% of the respondents strongly agreed on foreign employment for economic progress. Most of the migrants used their remittance for their offspring's education, land purchase, building houses, and so on. The study also showed that 12% of the respondents migrated to learn new technology and brought back the skills they learned and implemented in Nepal. Similarly, 78% of the respondents migrated for foreign employment due to family pressure. The majority of the ethnic community people even though having higher academic qualifications migrated. 65% of the respondents were migrated with the influence of their peers and relatives. Financial constraints and unsatisfactory income were major push factors. The majority of the migrants for foreign employment were 24-30 years of age. One of the reasons for choosing foreign employment was social prestige. 60% of the respondents migrated for social prestige basically from the Dalit community. The study found that Dalit people who are financially strong could get easy access in the community. No caste discrimination existed due to higher income 76% of respondents migrated for decent work and better livelihoods. The study found that today's globalized economy has adversely affected Besishahar Municipality. Though the movement of labor is an important aspect of globalization and provides an alternative livelihood opportunity to them, it also brings new challenges for the governments and policy makers in safe management both in and outside of the nation.

Conclusion and Implications

The centrality of movement to the economy of Besishahar has been developing over time. It has a coordinated and circuitous effect on the social angle as well. Most families utilize the settlement cash to pay back advances since most of them go overseas by taking credits. After that point, they spend it on day-by-day utilization counting instruction, and well-being segments, and seldom contribute it in profitable segments. In most cases, agrarian generation was influenced as a result of the diminishing of arrival hold estimate as well as the nonappearance of labour. In this way, it can be concluded that the movement has unquestionably upgraded people's standard of living in connection to way better nourishment, construction, clothing, instruction, and paying debt. This advancement has in turn made a difference for them to pick up the mere social distinction.

To sum up, foreign employment reflects both opportunities and challenges. It has directly reflected in better educational and health outcomes and living standards in Besishahar. However inadequate worker protection and human rights violations have shaped a more cautious situation nowadays which should be addressed in time. The findings of the study can be applicable while making policy regarding international migration and employment at the local level and the province and federal level in Nepal.
References


