

Inflow of Remittance and its impacts on Economic Growth of Nepal

Aliena Poudyal¹ & Prem Kumar Bhaskar²

¹PG Scholar, Lord Buddha Education Foundation, Kathmandu, Nepal

²Assistant Professor (IT), Lord Buddha Education Foundation, Kathmandu, Nepal

Abstract

Remittance is the major source of income in the context of Nepal. This research paper assesses the recent status of remittance and its contribution to GDP and economic growth. Remittance has been contributing in both micro and macro level that is basic need to country development Poverty and the unemployment has been the core problem and remittance helps to minimize it. Also, remittance maintained the foreign exchange reserve and the balance of payment. However, Maximum numbers of Nepalese are migrating to gulf countries to fulfill the basic needs and for increase in living standard. Major destination for foreign employment is Malaysia, Qatar and UAE because of ease of getting visa. Remittance has been playing positive impact on economic growth of Nepal. Due to COVID-19 pandemic the remittance has been negatively impacting in the GDP of Nepal. The ratio of remittance is declining from 7.1% to 2.8% which is hugely affecting in country development.

As a researcher I had examined an initial part of the paper in data analysis with descriptive statistics by using SPSS tools and excel for Chart and graph incorporating various variable including remittance, economic growth rate and per capita annual growth rate as taking independent variable and taking GDP as a dependent variable. The correlation and multiple regression between dependent and independent variable with various factors such as, unemployment, industrial growth, migration, investment rate, inflation, import, export etc. to see the contribution of remittance on each variable to reduce poverty and the growth for nation. ANOVA test between the dependent and independent variable is examined and has positive relationship. The multiple regressions show the significant relationship between GDP and remittance whereas, GDP has no significance relationship between economic growth rate and per capita annual growth rate. All the data are taken from secondary sources. Ministry of finance, World Bank, Department of Foreign Employment and other legal sources to collected the data.

Keywords: Remittance, GDP, Economic growth, per capita annual growth.

1 INTRODUCTION

Normally, financial transaction that is done from one country to another country by the migrant worker is remittance. Moreover, remittance is the collection of money that the citizen of one country who is working in foreign country. It has been the most important source of income for people who are living rural area of country to fulfill their basic need and basic education. The most of the money that has been send is used for the basic consumption and purchasing goods and services. Basic consumption includes food, cloth, house, education for children and health care. After fulfilling the basic need of consumption remaining finance is utilized in different kind of investment. Remittance is significance for country development the foreign exchange. The money send by migrant worker has been direct effect in economic growth. People of the country are migrating for work in foreign country because of low income of family and to support family financially. So, the remittance is essential factor to minimize poverty and contribute for country GDP. Remittance always produce the encouraging effects on economy through various channels such as investing, saving and consumption. It also encourages to migrant family to do their own small business for independent and also in many rural areas many opportunities for women are provided.

Not only reducing the poverty remittance enhance for investment opportunity in entrepreneurship, property, human capital and real estate business (Dritan Shoraj, Leontiev Çuçi, n.d.).

The poor economic situation of all families is a justification for migration because, in search of jobs and reducing poverty, the country faces many problems in terms of poverty, inflation,

unemployment and fleeing foreign countries (Dilshad, 2013). It exceeds the amount of tourism, foreign assistance and export earnings in recent years and is the main foreign exchange earner (Shrestha, 2008).

Remittance and development are substitute to each other and analyzed from three prospective i.e. micro, meso, macro. Micro level remittance helps to reduce the poverty, individual upliftment and equality justice. Meso level provide employment opportunity and growth and micro level help in financial aid and direct investment (Straubhaar, T. & Vădean, F. P, 2005).

International Monetary Fund (IMF) has separated remittance into three categories 1. Current Transfer migrant who have been living in abroad for one or more than that. Balance of payment include in current account. Migrant Worker who has been staying abroad less than a year is known as income account these kinds of worker are seasonal worker.

About 70 million migrants globally come from Asia, where Nepal is the world's largest nation to collect GDP as compared to other nation. The presence of economic area of country is higher in contrast of different publication and data and information to analyze its role for remittances in Nepal's economic progress (Bhattarai, 2009).

Remittances play a vital role for the small entrepreneur to invest few and it will be supportive countrywide for the individual who have less earning that would be useful to make capital which would help to encourage development (Giuliano, P., & Ruiz-Arranz, M., 2009). For many years ago the worker remittances have matured rapidly in Nepal, and remittance remained as the key source of foreign currency earning for country (WB, 2018).

As for trade, since liberalization, this has risen slowly and quite rapidly. Government policy widely extended both import and export, eventually helping to introduce new innovations, get low-priced goods, improve consumer welfare, and help benefit from the overrun impact of trade liberalization.

The economy of Nepal is being intent by the poverty which has been suffering from the beginning and still facing the problem of financial crisis by country. The main reason to face poverty is government unstable in political condition. The rule and regulation that is applied by different party and their team differently at the time changes the people on power also changed the rules and the regulation be instable though there may arise many difficulties. Employment has been major sources of income to live for every individual and also support the family in tough situation. Still many youngsters in Nepal and other developing country are jobless because of less support of their vision and mission by the family and the government so final choice is to move for abroad for the work and earn. Because of the low and poor family background most of the Nepalese has chosen the gulf county for the major destiny for work. Migration and remittance are worth for the growth of economy, increase the social development and for nation development (Topxhiu, R., & Xhelili, F, 2016).

Good finance always supports the family to spend on better life, education, health and more. Migrants can channel their remittance funds into productive sectors of the economy (WB, 2005). A Remittance is helpful to promote growth in less financially developed countries (IMF, 2005).

Asian countries are major source to work for Nepali Malaysia, Qatar, Saudi Arabia and the UAE account for some 90 percent of Nepalese working overseas, and Oman, Kuwait and Bharain absorb another 3.4 percent¹¹. Remittances from these countries made up 70-75 percent of remittances received by Nepal in 2015 (NRB, 2018). These seven countries matters even more because Nepal's macroeconomic stability and household-level benefit. Providing free ticket and free visa attract the Nepali workers to work in Asian country.

India, the countries of the Gulf and Malaysia are the key destinations for Nepalese migrant workers, according to the survey. It reports that 41% of total migrant workers are employed in India, while 38% are in the Gulf 5 countries. Twelve per cent of all migrant workers are in Malaysia and 8.7 per cent are in other developing countries. The Gulf countries contribute the most-48.9 percent of the total remittances coming to Nepal. The study reveals that 19% of the remittances come from India, 10% from Malaysia, and 21% from other developing countries. Most young people in the middle and far-western regions go to India, according to the survey. The Nepali workforce in Malaysia and the

Gulf countries is dominated by staff from Western and Eastern areas, while other developed nations are also the destinations of those from the East, Central and Gulf countries (DoFE, 2014).

1.1 Background of the study

Nepal is small country located between two big countries China to the north and India to West, South and East. It is developing country in the world with nearly 30 million populations. Agriculture is the main source of livelihood of the country and for economic development. More than 80% of Nepalese are involve in agriculture which is the backbone for the development. Foreign migration is the essential part for the youth because of unemployment. Most the rural area people are migrating abroad for the employment opportunity. Remittance is always important source for economic growth and foreign exchange and also for macroeconomic factor which is GDP. Remittance is in increasing trend over the decade and has positive effect in growth of nation.

Remittance has been very important source of income for least development country and in term to increase the GDP of nation. Many other developing and under development country have also major source is external financing which is remittance. Remittance indirectly contributing some of its portion on to beat Foreign Direct investment, enhancing export, manufacturing and other trade. Most importantly, it is maintaining the Balance of Payment (BOP) of the nation. From every single house exporting labor became necessity. Another reason is poverty reduction of the people who lives in rural area having better increase in their lifestyle. The living standard of many people has been increasing because of the remittance inflow.

Remittance can directly contribute to banking sectors as well. Boosting the financial system of developing country of Nepal is important factor for the growth. This helps to collect more funds and bank will provide the loan in minimum interest rate to run small and medium size business.

1.2 Ethical Issues

Collecting both primary and secondary data gives accurate and realistic data for the study. The data and the information are taken from valid sites and legally approved by the government. There is appropriate and adequate information regarding confidentiality of research data. The protection of the privacy has been fully ensured. There is less chance of misleading the information and bias on information should be avoided. This should not any effects or harm regarding psychological, social and financial to none of them regarding the study. Any type of communication in relation to the research should be done with transparency and honesty.

1.3 Statement of the problem

Because of our country's rapidly increasing population and unemployment, Nepalese people are going to overseas and Asian state to sustain their people monetarily and improve the Nepalese financial system since, it focused on the remittance market. The second source of revenue after agricultural remittance is a rise in GDP. Remittances can contribute to economic growth and are primarily mobilized in the manufacturing sectors. In the current sense of the global scenario, government should develop various curriculum and procedure to deal with the different difficulties involved in international jobs and effective uses for remittance earning. Most of the capital is used in unproductive sectors such as real estate, luxury consumption, etc. Luxurious consumption that has diminished the nation's productive base will be at risk and will rely on external factors in the future. This research seeks to examine the arrival of remittances in the Nepalese economy and whether or not going abroad is productive in the context of the people's economic situation. It has been checked that remittances sent by migrant workers are successful Poverty reduction tools are effective. While foreign employment benefits the financial system, services are insufficient to support the rising movement of migration for the occupation overseas, the other limitation for boosting foreign service and remittance is a lack of assurance to secure in operational location. Present study addresses the following remittance-related topic.

1. Does remittance impact on economic growth of country?
2. Does remittance help to increase the GDP of nation?

3. What are other factors that related to remittance for the development?

1.4 Objectives of the study

The major objective of this research is to know the remittance and its impact regarding other certain variable. There are many objectives related to remittance but here are few that are going to discussed.

1. To determine the status of remittance in Nepal.
2. To explore the impact of inflow of remittance on economic growth of Nepal.
3. To investigate the linkage between remittance and economic growth.

1.5 Research Questions

Multiple questions would be conducted but this study selected some important question to meet its objectives. The question is precisely discussing below:

1. What is the condition of GDP in Nepal?
2. What is the status of remittance in Nepal?
3. Does GDP help to explore economic growth in Nepal?

1.6 Research Hypothesis

Research hypothesis is used to analyze the realistic and effective data for the research. In this research, Alternative hypothesis (H1) indicates that hypothesis has relation between other factors related to GDP. Which is describes as below:

- Null Hypothesis (H0): There is no significant association of economic growth and remittance.
- Alternative Hypothesis (H1): There is association between economic growth and remittance.
- Null Hypothesis (H0): There is no association between GDP and remittance
- Alternative Hypothesis (H1): There is significance connection between GDP and remittance.
- Null Hypothesis(H0): There is no significant association between GDP and per capita annual growth
- Alternative Hypothesis (H1): There is significance association between GDP and per capita annual growth.

1.7 Study of Significance

Agriculture is major source of income in Nepal after its remittance is another source of income. Not only for the people in rural area but also in the urban area's people of migrant family is depend upon remittance to fulfill the better life ahead. From this research it helps to know the inflow of remittance in Nepal and its contribution in micro sectors and macro sectors. Micro sectors fulfill the basis needs of migrant family whereas, macro sectors help to contribute for nation by increasing the GDP and many more. Minimizing poverty is another important factor of remittance in case of Nepal. Remittance and the migration seem to related each other to cut off the poverty and growth of economy. The labor migration should work hard in abroad in low wages and salary.

Foreign employment should be promoted to bring better changes. According to labor hour and the difficulty in work should be analyze before appointing in any international work. Spending more remittance in luxury product like buying land, houses, car should be minimized and invest in productive fields so the money is properly utilized. The main important of the research is as below:

- Play a vital role for the growth of economy of the nation.
- The remittance helps to fulfill micro variable and basic needs.
- Remittance and its contribution for GDP of the country.

1.8 Scope of study

Remittance is the primary driver for national development and is the focal basis of income for rising countries such as Nepal. This research focuses on how remittance uplifts the family's livelihood and standards previous to earlier, not just for individual expansion, other than to improve the state's economic growth. In addition, the distance between remittances and economic growth is controlled by this research. It analyzes how the economic system of nation is changing for better growth.

2 LITERATURE REVIEW

2.1 Previous

The aim of this literature review is to plan and discuss the available literature on the impact of remittances on the GDP, Per Capita annual growth, economic growth, living standard and different sectors regarding remittance. The goal is to contribute to this by answering the question of how the current literature investigates the effect of remittances on different activities. Many literature papers have examined the remittance regarding its impact for the nation enhancement by reducing the poverty by contributing large amount for country expansion. Some of the literature discuss about enlargement for individual and society. Also, direct and indirect involvement of remittance for country increase GDP, economic growth and many other micro and macro variables. The remittance of migrants is the source of revenue directly involved in the development of the nation. Remittance refers to that migrant's earnings person sends from the migration target to the base place where the term remittance is normally limited to denoted monetary and other types of refers transmitted to their families and communities by migrant worker.

Internal and international both type of migrating arises due to lack to literacy, in seek of better opportunity, force of compulsion for the family or other related factors. These both internal and international migration depend upon the situation as some rules and financial cost, employment and socio-culture factors if they are able to handle, they shift toward international migration rather than internal migration (Ravi Srivastava, Arvind Kumar Pandey, 2017).

In the background of a primarily rural population and economy, Nepal has achieved poverty reduction and farming is largely subsistence-oriented and non-commercial. Subsistence diversification has emerged as a method to cope with economic and environmental shocks and as an instrument to minimize poverty (Avis, 2018).

South Asian country still lacks the development because all the remittance goes for consumption and paying back for debt rather than development (Ullah, 2017).

The Nepalese economy is becoming more remittance-dependent due to the non-stop growth of remittance inflows, according to Ratha (2015). Rural communities are now moving over other occupations due to minimum economic generation from agriculture and are mainly migrating abroad.

Economy of Nepal is changing from agriculture to remittance as there is large number of migrant worker and migrating abroad to fulfill the economic factors (Rajan Katuwal Chhetri, Prabhat KC and Shiva Chandra Dhakal, 2020).

The increased revenue resulting from the inflow of remittances urges households to reconsider their health and education spending decisions. Moreover, the increase in household consumption due to remittance income, provided that it occurs locally, can, through increased economic activity, have a positive impact on households in the community.

To enhance the financing sectors the inflow of remittance can make effective contribution for development of financial system and factors for growth (Ojha, 2019).

In Nepal the farming is done with the financial debt or in credit which is significantly related with the remittance. Farmers will able to pay the loan if remittance inflow (Bhandari, 2019).

Various categories had divided for working manpower they are skilled, semi-skilled and unskilled. Skilled manpower includes doctors, nurses, teachers etc. whereas semi-skilled are driver, electrician and unskilled are housemaid, farmers and hotel workers (K. S. Farid, L. Mozumdar, M. S. Kabir and K. B. Hossain, 2009).

The number of international migrants worldwide has increased from 173 million in 2000 to 244 million in 2015 was migrated, according to a report by the International Organization for Migration. Almost 20 million refugees are included. The amount of remittances from migrant workers has increased (Nurlan Kurmanov, Saule Baktymbet, Assem Rakhimbekova, Gulnara Sagindykova, Aizhan Satbayeva, Asylbek Baidakov, 2017).

3 RESEARCH DESIGN AND METHODOLOGY

3.1 Research Framework

Dependent Variable

To find out the inflow of remittance and its impact on economic growth of Nepal, Dependent variable is GDP which show the total GDP of the country. Dependent variable factors of GDP are household consumption, investment, government expenditure and industrial growth.

Independent Variable

Remittance, Per Capita Annual Growth, economic growth is independent variable that shows the dependency upon GDP and the direct impact during the period. Independent Factors of economic growth is unemployment and megaton, factors for economic growth is manufacturing, trade to GDP, Foreign direct investment. And factors for Per capita annual growth rate are inflation, import, export and Gross national product.

3.2 Philosophical worldview (Paradigm)

Paradigm is a scientific knowledge achievement which provides the problem and solving methods during the period. Traditional view is replaced by the scientific approach and new ideas. There is logical and the empirical research method.

3.2.1. Ontology

The view that is based in the reality is ontology paradigm. It is based on the how the world accept the truth based on acceptance. The quantitative method that is used in the research believes the empirical truth and financial data in the study which represents the fact analysis for the topic.

3.2.2. Epistemology

This view shows that the knowledge and experience are increase from the research of data based on fact. The philosophical knowledge about the methods, validity and the scopes are studied. Only the viable and realistic data are done under this view.

The philosophy of research is to believe in the ways in which data should be collected, analyzed and appropriately used. The information collected is very realistic and viable, providing the right information. The data sources as a researcher are collected are more reliable and the best tools are used for verification.

It is the procedure to ensure the data in proper manner. Collected data has been explained as the requirements. It is the procedures for research that extent the steps from broad assumptions to detailed methods of data collection, analysis, and interpretation.

3.3 Deductive Approach

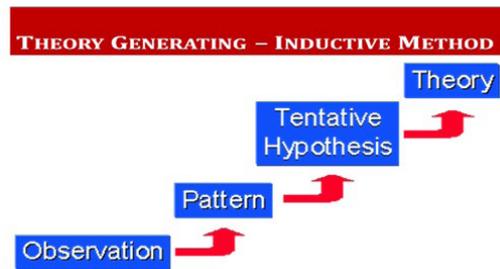
Deductive approach which can widen theory, hypothesis and design research tactic to test the hypothesis. To evaluate the hypothesis data collection is used therefore conclusion can draw realistic and factual. To analyze the topic recent 5year data is using for hypothesis testing. Either is can be significant or vice versa. This approach is part of our thesis.



Source: <https://research-methodology.net/research-methodology/research-approach/>

3.4 Inductive Approach

It collects data and enlarges theory as outcome. It does not involve formulation of hypotheses. It starts with research observation, questions, aims and objective or theory that need to be achieved during the research process. In this approach both quantitative and qualitative data are calculated but for this study only quantitative data is used. The data collected from different government sources are classifies into different experiment. Numerical data and result are under this study so the quantitative approach is more viable.



Source: https://www.researchgate.net/figure/The-Inductive-Approach_fig1_311608881

3.5 Mixed Approach

In general combination of both deductive and inductive approach (Kautish et al, 2008, 2012, 2013, 2020) is mixed approach. It provides the reliable information. It involved both quantitative and qualitative data for further study. Philosophical assumptions and theoretical framework provide better understanding in the research paper. Uses of the variable which is tested in hypothesis provide accurate information for inflow of remittance and its impact on economic growth of Nepal.

3.6 Research Design

Research design is the structure, plan, strategy and investigation for the collected data. It is a clear statement of research problem which is used for processing and analyzing the data. Also, the uses procedure and the different technique are examined to collect the information to accomplished the work. Research design provides appropriate information regarding the problem in efficient manner. With better theories and the better research, the research is design in proper manner with best hypothesis and result.

3.7 Research Strategy

Research strategy is systematic process for the tools that are using during the research. The Research Strategy section is explaining to deal with the research question and the answer that it provides. Methodology is in put into practice for clear analysis. At the beginning different tools is used to analyze data like ANOVA, multiple regression, hypothesis testing is used in this study.

3.8 Research Choices

Quantitative research

The quantitative data is collected through measuring things and reported through statistical and numerical analysis. Existing data or the information and the experiment of tools and uses of technique are done for quantitative research. It seeks to explore phenomena. Test hypothesis check the cause and effects for prediction of future. It is larger in quantity and select randomly.

As per nee of the study the quantitative method is more effective and suitable because the secondary data is feasible for analysis. Authentic publication by the government sources are ready to calculate. Thus, quantitative method provides conclusive and realistic results.

3.9 Data Sources

Secondary data is adopted to fulfill the research requirement. For this research it's complicated to collect primary data in recent scenario. Secondary data is more effective and fulfill the objectives. Different sources for are Government annual publication report, Authentic source that is under government authority, Economic survey of Nepal, Ministry of finance, NRB annual report, World Bank and many other legal sources.

3.10 Data Collection Methods

As a researcher, data is collected from the financial data of remittance inflow based on the previous literature and empirical evidence. Recent 5year data are taken for the hypothesis. It will provide the information related to the objectives as well to prove the objective. The other reports are collected from the World Bank, NRB, Ministry of finance, other authentic sources and website if necessary.

3.11 Datasets and Data Structure

The datasets are taken from different reports and tools which will be evaluate accordingly.

Investigated and remain to investigate data to be learnt in deeply. The literature helps to provide required information for the data. Recent 5year data is taken for the effective theme for the study and fulfill the required objectives. The data set which is used will provide the answer that is most important aim of this paper. The data structure describes the purpose of the study, what information is to be collected, how accurate is the information as per need of the study on the basis of collected data.

3.12 Government Services and Application Forms

As we know Nepal has dependency in economy since very long. Migrant worker sending money through informal channel where levied charge become comparatively high and also the exchange rate become higher. If government have provided legal channel with low interest rate billion money is saved and utilized in a productive sector. Instead of using illegal source like hundi, paying high exchange rate in case of emergency should be legalized and legal and provide authentic source for remittance. Government should make a provision to every individual worker to open bank account or use authentic source to send money before going abroad.

Government should analysis the migrant workers income whether it is permanent job or temporary job, regular income or there is fluctuation in the work, how many government services and application form should be provided these all kind of services should be provided by the government for migrant workers.

3.13 Data Analysis

Various tools and the technique is useful for analysis and to conduct appropriate result. Without some tools it is impossible to accomplish the data analysis. The topic "inflow of remittance and its impact on economic growth of Nepal" have best tools of SPSS and excel to meet its objectives. Remittance have positive or negative impact can be clearly analyzed. Some statistical tools like Descriptive analysis, ANOVA, T-testing, regression test is using for analysis.

3.14 Quantitative Data Analysis

Quantitative data analysis basically deals with the numbers when data is implemented in numerically. The data that has been collected are statistically analyzed. It helps to measure different controllable variable into trouble-free and uncomplicated during the period. SPSS is the major statistical tools to analyze data through graph, table, and figure. Normally, quantitative data analysis associated with finding the facts to support or ignore the hypothesis. Quantitative analysis always conducts in depth which creates less bias among the researcher. The research is about "Inflow of remittance and its impact on economic growth of Nepal" which analyze the descriptive analysis like mean, median and mode, ANOVA test, T-Test, Regression analysis. Reliability and the validity are analyzed through the quantitative data analysis for the research. It will provide precise information because raw information will be presented accurately.

3.15 Ethical Consideration

The aim of this research paper is to improve the country by analyzing the facts with accurate data. Here is secondary research that usually does not need to go through official principles, which absolutely depends on the use of data collected for distinct research. This paper argued that it was the duty of the qualitative researcher to ensure realism. Secondary data, as compared to primary data, is more reliable as required by this paper. The important part when collecting data is accuracy and realistic. The protection of the privacy of study participants must be ensured and should not in any way harm others (Bryman, A. & Bell, E., 2007). The advantage of using pre-recorded interaction data from a procedural point of view is that researchers are secure in data process and the research can get ethical justification.

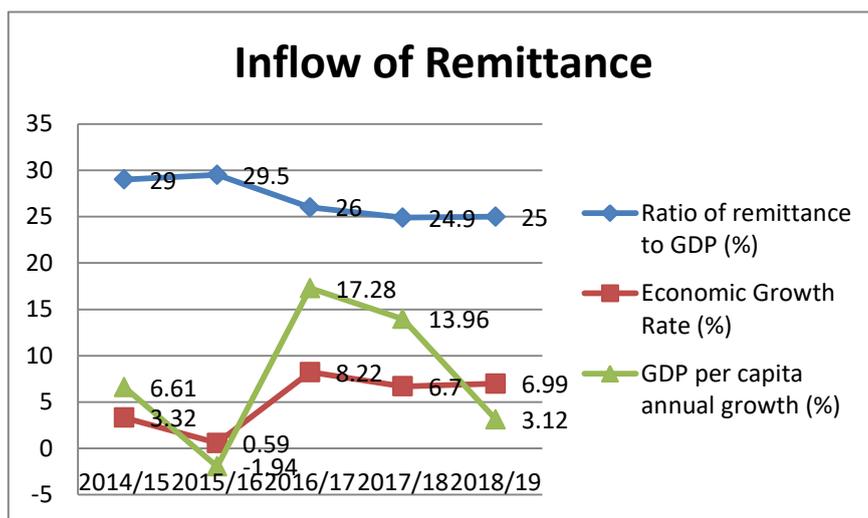
4 DATA ANALYSIS AND FINDINGS OF RESEARCH

5.1. Analysis of provision of datasets and data structures

Datasets are analyzed through descriptive analysis by conducting ANOVA test, Multiple regression analysis. From SPSS tools complex data are inserted and the results are easily abstracted with accurately and effectively.

Table 1: Inflow of remittance

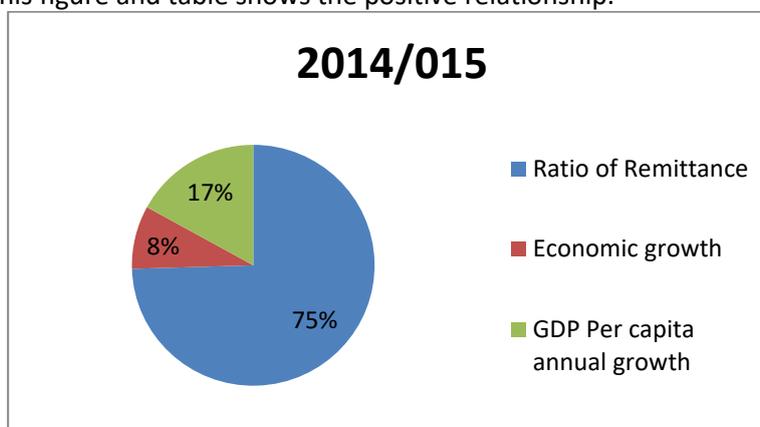
Inflow of remittance			
Data/FY	Ratio of remittance to GDP (%)	Economic Growth Rate (%)	GDP per capita annual growth (%)
2014/15	29	3.32	6.61
2015/16	29.5	0.59	-1.94
2016/17	26	8.22	17.28
2017/18	24.9	6.7	13.96



2018/19	25	6.99	3.12
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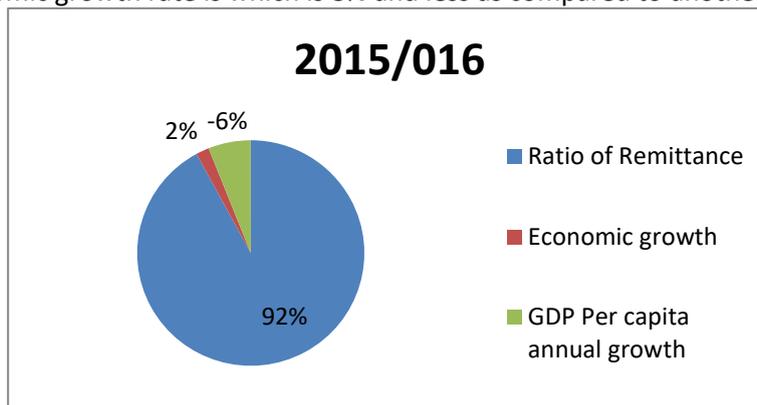
Figure 1: Inflow of remittance

Above table 1 and figure 1 shows the Inflow of remittance as taking variable of ratio of remittance to GDP, Economic Growth Rate, GDP Per Capita Annual growth rate. The X-axis shows the percentage and Y-axis shows the recent 5 year from FY 2014/2015 to 2018/2019. Ratio of remittance to GDP shows the positive relationship. In the year 2014/015 remittance to GDP is 29%. In 2015/016 it is 29.5% which is highest among all year and followed by 26%, 24.9%, 25% respectively. Economic growth rate in 2016/017 is highest that is 8.22% and lowest is in 2015/016 that is 0.59%. GDP per capita annual growth rate is lowest in 2015/016 which is 1.94% and highest in 2016/017 that is 17.28%. Overall, this figure and table shows the positive relationship.

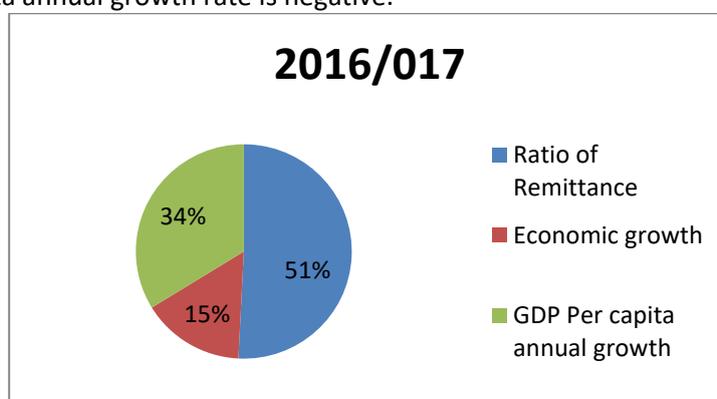


The above pie-chart shows the data of 2014/015 with ratio of remittance, economic growth rate, GDP per capita annual growth rate. As compared to these three variables the highest ratio of remittance is seen as 75% which large portion among another variable. GDP per capita is 17% and

followed by Economic growth rate is which is 8% and less as compared to another variable.



The data from 2015/016 show there is bulky portion of remittance which is 92%. The remaining portion is in economic growth and GDP Per capita annual growth with 2% and -6% respectively. Thus, GDP per capita annual growth rate is negative.



The data of 2016/017 shows the contribution among all. The ration of remittance is 51% which occupied more than 50% economic growth has 15% which show it is better than previous year and the per capita annual growth rate is 34% it seems it has good growth from negative to positive from last year.

5 Discussion, Recommendation and Conclusion

5.1. Discussion and conclusion

Remittance has been always the major source of income in the context of Nepal. Unemployment has been major problem since very long. Migrant worker are the key contributors to minimize the problem of unemployment. More than 1600 youths are moving toward abroad every day for international labor. The gulf country like Malaysia, Qatar, Dubai, Saudi Arabia are main target for foreign employment. The reason to move toward this country is lack of skill, literacy and poverty. Basic necessity is important to survive and every youth want to increase their standard of living and flexible life. Poverty is major problem of the country and remittance help to reduce poverty as well which is biggest challenge for nation. Ratio of remittance to GDP in year 2018/019 is 29% according to Ministry of Finance which is 582.2 billion in rupees. Remittance is key factors to increase the nation GDP. Remittance and the GDP play positive impact for the economic development.

In both micro and macro level remittance has been played important role. Micro level like education, basic household, basic consumption has been positively affected whereas, Macro level like import, export, manufacturing, foreign direct investment etc. are also affecting by the inflow of remittance. In general, this study has presented the impact of remittance in micro and macro level. Secondary source has been used to collect the data to meet its objectives and questionnaire. Various publication published by government like Ministry MoF, IMF, NRB, World Bank and other authentic sources. Recent 5year data has been taken from 2015/015 to 2018/019 for the analysis.

This study has used Statistical tools like ANOVA, Multiple Regression, chart, Graph to analyze the fact. Quantitative relationship is measure between used variable. Main aim of this study is to inflow of remittance in economic growth by adopting various factors. Remittance has been affected and had positive relationship between GDP and economic growth. This study has concluded that GDP has been enlarged by the remittance as well the domestic consumption. Moreover, It will more effective if more money is used to for productive sectors more than consuming for luxurious items.

The conclusion of the data analysis is as below:

5.1.1 Comparison of financial data (2015-2019)

Financial data for this study is important part to calculate the exact data to know the contribution that every individual related factor provides. Taking GDP as a dependent variable as compared to other independent variable like remittance, economic growth and GDP per capita annual growth rate from 2015-2019. GDP with independent variable remittance in 2014 it has 29% contribution which is large amount for GDP. As well 29.5 is highest and 24.9 is lowest contribution to GDP. Hence, GDP is highly depending upon remittance. The large portion of remittance is being contributed to GDP of nation. Since, Economic Growth as an independent variable has very less contribution To GDP. The highest economic growth rate is 8.22% in FY 2016/017 and lowest is 0.59 % in FY 2015/016 which is very less though GDP is not depend upon economic growth. Per capita annual growth has also less contribution to GDP. It has negative impact on 2015/016 which is -1.94 that is negatively effect to GDP though contributed highest rate that is 17.28 in 2016/017. Hence, GDP is highly depending upon remittance.

5.1.2 Descriptive Analysis

Descriptive analysis helps to summarize the data of the variable where average value is calculated. The highest and lowest mean among another variable is identified. From ANOVA test the relationship between variable is whether accepted or rejected the significance level show to accept or reject. If P-Value is less than 0.05 the significance level of two variable is accepted and the P-Value is higher than 0.05 the significance is rejected. From ANOVA test the significance between GDP as dependent variable and remittance, economic growth and Per capita annual growth are independent variable and it is accepted. The conclusion on descriptive analysis is found to be significance as compared to both dependent and independent variable.

5.1.3 Multiple Regressions

Strength of two variables is determined by the regression analysis. How the variable is dependent with each other and correlated can be identify. If two or more variable is significance it shows both are correlated and if negative, they have no correlation. P- Value of 0.05 or 0.5 measure the relationship whether to accept hypothesis and reject. The beta value measures the positive or negative correlation between the variables. Beta is measured between +1, 0 to -1. If variable is in between +1 it is positively affected and value are in between -1 variable are negatively affected. 0 is constant or cannot determine the relationship between variable. The relationship between variable are discussed below:

5.1.3.1 Relationship between GDP and Remittance

By collecting data from secondary sources and inserted the raw data into SPSS provide the appropriate and precise result. The result of P-Value shows the significance level. Hence, It shows 0.035 which is accept because the P-Value less than 0.05 has significance effect on remittance and it is accepted. It shows the GDP and the remittance have significance relationships and it accept the hypothesis Remittance has contributing for the enlargement of nation GDP. Not only in micro level but also in macro level of whole economy. Thus, Remittance indicates to improve the GDP of Nepal and remittance is key factor.

5.1.3.2 Relationship between GDP and economic growth.

The analysis of GDP and economic growth that the generate result shows there is no significance between the variable which is generated from the SPSS. Though the result is truthful the P- Value is 0.081 which is higher than 0.05 so, there is no significance between variable. Thus, it rejects the relationship between both variable and hypothesis is being rejected. Economic growth doesn't

depend upon GDP and it seems both are different variables.

5.1.3.3 Relationship between GDP and GDP per capita annual growth

The outcome between GDP and the GDP per capita annual growth rate has no significance. The result of P- Value is more than 0.05 that is 0.099 thus, it rejects the relationship between them. There is no significance of both variables. Thus, it rejects the hypothesis between variable. GDP per capita annual growth doesn't depend upon the GDP.

From above analysis and result it is concluded that remittance is important factor for economic growth of Nepal. Higher the remittance inflow the higher chance to grow in economic development and increase the GDP. Furthermore, remittance has significant role in GDP and economic growth in Nepal. It plays an outstanding role in the economy of the nation as they are the major sources of income for most of the household consumption also minimize the poverty level in the country so the remittances have significant effect in both micro and macro level. Overall, it could be saying that all these objectives have been discussed and the result has been derived from the above calculation and some off objective have positive and some have negative relation with remittance.

5.2. Limitation

For this research there are many limitations which are maintained properly. Data are only from secondary sources because primary source is difficult to collect because of the recent situation of the world facing. Here are some limitations of this study which are described briefly:

1. This research doesn't cover the remittance of other country but it is discussing in some content of the study.
2. Confidentiality and privacy are maintained properly, it will not affect any legal and government sources.
3. All variable related to GDP is not mentioned but some of the portion are taken for the data analysis.
4. Data include may not provide truthful and correct result but it is near to original result.
5. Only few variables are taken as per required of research.

5.3. Future Recommendation

From above overall study that remittance is important source of income for nation. If the government should focus on below recommendation it will helps to generate more remittance in future.

1. Remittance is contributing large amount for the development of nation so; government should provide certain skill and training for migrant worker according to their interest of work.
2. Gulf country are the maximum choice of Nepali worker but if government make legal provision and make a contract to go Eastern and western country for work in minimum expenses worker are more influence to go abroad for work in better pay.
3. Government should make authentic and legal sources to for the migrant worker it will help to minimize the unnecessary cutoff and extra charges. Through the informal channel large amount of money is unutilized. Government should give special attention to legal channel and promote worker by providing annual incentives or additional benefit for using authentic source. This will motivate every migrant worker to send money through formal channel which is under government policy. Moreover, it is systematic and easy to keep original data for the government as well.
4. District wise recorded in every 15 days provide the actual result of migrant people and the destination they choose to go. This will help to properly utilize migrant finance in their locality for better development. Government should work on it.
5. Investing in luxury consumption should be deflated and should be encouraged to investment in some productive sectors. Agriculture is major source of Nepali economy so using finance to buy new technology and technique for agriculture provide more effective results.

5.4. Self-Review

As the result analyzed about remittance it is imperative for the nation and as well every individual whose member is in foreign work. Providing huge amount in remittance is key source. Maximum people destination for work is overseas and every year millions of people left home country for better living and to make better future. Moreover, the remittance for individual as well for the nation it is essence and contributed in large scale. Large amount of remittance is helpful in micro and macro level which have positive impact. Micro level such as basic consumption, increase in living standard is important factors whereas, contributing in macro factors like GDP, GNP, Manufacturing, industrial growth is another major factor for enhancement of Nepalese economy. Also, the many paper of scholars has been addressed to conclude good and effective result. Their paper helps me so much to clarify the thesis in better way. To analyze the important of remittance the data of the variable and factors are taken in small number though it proved with good result hence, it shows the satisfying result.

5.5. Summary

Conclusion is abstracted from the data analysis of the study where different factors and variable is taken to elaborate properly for remittance. Also, the contribution and important of the thesis is discussed in this chapter. There is certain limitation which is properly followed by researcher during the research. More importantly, Future recommendation will provide better improvement in future. And also discuss self-review of the study.

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