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## 主 論 文 の 要 旨

論文題目

**Migration and Development: Impact of Migrants'  
Remittance on Poverty, Inequality and  
Entrepreneurship in Nepal**

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## 論 文 内 容 の 要 旨

International migration and remittance is an important feature of globalization in the twenty-first century. Scale level migration and remittance flow towards developing countries are important for development but there are some policy issues regarding cross-border migration. Remittance is the backbone of the Nepalese economy. However, there is no empirical study that examines the impact of remittance on poverty and inequality using the latest data. Moreover, whether remittance is used for consumption or business investment, what determines entrepreneurship among return migrants and how return entrepreneurs create jobs are open questions in Nepal. This dissertation is a contribution to these issues from several perspectives.

In my thesis Chapter 1 is an introductory chapter. In Chapter 2 I analyzed theories and empirical literature to see the significance of migration and remittance for developing countries' development.

Classical migration theory claims that migrants move from low income areas to the high income region. Most of the empirical findings and leading development organizations are also optimistic that migration can play a key role for development, especially for developing countries. Increase in remittance decreases the poverty level by increasing income and smoothening consumption. This also helps to improve health- and education-related indicators and the empowerment of women in the remittance receiving countries. However, pessimistic thought argues that large-scale migration, including highly educated and skilled people from developing to developed countries, and the inflow of remittance to developing countries increases dependency on destination countries. Inflation and exchange rate appreciation are possible negative effects for the remittance-receiving economies.

I agree that migration and remittance can play an important role for development. As a policy recommendation, I argue that the migration-development agenda should bring in the post-2015 millennium development framework.

Chapter 3 reviewed the importance and issues of the labor migration under the GATS Mode 4 commitment in the WTO. I specifically examined what the temporary labor movement barriers are under GATS Mode 4.

Recent empirical findings indicate that easier labor movement or migration processes contribute to increased economic gain for both developing and developed countries. Developing countries have surplus labor, but developed nations are facing demographic decline and have capital as well as technology. The combination of surplus labor and capital plus technology will increase world output. Developed countries also incur some costs because of immigrants but on average, through reaping scale effect and increasing competitiveness, international migration may be one of the most effective means of shrinking the income gap between rich and poor countries. In spite of the importance of temporary labor movement from developing to developed countries, GATS Mode 4 agreement is not clear as the goods sector trade commitment. Developed countries are more open to skilled and highly qualified immigrants.

Productive efficiency is possible in some sectors in developed countries by easing temporary labor movement. However, the labor movement issue should be addressed by the apex body, the WTO. At this point my policy recommendation is that there needs to be further negotiations in the GATS Mode 4 commitment.

Chapter 4 showed migration and remittance flow trend over the decades in the global, regional and the Nepalese economy. In addition, I also analyzed the current macroeconomic situation of Nepal.

World Bank data from 2010 showed that the global level of remittance has been increasing gradually from the start of the twenty first century to date. It is noteworthy that the remittance flow trend in between 1995 and 2010 was more stable than FDI and other Official Development Assistance. In South Asia, India is receiving the largest amount of remittance, but in terms of GDP contribution Nepal is in the highest position. The latest data shows that there are about 3 million international migrants from Nepal. A lack of job opportunities, wage differences between Nepal and destination countries, internal conflict, prolonged political instability, and food insecurity are push factors, while the Gulf States' boom, cheap labor demand, migrant networks, decreasing transportation costs, and globalization are pull factors for Nepalese migrants. The year-to-year increase in remittance reveals that remittance is a stable income source and contributes the biggest share to the total GDP in Nepal. High remittance flow is supporting to smooth household consumption. However, some migrants still practice informal money transfer from abroad to Nepal.

My policy recommendation is first, detailed information about migrations or returned migrants should be gathered in the forthcoming survey data and census data. This leads to in depth econometric analysis in micro level. Second, migrants should pay migration cost through banks (stop informal transactions with migration broker) while remittance should send by formal sector.

Chapter 5 was a micro quantitative analysis. In this chapter I calculated the impact of migrants' remittances on poverty and inequality in Nepal at the household level. I used the latest cross-sectional Nepal Living Standard Survey data from 2011 (NLSS III) and two hypotheses were set in this chapter. First, remittances decrease poverty. Second, poorer households do not receive as much remittance as richer households. I used the counterfactual method to predict the effect of remittance on poverty types and inequality level. I also used the Probit model to calculate the households' remittance receiving probability.

Result showed that remittance plays a significant role in reducing poverty levels through consumption in the short-run. If there were no remittances, the poverty headcount level would be 31.08 percent. In the total remittances versus no remittance scenario, the poverty headcount comes down from 31.08 percent to 22.27 percent. This means total remittances contribute to 28.34 percent of the total poverty reduction in Nepal. The role of international remittances is greater (21.13 percent) than internal remittance (8.49 percent) in decreasing poverty. Remittance is also important in decreasing the poverty gap and squared poverty gap. Relatively more remittance is received by more qualified and richer households than those who are less educated and from lower quintile households. Hence, remittance increases inequality.

First, currently unemployed/surplus labor can undertake work-related international migration. Second, the government should allocate higher quotas for low castes and the lowest quintile households to go to the high-wage migration destinations. Third, Nepal must create jobs in its territory in the long-run.

In Chapter 6, I did both qualitative and quantitative analysis using primary data. A survey was conducted in three locations of the three districts of Nepal. In total 275 return migrants were interviewed from rural semi-urban and urban areas. Descriptive statistics indicated that migration costs and wage rates in foreign countries are positively correlated. Work sector changes significantly during migration. Of the total remittances the largest percentage is used for land-plots purchase, followed by daily consumption, loan repayment and house construction. Only 4.44 percent of total remittances is used in business investment (entrepreneurship).

First objective in Chapter 6 was to examine the factors that increase the probability of return migrants becoming entrepreneurs in Nepal. Probit model result showed that more educated people are more likely to be entrepreneurs in comparison to less educated return migrants. Abroad savings seemed to be another important factor for the likelihood of entrepreneurship. Old returnees (who had returned more than two years prior to the interview), family size and types of destination country were also significant for entrepreneurship. In addition, social structure, family members' age, geographic location, road networks, market access also influenced entrepreneurship after return.

Based on these findings, I recommend that the government should strictly implement a progressive tax for citizens with more than one house or land-plots holding. The Central Bank

(also the government) can inspire migrants to open saving account in Nepal (before migration) or abroad (during migration) to inspire savings. More saving inspires more investment (entrepreneurship).

Second objective of the Chapter 6 was to analyze how return entrepreneurs are contributing to create jobs in their local community by case studies.

Some successful return entrepreneurs viewed that remittance helped as investment capital in their business. Case studies show that their investment is playing positive role to use local resources, create jobs and increase income. The first case study (Tomato Production) is using local people and providing temporary jobs to low income people. The second case study (A Poultry Farm) generated job to local people who want to work in their own community and could not manage money to go to abroad (migration cost). In the third case study (A Cyber Café) a return entrepreneur provides communication services and basic computer training course to school children. Two computer instructors are getting part-time job. Fifteen students are learning basic computer and internet course which is positive points for their future career. Such business plays important role in poverty reduction in the long-run. Other case studies (A furniture factory and private school) also indicated that remittance helped to start new business in Nepal. In addition, investment practices after return also lead to women empowerment and feel happier.

Based on these case studies, I emphasize that electricity shortage badly affects all business. Hence, existing power shortage should minimize even by import from India so that return migrants (like poultry farm and cyber café) can smoothly run business or expand the existing investment. It is noteworthy that Ministry of Agriculture should construct cold storage for perishable products (like tomato production) to reduce post-harvest losses. Agricultural related medicines should distribute (subsidize) on time in all districts.

Finally, different factors contribute to growth and development, but their importance alters over time. Migration and remittance is not the panacea for low-income countries but neither should we underestimate its importance. Remittance is playing significant and positive role in improving Nepal's poverty level. Inclusive policy can decrease inequality. Some return migrants are practicing entrepreneurship and creating jobs in the local community. Government should support their work. This helps to reduce poverty in the long-run. Nepal must create jobs in its territory. Every Nepalese should work hard to build the nation. Impact of migrants' remittance on household health and education sector in Nepal will be a suitable research area for future study.