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## **Remittance to Nepal from foreign employment: Changes and implications**

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Foreign employment has increasingly been a major source of income for households in Nepal with important implications for the development and socioeconomic structure of the country. For example, the growth of gross national product and decline of poverty in the country during the 1990s and early 2000s have been attributed to soaring remittance from foreign employment. Given that certain groups are more likely than others to go abroad for employment, remittance also has an impact on how resources are distributed and how various socioeconomic and demographic groups relate with each other.

Using data from the 1995/96 and 2003/2004 waves of the Nepal Living Standard Survey (NLSS), this paper examines how large a role remittance is playing in the household economy nationwide, how different socioeconomic and demographic groups have benefitted from it, and how it is changing over time. The analysis will be both horizontal across groups and temporal over time. Since remittance constitutes one of the various sources of income for households, appropriate reference and comparison will be made to their overall income level. Findings will be valuable for researchers and policymakers to systematically understand the extensiveness of this increasingly important issue at a macro scale and to apply it to analyze and devise policies affecting the economic, political, and social structure of society. While the analysis will not capture more recent changes marking further acceleration in foreign employment, the findings will be contextualized to draw more specific policy implications for the present day political economy of Nepal.

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