

# NEXUS OF THE REMITTANCES AND ENTREPRENEURSHIP IN NEPAL: CRITICAL OBSERVATIONS FROM ILAM DISTRICT

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## Abstract

*Foreign employment has provided alternative opportunities for livelihood and contributed for a remittance based economy in Nepal at present. In the context of Nepal, the present study has been carried out with the overall objective to explore the roles of remittances in terms of both monetary and social capital gained from foreign employment in entrepreneurship development, particularly agribusiness enterprises owned by the returnee migrant workers in Nepal. In terms of framework, the study has followed the migration in optimistic perspective. The study has shown that the economic status of the majority of respondents has improved since beginning their agribusiness enterprises. In addition to economic status, the social status of the respondents has also seen improvements through operating their agribusiness. Remittances gained from foreign employment has been an unavoidable factor for entrepreneurship development in the country of origin. But, the important thing is; whether the remittances have been used in the productive sectors, particularly in entrepreneurship development or not. Capital investment, employment creation, research and innovation are seen the opportunities of agribusiness which can lead to the sustainable livelihood of returnee migrant workers. In turn, policy reforms and strategic project interventions from concerned authorities are critically important for the entrepreneurship and productive use of the remittance.*

**Keywords:** Remittance, foreign employment, entrepreneurship, Ilam, Nepal

## Background

Foreign employment is growing source of national economy of Nepal. The global technological and economic relations have been creating new job opportunities for all kinds of Nepalese labor forces considering their capabilities and skills (Sapkota, 2013). With the people's movement 1990 and political changes adhered thereafter for the liberal economy, the foreign employment sector gradually developed and popularized in Nepal. However, it became both a desire and

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compulsion for many of the migrants. The unstable political turmoil, Maoist insurgency and lack of government's supportive self-employment policies and programs started to push up the condition of increasing rate of foreign employment despite of many economic and psychological challenges to the Nepalese labor force till 2006 (Gaudel, 2006). Eventually, remittance from foreign employment has become one of the major viable sources of livelihood among the middle class families in Nepal. This has been further plugged in recent years with the opening up of new labor destinations and policy reforms after 2015 in the post-constitutional context.

In the context of Nepal, the history of international labor migration dates back more than 300 years, with Nepali migrating to neighboring countries in search of better opportunities for livelihood. However, the labor migration was formalized in the early 19th century, when the treaty between the British and Nepal government in 1815 allowed the Nepali people to be recruited in British Army officially (Seddon, Adhikari, & Gurung, 2002). The Gulf and the Middle East has emerged as a destination country for Nepalese due to the economic boom in the region after 1970s. At present, Nepal government has opened 110 countries as labor destination including the Gulf and the Middle East (DoFE, 2016).

The economic planning of Nepal has also given due emphasis on foreign employment and remittance. New destinations for Nepalese workers have been trying to identify the Ministry of Labor and Employment across the world. The importance of foreign employment and remittance flow was increasingly realized in the Three Year Interim Plan (2007–08 to 2009–10). The subsequent Three Year Plan (2010–11 to 2012–13) further reinforced the role of remittances in foreign exchange and balance of payments. The two Three Year Plans (2013–14 to 2015–16) and (2016–17 to 2018–19) further reinforced the role of remittances in foreign exchange, balance of payments, and the need to promote the productive use of remittances. In the 2030 SDGs, labor migration and remittances has been considered as one of the important factors in development and reducing inequality, which could be more challenging aspiration in Nepali context too. Limited job opportunities, low agricultural productivity, political, religious and poverty are the major push factors and employment opportunities and better earnings are the major pull factors of foreign employment in Nepal (Paudyal, 2015; World Bank, 2011). In this context, the general objective of the present study is to analyze the condition of uses of remittance in productive sectors in Nepal.

### **National and local issues**

Remittances to Nepal have a stronghold in the national economy and they have also transformed

the lives of a large number of rural people. Remittance inflow in Nepal began with the entry of Nepalese youths in the British Indian Army during the World War I. Following this, there were increased remittances to Nepal when a large number of Nepalese youths joined the Indian army in the 1950s and 60s (Graner, 2001). Simultaneous to this, the increased number of Nepalese migrant workers in India also contributed to bring in remittances from India. This initial phase of foreign employment came to a sea-change in the second stage in the 1990s, at the wake of globalization, when a large number of Nepalese opted for jobs in Malaysia and Gulf countries (Seddon, Gurung, & Adhikari, 1998). Government of Nepal now has opened 109 countries for foreign employment though the concentration is still in India, Malaysia, Gulf nations, South Korea, Israel and Japan leaving the European countries, Australia and the United States where Nepalese Diaspora constitute a large community (Malla & Rosenbaum, 2017).

Remittances have become a major source for hard currencies for the national economy and so have become for a household. Number of remittance receiving household has reached 56 percent in the country. Remittance has approx. 25 percent share in GDP and has surpassed the incomes received from tourism and national exports for the last three consecutive years (MoF, 2018/019). Remittance inflow has been credited for heavy foreign reserve and management of monetary resource for small and medium scale industries. Besides, remittance has helped the country's economy from being shambles at a time when the world was reeling under recession. Remittance has also tremendously supported to poverty alleviation.

In microeconomic prospective, remittances directly affect household income and consumption, whereas in macroeconomic perspective remittances influence poverty reduction (Acharya & Leon-Gonzalez, 2012).). As the data shown in the report of NLSS III (2010/11), the largest share of remittance income went towards household consumption (34%) followed by loan repayment (16%), asset acquisition (12%), saving and investment (12%) and education (6%) [CBS/ NLSS, 2010/11). It need to be explored the areas for intervention for the utilization of remittances in productive sectors, particularly entrepreneurship development in Nepal.

According to the DoFE (2017), in an average 1750 people leave Nepal each day for abroad employment. A total of 639,167 aspirant migrant workers left for various countries in the last fiscal year 2016/17, up from 418,713 in the previous FY 2015/16. Malaysia, the most popular foreign job destination for Nepalis until the FY 2014/15, made an improvement after seeing the number of Nepali migrant workers plunge from 202,828 in the FY 2014/15 to 60,979 in the FY 2015/16.

According to the DoFE, Nepalese can get work permits for nearly 170 countries. However, countries like Malaysia and members of Gulf Cooperation Council (GCC) that include Qatar, Saudi Arabia, United Arab of Emirates, Oman, Bahrain, among others, are favored destinations for Nepalese.

The number of Nepali migrant workers is estimated to be over 3.5 million, most of whom are working in the Gulf countries and Malaysia. The trends obtaining labor permit for foreign employment is in increasing trend, from 219965 in FY 2008/09 to 499620 in FY 2014/15 (DoFE, 2016). In the period of seven years, the labor permit issued for female is about 5 percent in an average comparing to the male population. However, the number of female migrant workers is also in increasing trend every year. Consequently, the inflow of remittance from labor migration is also in increasing trend. It has been increased; from NPR 58.6 billion in FY 2003/4 to NPR 589.5 billion in FY 2014/15. Remittances have contributed 10.9 percentage share of the GDP in FY 2003/04 and 27.7 percent in FY 2014/15 (MoLESS, 2018).

There is no official record of returnees of Nepalese workers from foreign employment. But the remittance has been used for the both productive and unproductive sectors in Nepal. Mostly investment of remittance is seen on real estates, jewelry, personal vehicles, television, mobile phones and other electronic gadgets. The heavy expenditure also goes in the name of celebration of festivals, feasts and rituals. However, some amount of remittance has been used in agribusiness and other enterprises as well. This paper has thus focused on various dimensions of productive uses of remittance in Nepal.

### **Methodological approach**

The present study adopted both the both primary and secondary data to explore the roles of remittances used in entrepreneurship development and other productive sectors. Nepal is considered as the study universe. The descriptive method is applied to describe the findings from the field observation according to the need of the study. Under the research design, in addition, qualitative and quantitative data are collected to explore and describe the findings from the study. The qualitative data have been represented the qualitative types of information such as motivating factors to be business entrepreneur, challenges and opportunities of in the entrepreneurship development. Similarly, the quantitative data have been represented the quantitative types of information such as age group, income, out flow number of labor migration, inflow of remittances

etc. which have been presented in figures and tables. The data was collected through primary and secondary sources. The sources of data have been briefly discussed below:

The primary data is collected through the semi-structured interview with the returnee migrant entrepreneurs, key informants, focus group discussion and field observation. The secondary data was collected from the review of published and unpublished sources such as books, statistics, journals, publications and internet etc.

### **Universe and Sample**

This study was conducted in Ilam district of Nepal which lies in the Mechi Zone of Province No. 1. According to local legends, the word 'Ilam' comprises two words- 'I' and 'Lam'. In Limbu language, the word 'I' denotes 'winding' and 'lam' senses to the way. Topographically, this region has actually several winding paths crisscrossing on the way. Thus it is aptly named 'Ilam'. This district is a hilly district of far eastern Nepal and has a total area of 1,703 sq. km. along with the total population of 290,254 as per the Census 2011. Ilam district has 10 local units (4 municipalities and 6 rural municipalities) under its restructuring made in 2017 with the federal-set up in the country. The study was empirically based on the Ilam municipality, the headquarters of the District Coordination Committee. Ilam municipality was declared in 1958 at first, then restructured as Ilam Nagar Panchayat in 1960, and again renamed as Ilam municipality in 1990. Very recently in 2017, the municipality has been restructured by incorporating different village development committees-VDCs, which include Godak, Soyak, Barbote, part of Maipokhari Sumbek, Puwamajhuwa, part of Sangrumba, part of Siddhithumka and Sakhejung VDC. The total area of the municipality is 173.32 sq. km and total population is 48536 (CBS, 2012).

The municipality is divided into 12 wards, where the dominant caste/ethnic groups are settled diversely, including the main inhabitants of Ilam were Limbu, Rai, Yakkha, Lepcha, Newas, Magar, Tamang, Chettri, Sunuwar and Gurung. The municipal region is popularly known for natural beauty, touristic destination, harmonic landscape, tea production, agricultural diversity, indigenous culture, and historical town. The entrepreneurs who have initiated their own business largely in agricultural and small scale business returning back from foreign employment are the universe of this study. As returnees from foreign employment are not officially recorded in Nepal yet, the purposive sampling method has been applied to collect the data in this report. The quantitative and qualitative data found in MoLE, DoFE and FEPB are also used to analyze the

issues of the study.

Considering the fact, the snow ball sampling method is also applied to identify the returnee migrant agribusiness entrepreneurs as its respondents. In the beginning, few respondents were identified in consultation with the concerned government authorities, and other respondent were followed through the recommendation made by previously approached respondents. The total sample size of this study was 20 respondents.

## **Discussions**

### **Causes of labor migration and dimensions of remittances**

There are numbers of reasons behind the labor migration from Nepal to foreign land. The major reasons are studied in this study focusing the interrelationship between labor migration and remittance in Nepalese context. The reasons behind migration are almost same in Nepal as in other parts of the world. Poverty, limited employment opportunities, deteriorating agricultural productivity, and armed conflict are some of the motives behind international labor migration. There are many villages in Nepal where labor migration has been established as a culture of a community; that is, going abroad for work for a while and returning with some money and the experience of living in a different geographical location.

The influence of friends, relatives and well-wishers has also played a prominent role in the promotion of international labor migration. A decade long armed conflict in the country has displaced people from their usual place of residence and the alternative means of employment for displaced youth has been established as foreign employment. The conflict has also limited development activities throughout the country and expansion of industries has ceased. This situation has created more difficulty in securing employment within the national borders and the final step of many people is to go abroad for employment. Though concrete research has yet to be conducted, the young people from conflict prone areas are compelled to leave for foreign employment to save their lives. In recent years, political instability and its consequences on employment market is major cause of labor migration. Lack of stable governmental policies to create the environment for self-employment and foster the trade activities within a country has also caused the labor migration. In addition, lack of protectionist policy of government, unavailability of financial and technological support, lack of far sighted agricultural and small scale business support and capital are major causes of labor migration from Nepal.



The importance of remittance flow varies from country to country so, although these principles are designed to be generally applicable, some countries may decide that the size of the remittance market does not justify significant action or that there is no need for any action. In addition, the principles are in most cases likely to be applied in sending countries regardless of the destination of the funds and in receiving countries regardless of their origin. However, in applying some aspects of the, authorities may want to prioritize their efforts in the most important bilateral corridors or corridors where they believe their efforts will be most productive. Authorities in sending countries should also bear in mind that, even if remittances are not a priority for them, they may be important for the receiving countries and the latter may be unable to implement the principles effectively without the cooperation of the sending countries.

Remittance no doubt has helped keep our country's economy afloat, with money sent from abroad contributing about 32 percent in the country's gross domestic product. Remittance has also helped lift many in rural parts of the country out of poverty. Remittance has strengthened Nepali people's purchasing power as well. It has multiple aspects and uses in the world and they can be simplified into three dimensions as per the study. They are human capital, physical capital and financial capital. Human capital shows the investment of remittance on education, health, sanitation, minimization of child labor and participation of training for entrepreneurship. The remittances in Ilam has been found used in this dimension mostly in educated returnees from foreign employment. In addition, physical capital formation is also one of the outcomes of remittance in which establishment of micro enterprises, purchase of machinery for agricultural and cottage and small scale business, investment on land for commercial agriculture and running hotels and restaurant are growing in the study area using remittance. The culture of saving and investment has been also promoted due to remittances which eventually contributed to the financial capital of the people of the study site.

### **Opportunities and hindering factors of returnee's enterprises**

There are both challenges and opportunities in every productive sector in any economy. The unskilled and semiskilled work forces from poor and developing countries have compulsions to accept and bear risky factors hoping for better future (Paudel, 2015). The unemployment problem and political instability are the key conditions which resulted to push the work force of country to migrant in foreign land in search of job in Nepal. Despite of numbers of challenges of foreign employment, the following opportunities are largely found under this study as reflected by the research participants:

1. Entry of foreign currency, and investment in different scale industries
2. Promotion of entrepreneurship and local markets
3. Creation of jobs/ employment opportunities
4. Learning of different techniques and skills
5. Strengthening international relations (exposure of Nepal to the outside world) and among the national regional territories as well (in different districts, urban/ rural areas and provinces)
6. Increase in living standard of people
7. Value of time, work and money
8. Tourism and traveling expedition
9. Diversification of livelihood
10. Technological development and diffusion of innovations

### **Self-Employment through Agribusiness**

The agribusiness enterprises operated by the returnee migrant were found to have created job opportunities within the family and out of the family of respondents. The full-time employees were employed throughout the year and the part time employees were employed for 5 to 6 months in a year. It is seen that the agribusiness is one of the potential sectors for employment generation and economic growth for sustainable livelihood of the respondents and community people as well. The table below has presented the data of job employment created in the agribusiness operated by the sample respondents. The major agribusinesses from the returnees with their potential opportunities are discussed below. The responses of respondents are diverse but major and common ideas are collected and presented below.

**Table: 1 Employment in Agriculture (Returnees of migrants)**

<b>S. N.</b>	<b>Major types of Agribusiness</b>	<b>Opportunities</b>
1.	Banana Farming	Local markets and cities areas demand largely and easy to cultivate. Less risk for cultivation.
2.	Poultry Farming	High demand in market and growing demand of meat and eggs. But regular medicinal and other preventive measures are essential to save from diseases.
3.	Mushroom Farming	High demand in market. Vegetarians demand largely. Should not worry about market.



4.	Vegetable Farming	Largely demanded in cities and high price. Highly profitable sector for small agribusiness entrepreneurs.
5.	Dairy (Cow and Buffalo)	Better in Tarai and other city areas. High demand/ growing. Dairy products are all seasonal demanded products.
6.	Cardamom Farming	Large land area is needed and needed to wait for at least three years but it is highly profitable.
7.	Rudrakshya Farming	Needed to wait for 2/3 years and all climates is not suitable. But highly profitable.
8.	Potato Farming	Can be cultivated in all climates and seasons. No big investment is required. Highly profitable.
9.	Broom Plant Farming	Hilly region is suitable. Barren and steep hillsides can be used.
10.	Fishery	High demand in market and can reduce import of fishes from India.
11.	Ginger Farming	Easy to cultivate and high demand in market in both local and city areas.
12.	Dalle/Akabare Chilies Farming	Growing demand in market. Hotels and other food industries demand high.

Source: Field Survey 2018

### Other Enterprises and their existing scenarios

Many respondents have found involved in various non-agribusiness sectors. The trade and commercial productions of daily necessities using remittance have increased the livelihood of returnee's migrants' workers. Major contributions and involvement of returnee's migrants are presented below in the tabular form (Table 2):

**Table 2: Non-agricultural enterprises of returnees' migrants**

S. N.	Major types of Non-agribusiness	Opportunities
1.	Supermarket/ Departmental Store	Requires big investment and has needed managerial capacity. Good profit from this sector.

2.	Hotels/ Restaurants/ Café	Both small and medium scale investment is needed. High profitable than other sectors.
3.	Clothing and textile enterprises	Can be fruitful in all regions of country. Increasing the market day by day due to western and fashion culture.
4.	Noodles Factories	Growing market even in local area these days. Technical knowledge is required.
5.	Bread and Bakery industries	Growing market even in local area these days. Technical knowledge is required.
6.	Furniture factory	Increasing market with modern design of furniture but requires quite larger investment. Technical knowledge is important.
7.	Rice mill	Can be established in remote areas as well. High demand in these areas.

*Source: Field Survey, 2018*

### **Major potential contributions by the returnees' workers**

The opportunities and contributions of foreign employment and remittances are multidimensional in nature (Giri, 2017). This study also confirms that the returnees' workers have been contributing for nation in various ways. According to the respondents, their contributions are as follows.

**Capital investment and Economic growth:** The respondents stated that the capital, specifically financial capital investment in agribusiness was an opportunity which could accelerate to economic growth of the respondents and community as well. They also claimed that more capital investment would have more productions and earned more benefit from the agribusiness. But, some of the respondents did not have enough financial capital to invest for the growth of their agribusiness. Therefore, the government should have special provision to promote the agribusiness sectors and make easy process to get loan or subsidies so that the returnee migrant agribusiness entrepreneurs could invest more capital for their agribusiness development.

**Employment creation:** It has proved that the agribusiness can create employment opportunities within the families of respondents and outside their families. The respondents have stated that the entrepreneurship capacity increased due to foreign employment.

**Exposure on agribusiness:** The people from different places could visit the agribusiness farms and learn about the green house vegetable farming, technologies, new products, marketing strategies and managerial aspects of agribusiness. Therefore, the agribusiness farms could be a good place for exposure to those people who wanted to start agribusiness and other enterprises. On the other hand, it is seen that the good practices of agribusiness will be replicated and encourage other people to be business entrepreneurs as well.

**Research and innovation:** The respondents stated that we could experiment of new seeds, plants and technologies in the agribusiness farms. There was an opportunity of introducing new species of vegetable plants and new types of technologies as well. The drip irrigation systems, sprinkler irrigation systems, green house vegetable farming technologies, mulching systems and hybrid seeds production technologies were found to have used in the agribusiness farms which were recently introduced in Nepal. It is seen that there is possibility of producing and introducing new species of seeds, fertilizers, pesticides and other technologies which match to our local weather and environment for the growth of agribusiness sectors.

#### **Challenges and hindering factors of returnee's enterprises**

Many challenges remain in foreign-employment sector of Nepal (Sharma, 2017). The findings of this study also reveal that this sector has been challenged with many issues, including enhancing capacity of workers, expanding training and skill to increase competitive capacity as demand; increase coordination and cooperation between concerns stake holders; minimize migration related expenses; empowering and strengthening diplomatic missions and operating new diplomatic mission at destination countries; ensuring protection for undocumented worker; protecting best interest of workers and rescuing workers those are in problem, protection of women worker and also their basic human rights, receiving remittance through proper channels, using remittance on productive sectors to make effective rehabilitation; reducing social cost for foreign employment. Moreover, inter-agency coordination between stakeholders related to foreign employment, mobilizing internal and local resources and obtaining international assistances along with strengthening relation with countries of employment are observed as critical challenges of remittances and entrepreneurships in Nepal in general and in context of Ilam in particular. Major hindering factors as per the respondents are as follows.

**Risk bearing capacity:** Many respondents have stated that returnees lack the risk bearing

capacity and confidence. The ongoing political instability, market fluctuation, corruption and instable policies in the field of entrepreneurship are the key factors supporting the psychology of individuals to push back for the investment in productive sectors.

**Social and Cultural Factors:** Many festivals and cultural celebrations supported for the unproductive expenditure. Marriage, Baptism, funeral rites and rituals, believing on witch doctors, donations and pilgrimage are major social and cultural reasons they cause unproductive expenditure. The respondents have argued that these celebrations are very expensive and costly and large sum of remittance spends on these activities.

**Demonstration Effects:** Due to influence of modest advertisement and advancement of communication and media, the unhealthy publicity of luxurious activities is increasing which attracted people to invest on real states and jewelries. This unproductive investment has lead people to depend upon foreign countries rather than self-reliant. The respondents argued that demonstration effects cannot be reduced due to growing publicities.

**Political Turmoil:** The donation panic, excessive tax imposition, strikes and shut down are major political factors they create instability in running enterprises in Nepal as per the respondents' views. They claimed that if political problems can be settled markets can grow and extend automatically. The healthy and disciplined political culture is pre-condition for the effective mobilization of remittance in Nepal.

**Insufficient Infrastructures:** Due to lack of development of rural roads, market centers, financial institutions, communication and electricity, people are feeling difficulty in operating entrepreneurs independently. Respondents opined that local bodies also should focus on the extension of rural infrastructures to promote the entrepreneurship mobilizing remittance in business sectors. Local resources can be utilized through remittance as well.

**Lack of supportive policies of government:** People feel the lack of supportive policies of government and encourage the returnees for productive investment. The respondents stated that subsidies, soft loan, grants and aids and supportive tax policy is needed to foster the enterprises development using the remittance and create opportunities of self-employment.

**Seasonal diseases:** Most of the respondents stated that they did not get any technical supports from the concerned line agencies. The respondents were found to have hired personal agriculture technical persons, followed the suggestions and recommendations provided by the other agribusiness entrepreneurs and private agricultural supporting institutions when need be.

**Natural Threats:** The respondents stated that, the storms and hailstones frequently harmed their agribusiness farms damaging plastic tunnel house, plants and productions. They recommended that the government should take initiation to invent the new technologies and equipment which can protect the farms from the natural threats.

### **Gender dimension of the remittances and enterprises**

The issue of access by poor migrant women to financial services needs to be made a part of public sector policy as well as corporate social responsibility of the private sector. Some scholars argue that the foreign employment has created feminization of agriculture in Nepal though very few women have moved in international job market with embracing risky jobs particularly in the Gulf countries (Armstrong, 2017; Malla & Rosenbaum, 2017).

The research participants expressed that their male counterparts are going to abroad for works. Women are being responsible for their families, children and proper utilizations of receiving money in their daily life. Weak educational attainment, lack of business skills and knowledge, less exposure, work burden, pressure for financial management and utilizations, maintaining of daily work life, provide support and caring to their parents in home are the issues of women which seem consequential to the migration and foreign employment. But, equally there is huge opportunity to mobilize women for economic activities by providing business skills and knowledge for productive use of remittances through business skills, financial literacy and technical skill. Even having the technical skills, educational qualification and financial resources does not guarantee for the women entrepreneurship. A few women reveal that they could not choose any entrepreneur activities due to family restrictions of patriarchal socio-cultural roots of the society.

The number of female-headed households is constantly increasing due to trend of international migration and foreign employment. It seems a good indication of gender empowerment as the women could manage and hold the properties of the household and could make major decisions. But, this situation only prevails in the absence of her husband or other male counterparts in the

family, and thus the headship is again grabbed by the males after their returning back to the home. A few research participants further revealed that the foreign employment of either of husband or wife has created family conflict even leading to the cases of divorce in few contexts. Loss of property and self-dignity and the burden of children due to this kind of conflict have become critical parts in this regard.

Even though the presence of women entrepreneurs is increasing, they still lack dynamic leadership at the local levels. Most of the research participants revealed that even the locally elected women leaders (in local unit and provincial level) could not support for the women entrepreneurship. It may be due to different causes, including lack of clear policies and their executive roles, elite roles of the women leaders and lack of local market for the women entrepreneurship.

### **Conclusions**

Foreign employment has multi-dimensional implications in all spheres of socio-economic relations from family level to national. The workers and their families, private employer companies, human rights organizations, policy makers and government agencies are concerned sectors of remittance in Nepal. The remittances, both in terms of monetary and social capital, gained from foreign employment have played a crucial role in agribusiness entrepreneurship development of returnee migrant workers in Nepal. The respondents have transferred modern technologies in agriculture and enterprises. They have been self-employed and also created employment opportunities for other people in few contexts. In line with the study's assumption, it is found that the remittances gained by the respondents have been used for their entrepreneurship development and their socio-economic status has been improved significantly.

On the other hand, the returnee migrant agribusiness entrepreneurs have been facing several challenges such as the uncertainty of land tenure agreement, lack of financial capital, lack of skilled human resources, poor access to soft loans and subsidies, unfair market, poor infrastructures, seasonal diseases and natural treats; as stated by the respondents during the survey. There is monopoly of traders such as wholesalers and individual brokers in the agribusiness market of Nepal. The respondents were not assured of quality raw materials like seeds, fertilizers, pesticides and other materials. As the respondents stated that there was no assurance on the quality of these materials and even no effective quality control mechanism to ensure the quality. Despite these challenges, agribusiness is still one of the potential business sectors. Capital investment,



employment creation, research and innovation are seen the opportunities of agribusiness which can lead to the sustainable livelihood of returnee migrant workers. In turn, policy reforms and strategic project interventions from concerned authorities are critically important for the innovative entrepreneurship and productive use of the remittances.

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