Sadikshya Nepal

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**Research Outline**

**Topic**

Does Out-Migration in Nepal and Remittances economy have a negative impact on Nepal’s agricultural output and economy

**Background**

The small agricultural country of Nepal has become a huge exporter of human resources in recent years. Nepal’s internal struggle with poverty, political instability, corruption, and environmental degradation has forced thousands of people to seek meaningful employment in foreign countries. In my research I propose that this outflow of working Nepali men and women to outside of Nepal has had consequences to Nepali economy as well its agricultural sector. I propose that Nepal has had some economic gains from this outsource of people but has had a negative impact on its agricultural economy. For example, according to the Pew Research Center “Nepal’s GDP in 2016 was just $21.1 billion, ranking it 96th in the world by purchasing power parity.” However, the World Bank estimates that 30% of Nepal’s GDP is based on remittances from the 1.6 million Nepali who are living in countries outside of Nepal. Qatar, Saudi Arabia, India, and the United Arab Emirates are some of the countries with the highest number of Nepali diasporas.[[1]](#endnote-1)

**Literature Review**

We will use literature review available on agriculture and Nepali migration to validate results. For example, we will look at this literature review “[Perception of Environmental Change Relationship to Labor Migration in the Chitwan Valley”](https://drive.google.com/file/d/19gygFaC8ALVEHwuaLmSLBK9w3tiR0-Q3/view).

**Research Question and Design**

Under my topic umbrella of migration, remittances, and agriculture I want to explore several subsets of layered questions. I want to start with a macro question *of looking at the correlation between Nepal’s outmigration and the remittances it has received in the last decade or so*. **Q:** *Does an increase in outmigration increase remittance flow coming to Nepal?* I want to analyze whether Nepal’s economy has really been that highly dependent of migrant’s income- like some literature suggests. This question will intend to provide an answer for country-wide question about migration and remittance and how its affects Nepal’s economy.

*In this study my variables will be as follows:*

**Independent variable:** Nepal out migration in Chitwan Valley

**Dependent variable:** Remittances received

From a macro view, I would like to then lead to micro subset- a of a small community in Chitwan, Nepal. The purpose of this investigation would be to look at **(Q):** *how migration has affected agricultural output in smaller community of Chitwan Nepal*? *Has outmigration decreased agricultural productivity in Chitwan?* - a small district in the Southwest part of the country. Using Chitwan as a case study or sample district- I will make a larger inference of how migration might have been affecting agricultural output in a country where agricultural economy was the highest method of subsistence for people.

In this study my variables will be as follows:

**Independent variable:** Migration and remittances received from household in Chitwan (2006-2015)

**Dependent variable:** Amount of land area used for crop cultivation, Farming, other’s land used for crop cultivation, land area rented out, land area used for plantation (2006-2015), production of rice and wheat.

By using these variables, I wish to see if increased migration, or increase in remittance received from each household from 2006 to 2015 has led to a decrease in agricultural output in this community. How heavily have they moved away from agriculture will help shed light on how much they might rely on remittance economy.

**Data-Source**

My data sources will be comprised on international databased like the United Nations, and the World Bank as well as scholarly academic study from the Chitwan Valley Family Study (CVFS). I will use the UN and World Bank Data for my macro question on migration and remittance, and I will use the CVFS data for my micro household investigation.

**Methodology/Work Flow**

We are planning on using years as the indicator to merge the variables we are working with. We will use regression in Stata to see if there is correlation between the dependent variables (Amount of land area used for crop cultivation, Farming, other’s land used for crop cultivation, land area rented out, land area used for plantation (2006-2015), production of rice and wheat) and the independent variables the number of people in the household migrating, and we will also compare the remittance of this community against the national average of around 30% for the country of Nepal.

1. Clean data so year is labeled the same in each column
2. Merge all variables in data on year, use year as indicator.
3. Regress number of migrants against wheat production in Stata
4. Create scatterplot with regression line on rice/wheat production and the number of people migrating in the household? Analyze results
5. Compare remittance of the community against the national average in a scatter plot with a regression line
6. Repeat for other variables to analyze correlation

**Limitation and Validation Methods**

Doing research in a developing country comes with its own set of challenges and limitations. Due to a lack of data I will be using data from one district – Chitwan- to make claims about other agricultural communities in Nepal. I realize this is a limitation as other factors- such as proximity to the capital, environment and other factors may have caused a shift in agricultural output. In order to make sure my research is valid I will present my limitation and be transparent about my methods and what is lacking. I will also document all the data I have received from reputable source and make sure my research is replicable. I hope that will help solve some of the validity concerns.

1. http://www.pewresearch.org/fact-tank/2018/01/29/remittances-from-abroad-are-major-economic-assets-for-some-developing-countries/ [↑](#endnote-ref-1)