

FINANCIAL LIBERALIZATION, REMITTANCE AND ECONOMIC GROWTH IN NEPAL**Amrita B.K.¹, Suman Bhattacharya²**¹PG Scholar, Lord Buddha Education Foundation, Kathmandu, Nepal²Assistant Professor, Lord Buddha Education Foundation, Kathmandu, Nepal**ABSTRACT**

This study investigates the relationship between “financial liberalizations, remittance and economic growth of Nepal”, and remittances in developing countries, specifically in Nepal. The crucial role that remittances from migrant workers play in accelerating income and growth is contrasted with financial liberalization, which aims to increase private sector participation in financial markets some of the literature review and base paper were used to investigate the research describe about financial liberalization and remittance and their impacts on the growth of the nation or economy over different nations. Also, depth discussion on research and methodology covering the research framework, research philosophy, research approach (deductive and inductive approach), methodology, data, research strategy, instrumentation, source of data collection, time horizon, sampling, data analysis, data processing, and ethical considerations. To provide a credible result, reliability calculations and other statistical tests were performed using SPSS. The findings show a strong correlation between economic growth of Nepal with remittance, financial liberalization and remittance exchange rate. The findings underscore the considerable contributions of financial liberalization and remittances to Nepal's economic growth. Implications for policymaking underscore the need for balanced strategies and financial literacy initiatives to harness the full potential of remittances and financial liberalization for economic advancement. This research contributes valuable insights to guide policy formulation, promoting a nuanced understanding of these dynamic economic drivers in Nepal.

Keywords: *Financial liberalization, remittances, economic growth Nepal, remittance exchange rate.*

CHAPTER 1- INTRODUCTION

Financial liberalization and remittances are associated with economic progress and poverty reduction in emerging nations. Government market restrictions must be removed to encourage private participation and achieve a competitive and efficient financial system. Migrant workers' remittances promote investment, education, and basic needs, lowering poverty and raising GDP. Despite their economic prosperity, developing countries such as Nepal face issues such as poverty and unemployment. These factors, when combined, encourage economic growth.

Remittances denote money sent by migrant workers to their home countries, vital for many developing nations (Ratha, 2017). Various channels, including banks and online services, aid rural areas dependent on these funds for basics and education. Remittances in places like Nepal support necessities and foster economic activities, reducing poverty, and increasing GDP, and human capital (Dhungana, 2012).

For countries like Nepal facing poverty and unemployment due to economic instability, remittances play a pivotal role (Meyer & Shera, 2016). Both remittances and financial liberalization are believed to drive overall economic progress. Nepal, a developing nation, has experienced economic growth but struggles with persistent poverty and disparities (Bhetuwal, 2022). Dependent on agriculture, Nepal faces challenges like unemployment and low wages, driving many to seek overseas jobs due to scarce local opportunities (Meyer & Shera, 2016).

1.1 Background of the Study

Nepal's strong religious and cultural heritage, with an economy primarily based on agriculture, employing 66% of the population. Remittances from migrant workers have significantly impacted economic growth, contributing to GDP. Remittances alleviate rural poverty and improve living standards. Inflows increased from \$0.5 billion in 2000 to \$8.1 billion in 2018. They also support FDI, exports, and strengthen the banking system. Financial liberalization began with the establishment of Nepal Rastra Bank, leading to competitive banking and liberalized interest rates.

1.2 Problem Statement

This study investigates the relationship between remittances and financial liberalization as they apply to the growth of Nepal's economy. (Hussein and Rostom, 2019) Very little are known about the ways in which these elements interact with one another. There has not been

enough research done on the effects that these factors have had on the economic growth of Nepal (Adeel-Farooq, Bakar, and Raji, 2017). Additional research is necessary in order to comprehend the effects they have (G. Husein, 2018).

Remittances are vital for industries, but misuse affects Nepal's economy (SeyedSoroosh Azizi, 2020). This study examines how financial liberalization and remittances affect Nepal's economy and how they reduce poverty (Gazdar, Kratou, 2019)

1.3 Research Question

Some of the research questions are mentioned below:

1. Is there a relationship between remittance and economic growth in Nepal?
2. Is there any significant relationship between financial liberalization and economic growth in Nepal?
3. Is there a relationship between the economic growth of Nepal and the remittance exchange rate?

1.4 Objective of the Study

Some of the objectives are mentioned below:

- To determine the relationship there is a significant relationship between remittance and the economic growth of Nepal
- To find out the relationship between financial liberalization and economic growth in Nepal.
- To determine the relationship between the economic growth of Nepal and the remittance exchange rate.

1.5 Research Hypothesis

The hypothesis is used to look at real and useful data more broadly.

H1: There is a significant relationship between remittance and economic growth in Nepal.

H2: There is a significant relationship between financial liberalization and economic growth in Nepal.

H3: There is a relationship between the remittance exchange rate and the economic growth of Nepal.

1.6 Significance of the Study

Financial liberalization can drive economic growth in Nepal by attracting foreign investment and enhancing financial access, but careful management is crucial to prevent instability and inequality. Remittances play a key role in Nepal's GDP, alleviating rural poverty and sustaining essential needs. Research is needed to grasp the effects of liberalization and growth on the economy.

1.7 Scope of the study

This research examines Nepal's financial liberalization and its impact on economic growth, focusing on tactics, measures, benefits, and fundamental causes. It also examines the role of remittances as economic development stimulants and the impact of financial liberalization on remittance influx and efficiency. The aim is to analyze Nepal's financial policies, their effects on economic development, the significance of remittances, and the complex issues and opportunities raised by financial liberalization.

1.8 Limitation of the Study

- The findings derived from a sample size of 330 working professionals in the remittance department may lack generalizability due to the limited scope of participants..
- This research may not be applicable to all target audiences, but it may be helpful to some.
- The scope of this research was centered on the Nepal economy, thus its applicability to other countries may be limited.

CHAPTER 2- LITERATURE REVIEW

This literature review aims to analyze the impact of remittances on various economic factors, such as GDP, per capita income, and living standards. It contributes by assessing how prior studies have explored these impacts in different sectors. Remittances are seen to significantly reduce poverty and enhance living conditions, with scholars delving into effects on individuals and society.

For emerging economies, encouraging financial liberalization policies to facilitate remittance inflow is recommended (Osinubi, Ayobami, and Ojeyinka, 2020). Nepal's economy shifts from agriculture to remittances due to an increased number of migrant workers seeking opportunities abroad (Husein, 2018). Bani and Huay (2018) examined remittances' connection to poverty and human capital in developing nations.

2.2.1 Financial liberalization, remittances and economic growth in Nigeria (1990–2018).

Author Name/Year	Titus Ayobami Ojeyinka, Tolulope Temilola Osinubi and Bosede Victoria Kudaisi /2021
Features	<p>The primary focus of this study is to explore how remittances contribute to the reduction of poverty and the enhancement of living standards.</p> <p>Moreover, the research suggests that governments need to implement policies that promote financial liberalizations and encourage the inflow of remittances as measures to bolster economic growth.</p>
Benefits	<p>Some of the benefits are:</p> <p>Financial liberalizations act as a catalyst for attracting foreign investment, so promoting and stimulating economic growth.</p> <p>Remittances are essential for reducing poverty and raising standards of living.</p>
Limitations	<p>Limited Data is only available for particular time periods and particular variables.</p> <p>The analysis does not include an examination at the distributional impact of remittances on various population categories.</p> <p>The research's unique focus on a sample from Nigeria makes it difficult for the conclusions.</p>
Advantages	<p>Understanding financial liberalizations can help improve financial stability and make it easier to use it to reduce poverty and raise living standards. Additionally, it has the ability to increase government revenue by stimulating financial institutions and markets, which will lead to increased tax collection and varied sources of income.</p>
Method of Research	<p>Correction Model (VECM)</p> <p>Augmented Dickey-Fuller (ADF)</p>

Model Used	Combined both quantitative and qualitative methods.
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2.2.2 Impact of remittances on economic performance in consideration of institutional quality: Evidence from Asian developing economies.

Author Name/Year	Sunhae Lee, Sae Woon Park and Surya Nepal /2020
Features	<p>Remittance is advantageous since they encourage employment and output growth throughout the short and long term.</p> <p>This article examines financial industry growth to maximize remittances' positive effects on economic performance.</p> <p>Remittances positively impact economic performance by reducing poverty, increasing investments, expanding the financial sector, and improving credit access.</p>
Benefits	<p>Some of the benefits are:</p> <p>The importance of remittances can be maximized by supporting institutional quality, financial sector development, and investment in productive sectors.</p> <p>It analyzed the incorporated variable such as trade openness, financial development, and human capital.</p>
Limitations	<p>The study relies on secondary data that may not be complete or accurate because it comes from many sources.</p> <p>The researcher used a limited sample of 13 Asian emerging economies, potentially limiting generalizability to other regions.</p>
Advantages	<p>The essay is presented in a straightforward and readily understandable style, making it accessible to a wide range of people.</p> <p>The impact of remittances on a country's economic performance is significantly influenced by the quality of its institutions.</p>
Method of Research	Study Design: Descriptive

Model Used	A quantitative is used.
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2.3 Research Theory

- **Financial development Theories**

Financial development theory, relevant to your research, proposes that liberalizing financial markets enhances intermediation and economic growth. Developed by (**Fry, Schumpeter, and Hayek, 1989**) it emphasizes increased credit access, productive investments, better resource allocation, and higher growth. In Nepal, financial liberalization could channel remittances through formal financial systems, aligning with this theory for economic expansion.

- **Investment Theories**

This theory was developed by John Maynard Keynes and Irving Fisher in 1936. This theory highlights the role of investment in driving economic growth. Financial liberalization can facilitate greater access to capital and promote domestic and foreign investment, leading to increased productivity, technological advancements, and overall economic expansion (**Keynes, fisher,1936**)

CHAPTER 3- RESEARCH METHODOLOGY

This section outlines the research methodology used in the study. Research methodology involves planning, executing, and analyzing research. The research framework includes the dependent variable (total GDP of Nepal) and independent variables (financial liberalization, remittance exchange rates, and remittances). The research philosophy follows positivism and focuses on quantitative data analysis.

The research approach is deductive, employing statistical tools to examine quantitative data. The research strategy involves the use of a questionnaire for data collection. Qualitative and quantitative research methods are discussed, with the quantitative method chosen for this study. A cross-sectional time horizon is used due to dissertation deadlines.

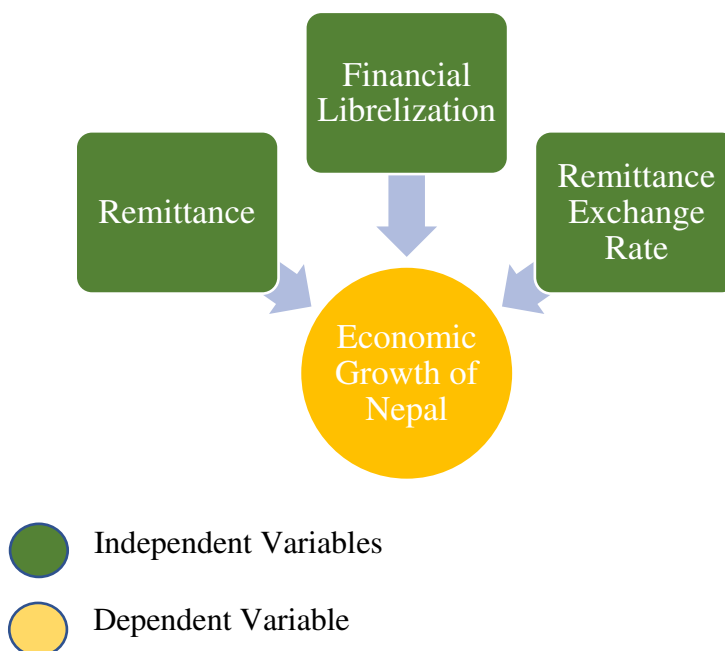
Primary and secondary data sources are utilized, with primary data collected from surveys and secondary data used for literature review. Sampling methods are described, including probability (simple random, systematic, stratified, cluster) and non-probability

(convenience, snowball, quota, purposive) sampling, with convenience sampling chosen for the survey.

The research model visualizes the relationship between independent and dependent variables. Data processing steps include editing, coding, and entry using SPSS tools. Data analysis includes assessing reliability and validity. Ethical considerations are emphasized, ensuring participant rights and proper referencing.

3.1 Research Model

Figure 3: Research Model



CHAPTER 4: DATA ANAYLISH

4. Introduction

This chapter focuses on quantitative research data analysis, using statistics to evaluate numerical data and generate insights. It covers descriptive and inferential statistics, hypothesis testing, and emphasizes the importance of accurate data interpretation. The study aims to understand Nepal's economic growth, examining remittance, financial liberalization, and exchange rate as independent variables. **IBM SPSS Statistics 26** is used for data analysis, including a reliability test for questionnaire consistency.

4.1 Respondents Feedback

A survey collected over 330 responses quickly using closed-ended questions for ease. Google Docs facilitated distribution online, and some remittance locations were visited. While 350 respondents were aimed for, 330 valid responses were received for analysis.

Table 3: Respondent's Feedback

Questionnaire	Number of Questionnaires
Targeted	350
Collected	330
Error	0
Total Sample Size	330

Table 3: Respondent's feedback

4.2 Reliability Test

Reliability testing ensures accuracy of measurement tools in quantitative studies. It evaluates consistency and dependability of a measurement instrument's results. Cronbach's alpha coefficient, ranging from 0 to 1, assesses questionnaire question reliability. Values near 1 signify strong variable association; alpha above 0.7 implies good reliability among survey variables.

Table 4: Reliability Test

Variables of Study	No. of items	Cronbach's Alpha
All variables	23	0.924
Economic growth of Nepal (DV)	6	0.828
Remittance (IV)	6	0.783
Financial Liberalization (IV)	6	0.748
Remittance Exchange Rate (IV)	5	0.716

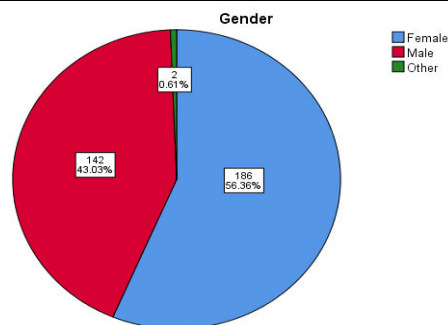
4.3.1 Frequency Distribution

- Gender

Table 5: Gender Frequency

Items	Frequency	Percentage
Male	142	43.0
Female	186	56.4

Others	2	0.6
Total	330	100.0



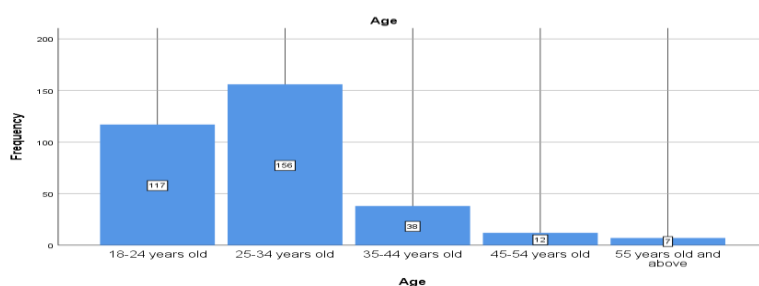
The total number of 330 out of 142 were male (43.0%) female 186 (56.4%). This indicates a higher proportion of Female took the survey as compared to males. It means Female respondents contributed more to the outcome of the results than male.

Age

Table 6: Age

Items	Frequency	Percentage
18-24 years old	117	35.5
25-34 years old	156	47.3
35-44 years old	38	11.5
45-54 years old	12	3.6
55 years old Or above	7	2.1
total	330	100.0

Figure 4: Age



The age group of respondents was categorized into five groups i.e., 18-24years old, 25-34years old,35-54 years and 55 above. The age group of 25-34 years old contributed more to

the outcome of the survey156 (47.3%) were from this age group. The second largest age group of respondents was from 18-24 years old i.e., 117 respondents (35.5 %), and 38respondents were from the age group of 35-44 (11.5%). 12 respondents from the age group

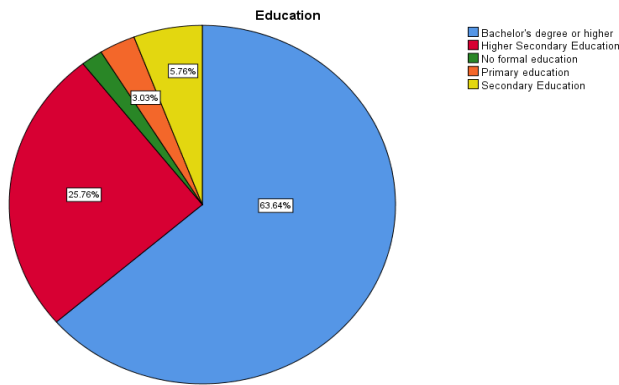
45-54 years (3.6%). 55 or above this age group contributed little to the outcome of the survey.

- **Education**

Table 7: Education

Item	Frequency	Percentage
Bachelor’s degree or higher	210	63.6%
Higher Secondary education	85	25.8%
No formal education	6	1.8%
Primary education	10	3%
Secondary education	19	5.8%
Total	330	100%

Figure 4: Education



In the survey, of the 210 respondents (63.6%) who participated received a bachelor’s degree, or higher while 85 respondents (25.8%) secondary education 19 respondents (5.8%) had primary education 10 respondents (3%) and had no formal education and 6 respondent (1.8%) received secondary education.

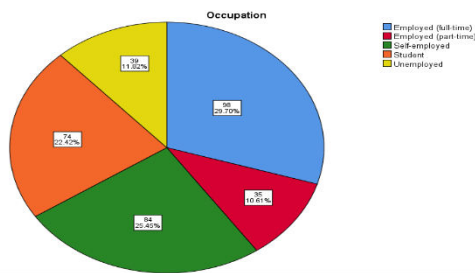
- **Occupation**

Table 8: Occupation

Item	Frequency	Percentage
Employed (Full time)	98	29.7%

Employed (Part-Time)	35	10.6%
Students	74	22.4%
Self-Employed	84	25.5%
Unemployed	39	11.8%
Total	330	100.0

Figure 5: Occupation



In the survey, of the 98 respondents (29.7%) who participated are fully employed, some are part-time employed 35 respondents (10.6%) 84 respondents are self-employed (25.5%) some are students (22.4%), and 39 respondents (11.8%) are unemployed.

4.4 Descriptive Statistics of Variables

Mean and standard deviation were computed for dependent and independent variables using a five-point Likert scale. Standard deviation, unlike measuring data spread around the mean, estimates the central value where data points tend to cluster.

Table 9: Descriptive statistics of variable

Variable	Mean	Standard Deviation	N
Economic growth of Nepal (DV)	3.9283	.73961	330
Remittance (IV)	3.8167	.74726	330
Financial Liberalization (IV)	3.7318	.67950	330
Remittance exchange rate (IV)	3.6588	.71836	330

Dependent variable "Economic Growth of Nepal" has a mean of 3.9283 and a standard deviation of 0.73961 from a sample of 330. Respondents' perceptions cluster around this mean, with some variation. Independent variable "Remittance" averages around 3.8167, with a standard deviation of 0.74726, showing diverse opinions. Particularly financial liberalization averages about 3.7318, with a standard deviation of 0.67950, indicating differing viewpoints. Similarly, remittance exchange rate" has an average rating of 3.6588, with a standard deviation of 0.71836, highlighting opinion variations.

4.5 Correlation Analysis

Pearson correlation assesses the connection between dependent and independent variables. It measures how closely they move together, from -1 to +1. Near +1 signifies positive correlation—both variables rise or fall together. Close to -1 indicates negative correlation—one rises as the other falls.

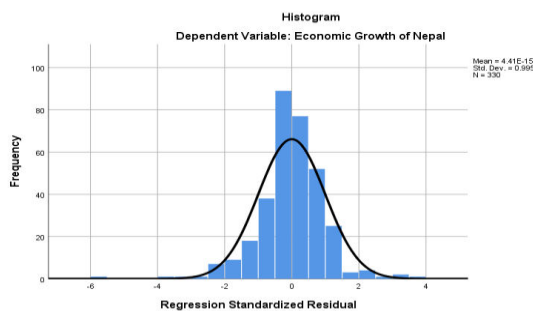
Table 10: Correlation Analysis

		Economic growth of Nepal (DV)	Remittance (IV)	Financial Liberalization (IV)	Remittance Exchange Rate (IV)
Pearson Correlation	Economic growth of Nepal (DV)	1.000	.737	.718	.688
	Remittance (IV)	.737	1.000	.676	.692
	Financial liberalization (IV)	.718	.676	1.000	.696
	Remittance exchange rate (IV)	.688	.692	.696	1.000
Sig. (1-tailed)	Economic growth of Nepal (DV)	.	.000	.000	.000
	Remittance (IV)	.000	.	.000	.000
	Financial liberalization (IV)	.000	.000	.	.000
	Remittance exchange rate (IV)	.001	.000	.000	.

Pearson correlation reveals strong, positive relationship among study variables. Economic growth, remittance, financial liberalization, and remittance exchange rate are moderately correlated. Remittance also relates positively with financial liberalization and exchange rate. Findings suggest remittance inflows, liberalization, and favorable exchange rates increase economic growth of Nepal. These connections are statistically significant, increase result reliability.

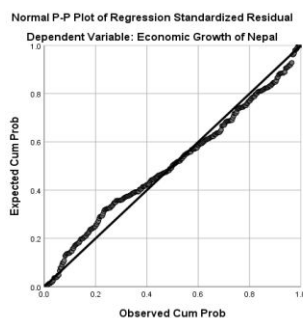
4.6 Normality test

Figure 6: Normality Test



A normality test checks if data follows a normal distribution, where it's symmetric around the mean and bell-shaped. This matters as many analyses assume normality.

Figure 7: Linear Line Residual Plot



The researcher determined from the preceding figure that the data is symmetrically distributed around the mean. It signifies that the histogram's left and right the linear line residual plot described the same concept.

4.7 Multiple Regression Analysis

Multiple regression analyzes relationships between dependent and independent variables. Study uses "economic growth of Nepal" (dependent) and "remittance," "financial

liberalization," and "remittance exchange rate" (independent). Pearson (1908) introduced this. Components: model summary, ANOVA, coefficient tables.

4.7.1 Model Summary Table

Table 11: Model Summary Table

Model	R	R Square	Adjusted R Square	Std. error of estimate
1	.806	.649	.646	.44009

Regression analysis produced an R-value of 0.806, showing a strong positive correlation and good model fit. Adjusted R-squared (0.646) provides a reliable measure of fit by considering predictors and sample size. It reveals how much variability in the dependent variable (Nepal's economic growth) is explained by independent variables (remittance, financial liberalization, remittance exchange rate) in the model.

4.7.2 ANOVA Table

Table 12: Model Summary Table

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	116.829	3	38.943	201.065	.000 ^b
	Residual	63.141	326	.194		
	Total	179.969	329			
a. Dependent Variable: Economic Growth of Nepal						
b. Predictors: (Constant), Remittance, Financial Liberalization, Remittance exchange rate.						

The table displays a p-value of .000b and an F value of 201.065. A high F value (201.065) suggests significant difference between group means compared to within-group variation. The p-value (.000b) below .05 indicates significant interaction between independent variables (remittance, financial liberalization, remittance exchange rate) and dependent variable (economic growth of Nepal). This signifies real impact of independent factors on the dependent variable's estimate.

4.7.3 Coefficient Table

The basic structure of a simple linear regression equation featuring three independent variables is represented as $Y = a + b_1X_1 + b_2X_2 + b_3X_3$.

Table 13: Coefficients Table

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.430	.145		2.958	.003
	Remittance	.379	.049	.383	7.803	.000
	Financial Liberalization	.348	.054	.320	6.490	.000
	Remittance exchange rate	.206	.052	.200	3.979	.000

Economic growth of Nepal = 0.430 + 0.379*(remittance) + 0.348*(financial liberalization) + 0.206*(remittance exchange rate).

Increasing "Remittance" by one unit predicts a 0.379 of unit rise in "Economic Growth of Nepal," a significant connection. Similarly, elevating "Financial Liberalization" by one unit corresponds to a 0.348 of unit increase in "Economic Growth of Nepal," also significant. Moreover, raising "Remittance Exchange Rate" by one unit connected to a 0.206-unit gain in "Economic Growth of Nepal," with significance.

These findings indicate the significance of all three independent variables in influencing "Economic Growth of Nepal." Particularly, standardized coefficients (Betas) reveal "Remittance" as the strongest influencer, followed by financial liberalization.

4.7.4 Results of Hypothesis

The significance level, or P-value, determined in the coefficient table determines the outcome of the hypothesis test. If not set by the supervisor, the predetermined significance level is set at 0.05 or 5%. We reject the null hypothesis and have strong evidence supporting the alternative hypothesis if the significance level (P-Value) is less than or equal to 0.05 (0.05). The table below lists the findings of this study's hypothesis testing.

Table 14: Results of Hypothesis

Developed Hypothesis	P-Value	Impact	Status Developed Hypothesis
<i>H1: It is hypothesized that there is a relationship between the remittance (independent variable) and the economic growth of Nepal (dependent variable).</i>	0.000	Positive	Supported
<i>H2: Financial Liberalization (independent variable) economic growth of Nepal (dependent variable).</i>	0.000	Positive	Supported
<i>H3: Remittance exchange rate (independent variable) economic growth of Nepal (dependent variable).</i>	0.046	Positive	Supported

The above-mentioned statistical tests and calculations, including the correlation and regression analysis, have yielded sufficient results to support and indicate the existence of a significant relationship between the dependent variable (economic growth of Nepal) and the independent variables (remittance, financial liberalization, and remittance exchange rate). Since the independent factors have a positive effect on the dependent variable, as seen in the above table, we accept the directed alternative hypothesis.

CHAPTER 5: SUMMARY, CONCLUSION, AND RECOMMENDATION

5.1 Summary of Findings

The research aims to explore relationships between remittances, financial liberalization, remittance exchange rate (independent variables), and economic growth (dependent variable). Three distinct alternate hypotheses were formulated for statistical testing. The demographic composition of 330 respondents included 56.36% females and 43.03% males, with a significant representation (47.3%) in the 25-34 age group. The data was collected from various organizations, primarily from individuals with bachelor's degrees.

Reliability testing, descriptive analysis, correlation analysis, ANOVA, and hypothesis testing were conducted. All variables showed high reliability (above 0.909), ensuring accuracy. Positive correlation appeared in the dependent variable, with clear relationships among independent variables. Normality tests were successful, indicating a normal distribution. An adjusted R-value of 0.615 signified a significant relationship between variables. ANOVA yielded a P value of 0.000 (<0.05), demonstrating statistical significance. Regression analysis revealed a positive impact of independent variables on the dependent variable.

5.2 Evaluation of Findings

Question 1

Is there any significant relationship between remittance and economic growth in Nepal?

The first research question is there is a significant relationship between remittance and economic growth in Nepal. These two variables seem to be significantly correlated with each other according to the Pearson correlation of 0.737 between them. The corresponding p-value of 0.000 is markedly less than the conventional significance level of 0.05 in this case well accept the alternative hypothesis and reject the null hypothesis. So, the research shows that there is a significant and beneficial relationship between remittance and economic growth in Nepal.

Question 2

Is there a relationship between financial liberalization and economic growth in Nepal?

The research question there a relationship between financial liberalization and economic growth in Nepal was investigated. These two variables seem to be significantly correlated with each other according to the Pearson correlation of 0.718 between them. The

corresponding p-value of 0.000 is markedly less than the conventional significance level of 0.05 in this case well accept the alternative hypothesis and reject the null hypothesis. So, the research shows that there is a significant and beneficial relationship between financial liberalization and economic growth in Nepal.

Question 3

Is there a relationship between the economic growth of Nepal and the remittance exchange rate?

The research question there a relationship between remittance exchange rate and economic growth in Nepal was investigated. These two variables seem to be significantly correlated with each other according to the Pearson correlation of 0.688 between them. The corresponding p-value of 0.000 is markedly less than the conventional significance level of 0.05 in this case well accept the alternative hypothesis and reject the null hypothesis. So, the research shows that there is a significant and beneficial relationship between remittance exchange rate and economic growth in Nepal.

5.3 Conclusion

This study investigates how financial liberalization impacts the relationship between remittances and Nepal's economic growth. The important findings, feedback, and literature review show that research reveals a positive relationship between financial liberalization and remittance, indicating their significant role in economic growth. However, the study's conclusions highlight the importance of well-balanced economic plans and encourage policymakers to consider diversification to reduce risks associated with remittance dependency. This research can inform policy development, international partnerships, financial sector changes, and financial literacy programs, contributing to Nepal's economy and economic growth.

5.4 Recommendation

- Encourage international collaboration and financial reforms that are compatible with the significant contribution that remittances and financial liberalization have made to Nepal's economic progress. remittances and financial liberalization have both been essential contributors to Nepal's economic growth.
- Balanced policies on financial sector liberalization and economic growth are essential. This requires a competitive and adaptable financial landscape, investments, innovation, and sustainable growth across industries. The goal is to achieve a balance

that promotes a dynamic financial environment and national socioeconomic development.

- Increase financial liberalization to boost remittances and Nepal's economy. To maximize economic benefits from remittances, this involves facilitating cross-border transactions, attracting investments, and improving financial services.
- Enhancing financial literacy activities directed at Nepal's remittance receivers can increase the economic impact of remittances. Giving recipients the fundamentals of finance allow them to maximize resource use, encouraging local spending, entrepreneurship, and targeted investments. This strategy promotes economic growth and reduces reliance on remittances over the long term.
- Promote academic study on financial services laws, remittance structures, and economic situations.

5.4.1 Recommendations for Future Research

- Due to the lack of time, study examines three independent factors, exploring broader variables for in-depth understanding.
- This study's conclusions and data are more quantitative in nature. More qualitative data might be used in future studies.
- This Study examines Nepali economy; others country economy. The results of the study outside others country could be different. So, more research is needed to make the results more general.
- It's important to have more research participants than the existing 330 responders in order to secure more reliable results. Increase the sample size in future studies by adding more individuals.

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