

Migration, Remittance and Poverty in Nepal

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Abstract

This paper aims to explore whether poverty rate vary by remittance receiving status (yes/no) households and to explain the association between remittance status (yes/no) and poverty status (poor/non-poor) of households across the provinces of Nepal. Based on third round of Nepal Living Standard Survey (NLSS) data the proportion of remittance receiving households and poverty rate is described. The association between remittance status and poverty status of households' is explained using chi-square test of independence. From Nepal about 56 percent households are receiving remittance. Based on the results this paper argues that the poverty rate widely varies; lowest in Bagmati (20.6%) to highest in Sudurpaschim (45.6%) province, across provinces. Similarly, the poverty rate also varies across remittance receiving households (21.5%) to remittance not receiving households (29.4%). The poverty rate is low in remittance receiving households compared to households not receiving remittance. However, the poverty rate in remittance receiving households across also varies across provinces ranging from 12.9 percent in province-1 to 45.1 percent in Sudurpaschim province. There is significant association [χ^2 -value=230074.923 is significant ($p=0.000 < \alpha=0.01$) at 0.01 level of significance] between the status of households based on remittance and poverty. The households receiving remittance are less likely ($\beta=-1.283$) to be poor compared to the household receiving no remittance.

Migration

In the past, emigration was considered as a response of the people to the existing socio-economic and political conditions of a country. Many people who were unable to fulfill their needs with the environment around them and find it convenient to emigrate rather than fight for a change. It was observed that generally most unemployed young

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males have a tendency to emigrate and thus even as short-term emigration may relieve the unemployment problem to some extent (Gautam, 2005). However, these days migration has become global phenomena for all categories of peoples; rich and poor; male and female; educated and uneducated, and so on. It is therefore important for all countries of the world today.

In the last three decades, Nepal has experienced a dramatic growth in internal and international migration, especially from rural areas to urban centers and foreign countries such as America, Germany, Britain, Canada, Japan, Qatar, Arab, United Arab Emirates (UAE) and other countries including India (Gautam, 2008). The number of emigrants is increasing even in the countries like Australia and United Kingdom. Some emigrants, who are able to earn sufficient cash money, are leaving their place of origin (home) and are moving to new places purchasing land and houses after the temporary emigration. Other emigrants are temporarily migrating to urban centers in the name of consuming modern facilities including their children's better education (Gautam, 2008). This is how migration has become national and international phenomenon. It is playing role from individual, household to national level on the one hand and at global level on the other.

As cited by Lu and Treiman (2011, p. 1119) migration has become an integral feature of national economies and family life in many parts of the world. More than 170 million people in developing nations live outside their home countries, sending back more than \$80 billion in the early 2000s (United Nations, 2002). Lu and Treiman (2011, p. 1119) further cited those global remittances reached as much as \$330 billion in 2008 (Ratha, 2009 Internal migration and remittances occur at even higher rates (International Organization for Migration, 2005). The consequence of migration is not limited to remittance it is further extended to individual, household and family life.

Lu and Treiman (2011, p. 1119) further write, "as a consequence, an increasing number of children are affected by the migration process. While some move with their families, most are left behind because of the financial costs and uncertainty associated with migration". Having one or both parents away for work has thus become a common experience of childhood in many parts of the world. Conservative estimates suggest that 15 to 30 percent of children in Africa, Asia and Latin America live in households with at

least one migrant parent (Bryant, 2005). In the context of Nepal too, there is one migrant household when we choose two households.

Historically people are found moving from one part of the world to another. After the formation of modern state, the mobility of people from one place to another within a country or from one country to another is called migration. Migration is therefore continuous process of movement of people from the place of their origin to place of destination. This kind of mobility of people can be found in the history of all countries in the world and it is increasing nowadays. Mukherjee (2017) elaborately mentions about the current trend of migration from India. The migration pattern from Nepal also follows the similar pattern as in India. Mukherjee (2017) writes, "Millions of people are seeking work, a new home or simply a safe place to live within and outside their countries of birth. Essentially, international migration is taking place at a faster pace in the era of globalization especially from the Third World countries to the First World countries". However, migration takes place within and outside country. The mobility of people outside the country is known as emigration. People migrate from one country to another for various purposes. According to Mukherjee (2017) this is happening at all levels. The levels Mukherjee (2017) mentions are as follows:

First, white-collar skilled professionals are migrating in search of better opportunities both in education and jobs. Second, informal labourers are migrating to serve as nannies, domestic help, taxi drivers, small restaurant owners, etc. For example, several women from Sri Lanka and Kerala migrate to the Gulf to work as nannies, nurses. Migration of the semi-skilled and unskilled has been mostly to the Arab world which comprises regions of the UAE, Saudi Arabia, Oman, Kuwait, Qatar and Bahrain. (pp. 91-92)

As in India Nepali people are also migrating in Gulf and other countries of the world including USA, UK, Canada and Australia. In addition, most of the Nepali migrants are in India working as unskilled labour. Migrants working in different parts of the world send cash or kind to their home. Nepal Living Standard Survey (NLSS, 2010/11) defines remittance as a transfer in cash or kind sent or received by the household over the last 12 months preceding the interview. All incomes transferred from

a single source (individual/household) are counted as one remittance. The proportions of households that receive remittance are 56 percent in Nepal (NLSS, 2010/11).

Migration and Remittance

Today people are frequently migrating from one place to another; either within country or between countries they send and also bring various things with them. The things migrants send when they stay at place of destination and also bring back many things with them while returning back to their place or origin. Since migration is global trend sending and receiving remittance has also become global phenomenon. Duany (2010) mentions the global trend of remittance as:

During the 1990s, remittances-money sent by migrants to their countries of origin-became the second largest source of foreign exchange for many countries in Latin America and the Caribbean, including Mexico, Guatemala, the Dominican Republic (DR), and even Cuba. In 2008, the Inter-American Development Bank (2009) estimated that Latin American and Caribbean immigrants in various countries of the world sent \$69.2 billion to their nations of origin. Most adult Hispanic immigrants regularly send "migradollars" (as they have been dubbed in Mexico) to family members back home (Bendixen and Associates 2001; DeSipio 2002; Orozco et al. 2005). Although the U.S. recession and the global economic crisis since 2008 have slowed the growth of remittances, they continue to play a key role in Latin America and the Caribbean. In smaller economies such as Haiti, Jamaica, Guyana, Honduras, El Salvador, and Nicaragua, remittances rival revenues from agriculture, manufacturing, and tourism (World Bank 2006). (pp. 205-206)

In many countries of the world including Nepal which have large scale migration rate and receive remittance has become an important source of income at household and national level. While talking about remittance most of the studies focus on cash and kind as an economic contribution. It is because people who migrate from their place of origin usually send cash or kind to their home. Thus, remittance is defined and understood as cash or kind the migrant household receives from the migrant. However, migrants do not only send cash and kind back to their place of origin but also send and bring many other

things. While returning back to their home migrants bring different kind of social and cultural capability and capital with them. They bring back new knowledge, skill and culture with them which can also be considered as remittance. Therefore, it is important to discuss the forms of remittances before moving on to the remittance received by the migrants' households. Mukherjee (2017) discusses these all forms of remittances in detail which helps us to better understand economic as well as social remittance. "Migrants remit in order to maintain their relationship with the homeland (Piotrowski, 2006). When migrants visit their homes in villages, they carry with them information about employment opportunities; hence, remittance has served to retain and reinforce status and networks in their homeland (Lipton, 1980). Apart from remitting money, certain social and cultural practices are constantly being exchanged and bringing back Arab culture is a common phenomenon now in Barkas (Mukherjee, 2017, p. 96). This indicates that remittance is not total sum of money or articles sent by the migrants but also social and cultural practices shared or brought back to the migrants' place of origin.

The concept of social remittance is important in order to understand the exchange that is taking place between Nepal and the foreign countries including India and Gulf. Since this paper focuses on economic remittance let me discuss social remittance very briefly and move to economic remittance. In order to clarify the concept of social remittance it would be good to quote what Mukherjee (2017) writes about economic, social and cultural remittance in specific.

Migrant remittances help in supplementing the domestic incomes of millions of poor families across the world. While the economic conception of remittances continues to dominate research, the term 'remittance' has been expanded to embrace the non-economic dimension since 1990s. One of the important contributions to the field of sociology is the coining of the term social remittance by Peggy Levitt (1998). Peggy Levitt in her work on *The Transnational Villagers* (2001) has explored the familial, religious and political connections between workers of Miraflores, a town in the Dominican Republic and Jamaica plain which is a neighbourhood in Boston and examines the ways these ties transform lives in both homeland and host land. Her work is based on an in-depth ethnography in Boston and gives a detailed account of transnational migration

transforms family and work life and the challenges that the migrants face in terms of race and gender as well as the lives of those who stay behind in the process of migration. She has argued that assimilation and transnational lives are not incompatible in this era of globalization and constant movement of people (wcfia.harvard.edu). (p. 96)

As cited in Mukherjee (2017, p. 96), Peggy Levitt has defined social remittance as ideas, attitudes, behaviour, identity and social capital that flow from host land to homeland and vice versa. Similarly, most of the interviews in Barkas showed changing attitudes and outlook in several ways. To give an example, Mohammad Bajaber (respondent) mentioned that he attended his child's parent-teacher meeting in school in Doha unlike his father. These are the new attitudes/manners that they learn and also want people around them to follow. Bajaber pointed out that his attitude changed due to Gulf migration, as he has been exposed to the outside world. Thus, social remittance contributes in transforming the attitude/manner, belief, life style, and so on among the members of migrants' household, neighbourhood and community.

As cited in Mukherjee (2017), according to Levitt (1998, p. 36), there are three types of social remittances, that is, normative structures, systems of practice and social capital. Normative structure includes norms of behaviour, notions about family responsibilities, principles of neighborliness, community participation and aspirations for upward social mobility. Gender, class, race and identity play an important role in defining the normative structure of social remittances. Systems of practice are the actions created by the normative structures. This includes how individuals delegate household tasks and their participation in political and civic groups. They also include organizational practices, such as recruiting and socializing with new members, goal setting and strategizing, establishing leadership roles and forming interagency ties. Drawing from Levitt's (1998) idea about normative structures, it is possible to highlight the instances of how exchanges are happening, such as writing letters, by the Polish immigrants to their non-immigrant family members at home (Thomas & Znackieki, 1927) or how the return migrants to the West Indies are taking back ideologies that they develop from the Black Power movement in the United States (Patterson, 1988). In other words, when one goes back to the homeland, he/she brings certain types of new skills and aptitudes, attitudinal

and ideological changes and it has effects between the migrant and his/her family and the community he/she lives in. Second, the systems of practice which are guided by the normative structures in both cultures are also transmitted (Mukherjee, 2017, p. 97). We can thus understand that remittance has multiple effects on individual, household and community level. More importantly, individual's capability and social life is mainly shaped by the overall status of household.

Remittance and Poverty Reduction

Different scholars have mentioned that remittance has multiple effects in multiple ways. Most of the literatures on remittance focus on its role in reducing poverty. Acharya and Leon-Gonzalez (2012) found that remittance has conditional impacts on both poverty and inequality, which largely depends on the 'incidence' and maturity of the migration process and, more importantly, on how lower quintiles of the society participate in this process. The national-level simulations indicate that remittance decreases the head count poverty by 2.3% and 3.3% in the first round of the survey, and between 4.6% and 7.6% in the second round. It reduces even further the depth (at least 3.4% and at most 10.5%) and severity (at least 4.3% and at most 12.5%) of poverty. Although overall remittance increases inequality, this is less so in the second round of the survey. Another important point Acharya and Leon-Gonzalez (2012) report is that remittance payment from India, which is on average much lower than from other countries, decreases inequality and has the largest impact on poverty reduction. This is due to the larger participation of the poor in the Nepal-India migration process. However, there is multiple use of remittance which can create multiple effects including poverty reduction at a time.

Dorantes and Georges (2010) analyze the multiple use of remittance particularly focusing on schooling. As mentioned by Dorantes and Georges (2010):

Remittances-the earning that migrant workers send back to their home communities, either sporadically or on a regular basis-have gained the attention of scholars and others seeking to understand migration and its ramifications. While there are a number of reasons to be interested in these money flows, our interest lies in the possibility that remittances can serve to improve living standards for families who remain in the origin communities. Researchers have found, for

example, that some households use remittances to establish or expand small businesses (e.g., Woodruff & Zenteno, 2007; Amuedo-Dorantes Pozo, 2006). In the longer term, these investments may improve income-generating opportunities for families remaining in the home community. In that vein, Duryea, Lopez-Crdoval, and Olmedo (2005) found that remittances are often used to improve housing infrastructure, by adding plumbing and refrigeration, for example. Improvements in the physical environment in which families live are thought to contribute to reductions in infant mortality rates. Others have found that remittances are used directly to cover medical expenses, presumably leading to healthier populations (e.g., Amuedo-Dorantes and Pozo 2008). (pp. 224-225)

Remittance thus contributes in multiple aspects of household and family. The overall transformation induced through remittance is an important contribution of migration taking place today. It is therefore essential to explore in what way the remittance receiving at household is contributing in the livelihood of people including the poverty status in the context of Nepal.

This paper moves ahead of the analysis of Lokshin, Bontch-Osmolovski, and Glinskaya (2007) which focuses only on the direct impact of migration and remittances on households with a migrant. Migration and remittances improve the welfare of households in the sending communities by stimulating local economic development. Migrants channel remittances into productive investment at home. Even when some households spend most of the remittances on current consumption, the resulting demand for goods and services can be met by other working adults in the community, thus generating strong positive externalities. Therefore, exploration on the distribution of poverty and the variation in distribution is important to understand the poverty status at household level across provinces.

Objectives, Data Set and Methods

Among many literatures on migration and remittance, Acharya and Leon-Gonzalez (2012) found that the impact of remittance on poverty and income distribution in developing countries has been extensively investigated since 1980s (see Adams, 1991; Stark, et al. 1986, 1988) with mixed findings. In general, it is agreed that migration and

remittance reduce poverty. However, the magnitude of poverty reduction varies among origin communities, remittance sources, and whether remittance is treated as 'potential substitute' or 'exogenous transfer'. Using household data from 11 Latin American countries, Acosta, Fajnzylber, and Lopez (2007) found that the impact was modest and varied across countries. Therefore, one can think of and assume that the poverty rate across provinces and remittance receiving and not receiving households vary.

The primary objective of this paper is to explore the relationship between remittance received at household and its poverty status at province level in the context of Nepal. It also examines the rate of poverty across the provinces and explains whether there is association between remittance received and the poverty status of households in Nepal.

In order to explore the status of households in terms of receiving remittance and the distribution of poverty rate third round of Nepal Living Standard Survey (2010/11) data set is used. Based on the raw data set the overall and province level poverty rate and remittance receiving at household level is explored.

Simple descriptive statistics is used to present the poverty and remittance receiving status of households across provinces. In order to describe the relationship between remittance and poverty Chi-square test of independence is used as the non-parametric test. Based on the test of significance the relationship between remittance receiving status (yes/no) households and their poverty status (poor/non-poor) is explained.

Migration and Remittance in Nepal

Lu and Treiman (2011, p. 1120) noted, "The most influential migration theory that links migration and people left behind is the New Economics of Labor Migration (Stark and Bloom 1985). This theory focuses on migration as a household strategy aimed at diversifying income sources, and sees remittances as one of the most visible outcomes of labor migration. This has motivated research into the consequences of migration for people left behind". While some suggest that remittances are largely allocated for daily consumption, a crucial question is whether the impact of remittances extends to longer-term individual socio-economic benefits, such as human capital enhancement (Lu and

Treiman, 2011, p. 1120). Obviously, remittance contributes at various aspects of individual's life at various levels including household's basic features. Household which receives remittance performs different characteristics compared to household which does not receive remittance. Therefore, migration and household receiving remittance is taking a wider shape in all the countries of the world including Nepal. The number of households receiving remittance is therefore increasing every year. About a decade ago the proportion of households receiving remittance in Nepal was about 56 percent. This percentage has been further increased at present. Table 1 shows the status of households receiving remittance across provinces of Nepal.

Table 1.*Households Receiving Remittance across Provinces of Nepal*

Province	Remittance Receiving Households (N=5988)	
	No (%)	Yes (%)
Province-1	44.9	55.1
Province-2	39.9	60.1
Bagmati Province	56.4	43.6
Gandaki Province	35.0	65.0
Lumbini Province	35.5	64.5
Karnali Province	59.7	40.3
Sudurpaschim Province	40.0	60.0
Total	44.2	55.8

Source: Computed from NLSS data set 2010/11

The migration pattern and households receiving remittance in Nepal widely varies across provinces of Nepal. Households receiving remittance is the highest (65%) in Gandaki Province followed by Lumbini province (64.5%). The proportion of households receiving remittance is the lowest in Karnali province (40.3%) followed by Bagmati province (43.6%). From many literatures it is argued that remittance contributes in many ways at household level. The contribution ranges from reducing poverty to improving overall living standard of people living in a household. Orozco and Burgess (2011) highlight on the fact how remittance contributes at household and family level. Most

Haitian migrants send money to address the basic needs of their families, mostly sending to their spouses or children. For some families in Haiti that have no other income, remittances are a lifeline that prevents them from further deprivation of basic goods and services. Consistent with poverty levels in Haiti, 55% of remittance recipient households have no other source of income, and 27% of remittance recipient households earn less than US\$500 a year (Orozco and Burgess, 2011). In most of the cases, remittance is found contributing in different ways. Nevertheless, in some cases we can observe similar features among households with or without remittance. For example, the poverty rate between remittance receiving households (45.3%) and not receiving households (46.1%) is similar. It indicates that there could be some other factors that lead to the overall poverty status or prosperity of any household. However, based on previous literatures from about various parts of the world and the results obtained in this study we can assume that there are multiple roles of remittance in the context of Nepal as well. Among many, reducing poverty at household level is an important effect.

Remittance Receiving Households and Poverty Status across Provinces of Nepal

In many studies on migration and remittance, we can find the arguments on how remittance contributes in creating various positive effects including reducing poverty at individual and household's level. Emphasizing on this fact, Orozco and Burgess (2011) write, "Remittances have many positive social effects, including helping families save money, promoting greater gender equality when women can improve their situation through remittance expenditure, and giving families better opportunities when they have extra money to invest in health, education, housing, and small business, which in turn has an effect in reducing poverty". However, the effects depend on how much and how frequent remittance a household receives. It also depends on what Orozco and Burgess (2011) write, "Migrants' commitment to send money home increases depending on the length of time they have lived abroad" (p. 234). Nonetheless of the size and frequency of remittance any household receives it influences in various aspects of individual and household dimensions. The effect may vary from micro level to micro level aspects and processes.

Andersson (2011) discusses about how remittance plays an important role in shaping livelihood at household level. Explanations for in-kind remittances are sought in the micro-level interaction between the formal market realm, informalized exchange systems and the household. Remittances are not connected to lower commercialization levels, suggesting that the explanation for remittances should be sought in the production and consumption patterns of the households. Remittances function as an important redistributive mechanism for food across space. The role of smallholder food production for urban livelihoods as well as the subsistence responsibilities of rural households are underestimated if agrarian household level linkages from rural to urban areas are not recognized in national production and consumption surveys and among policy makers (Andersson, 2011, p. 3). This indicates that remittance has its multiple effects at micro and macro level institutions and processes.

Poverty as micro level indicator of household can be discussed at various levels. The distribution of poverty status of households across provinces of Nepal in terms of remittance receiving, not receiving and overall is shown in table 2. We can understand a number of important things from this distribution.

Table 2

Poverty Rate by Remittance Status Across the Provinces in Nepal (N=5988)

Province	Rem. No (%)	Rem. Yes (%)	Total (%)
Province-1	21.0	12.9	16.7
Province-2	33.3	22.6	26.7
Bagmati Province	25.0	13.8	20.6
Gandaki Province	28.0	16.8	20.9
Lumbini Province	29.5	22.8	25.3
Karnali Province	41.1	34.4	38.6
Sudurpaschim Province	46.1	45.3	45.6
Nepal	29.4	21.5	25.2

Source: Computed from NLSS data set 2010/11

The overall poverty rate of Nepal is 25.2 percent. This poverty rate is unequally distributed across the provinces of Nepal. The poverty rate is highest (45.6%) in Sudurpaschim province and lowest (16.7%) in province-1. The poverty status ranges

from 20.6 percent in Bagmati province to 25.3 percent in Lumbini province standing in between in overall distribution.

The poverty rate is higher (29.4%) among the households not receiving remittance compared to households receiving remittance (21.5%). However, the poverty status of households varies in both categories of households. Among households receiving remittance poverty rate ranges from 12.9 percent in province-1 to 45.3 percent in Sudurpaschim province, whereas the poverty status of households which are not receiving remittance ranges from 21.0 percent in province-1 to 46.1 percent in Sudurpaschim. In both cases, poverty rate is higher among households which are not receiving remittance. Important point to be noted is that the province which has lower poverty rate in overall has the lower poverty rate in both types of households; receiving remittance and not receiving remittance.

Relationship between Remittance Status and Poverty Status of Households in Nepal

Olney (2015) mentions that the existing studies tend to focus on the impact that remittances have on developing countries that receive these funds. Typically remittances are found to enhance the economic performance of the receiving country, including increasing household welfare, reducing poverty, increasing education, and insuring against income shocks (Fajnzylber & Lopez, 2008; Chami et al. 2008; Yang 2008; Rapoport & Docquier, 2006). Other authors examine the characteristics of those that choose to remit and their motivation for doing so (Lucas and Stark 1985, Funkhouser 1995, de la Briere et al. 2002; Osili 2007; Dustmann & Mestres, 2010; Yang, 2011). However, relatively little is known about how the outflow of remittances affects the economic performance of the remittance-sending country. To the best of my knowledge, this is the first paper to specifically examine the implications of remittances on any aspect of the sending country's economy (Olney, 2015). Since, remittance has multiple roles in any country's economy it has to be examined in relation to a particular dimension or aspect. In the context of Nepal too, the relationship between migration, remittance and poverty is not yet well analyzed. Table 3 shows the relationship between receiving remittance and poverty status.

Table 3*Relationship between Remittance Status and Poverty Status of Households (N=5988)*

Remittance Status	Poverty Status	
	Non-poor (%)	Poor (%)
No/Not receiving remittance	70.6	29.4
Yes/Receiving remittance	78.5	21.5
Nepal	74.8	25.2

χ^2 -value=230074.923, df=1, p=0.000, α =0.01

Source: Computed from NLSS data set 2010/11

There is wider inequality in the poverty rate between remittance receiving and not receiving households. The poverty rate among remittance not receiving households (29.4%) is higher by 26.8 % in comparison to remittance receiving households (21.5%). Similarly, in comparison to national average (25/2%) the poverty rate among remittance not receiving households is higher by 16.6%, whereas the poverty rate among households receiving is lower by 14 percent. Thus, poverty rate is found lower among households receiving remittance. It indicates that there is some kind of association between receiving remittance and being poor.

In order to explore the association between remittance and poverty status of any household Chi-square test of independence was done. Since χ^2 -value=230074.923 is significant ($p=0.000 < \alpha=0.01$) at 0.01 level of significance it is enough evidence in the data to conclude that there is association between remittance status and poverty status of household. Therefore, the poverty status of household differs by remittance receiving status. The poverty rate is lower in remittance receiving households. It indicates that receiving remittance in any household must have some effects on the poverty status of households.

Table 4*Odds Ratio Predicting the Effect of Receiving Remittance on Poverty Status of Household*

Variables	Model	
	Poor (=1)	Std. Err.
Remittance receiving (No=0)	-1.283**	.067
Intercept	-.398**	.046
-2 Log likelihood	5703.216	
Cox & Snell R Square	0.006	
Predicted/percentage correct	81.5	

*Note: *** = $p < 0.001$; ** = $p < 0.01$; * = $p < 0.1$*

The result of binary logistic regression further suggests that the remittance receiving status of household shapes the poverty status. The coefficient of determination ($r^2=0.006$ with 81.5 percentage correct of predicted) shows that the receiving remittance (in household) determines 0.6 percent of the change in the poverty status of household. The regression coefficient ($\beta = -1.283$) tells us that households receiving remittance are less likely to be poor (reducing poverty) compared to households receiving no remittance. This indicates that migration through which remittance is receiving at household have some effects on reducing poverty. Therefore, migration contributing in receiving remittance is play an important role in shaping poverty status of household in Nepal.

Conclusion

Migration from different parts of Nepal is rapidly increasing over the period of last 30 years. Increasing trend can be observed in both internal and international migration. Together with increase in migration there is increasing rate of receiving remittance and its role in reducing poverty. The migrant households receiving remittance has lower poverty rate compared to households not receiving remittance. It is due to role of remittance because migration and remittances have a strong impact on the living conditions of households with a migrant (Lokshin, Bontch-Osmolovski, & Glinskaya, 2007). Also, the poverty rate for households with a migrant working abroad would also be substantially higher had their members not migrated (Lokshin, Bontch-Osmolovski, and Glinskaya, 2007). However, the poverty rate among households with a member who

migrates within Nepal would be twice as high as current levels if the migrant had stayed home may vary as explained by Lokshin, Bontch-Osmolovski, & Glinskaya (2007).

The poverty rate widely varies; lowest in Bagmati (20.6%) to highest in Sudurpaschim (45.6%) province, across provinces with variation across remittance receiving households (21.5%) to remittance not receiving households (29.4%). The poverty rate is low in remittance receiving households compared to households not receiving remittance. However, the poverty rate in remittance receiving households also varies across provinces ranging from 12.9 percent in province-1 to 45.1 percent in Sudurpaschim province. There is significant association [χ^2 -value=230074.923 is significant ($p=0.000<\alpha=0.01$) at 0.01 level of significance] between the status of households based on remittance and poverty. It is enough evidence to conclude that there is association between remittance status and poverty status of household. It is because there is an important role of remittance in shaping poverty status. The result of binary logistic regression shows that the households receiving remittance are less likely ($\beta=-1.283$) to be poor compared to the household receiving no remittance. Thus, poverty status of household is shaped by the remittance receiving status of households in Nepal.

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Annex: 1

Districts included in provinces

Province - 1: Taplejung, Panchthar, Ilam, Jhapa, Morang, Sunsari, Dhankuta, Tehrathum, Sankhuwashabha, Bhojpur, Solukhumbu, Okhaldhunga, Khotang, and Udayapur.

Province - 2: Saptari, Siraha, Dhanusha, Mahottari, Sarlahi, Rautahat, Bara, and Parsa.

Bagmati province: Sindhuli, Ramechhap, Dolakha, Sindhupalchowk, Kabhre, Lalitpur, Bhaktapur, Kathmandu, Rasuwa, Dhading, Makwanpur, and Chitwan.

Gandaki province: Gorkha, Lamjung, Tanahun, Syanja, Kaski, Manang, Mustang, Myagdi, Parbat, Baglung, and Nawalparasi.

Lumbini province: Gulmi, Palpa, Rupandehi, Kapilvastu, Arghakhanchi, Pyuthan, Rolpa, Rukum, Dang, Banke, and Bardiya.

Karnali province: Salyan, Surkhet, Dailekh, Jajarkot, Dolpa, Jumla, Kalikot, Mugu, and Humla.

Sudurpaschim province: Bajura, Bajhang, Achham, Doti, Kailali, Kanchanpur, Dadeldhura, Baitadi, and Darchula.