

Remittances, Expenditure Pattern & Gender: Evidence from Urban Sector of Sri Lanka

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Migrants' remittances take an important position in Sri Lankan economy while it significantly affects people's livelihood, social processes, and economic development in individual household. However, none of research has carried out to reveal expenditure pattern especially within the households in urban sector of Sri Lanka. Therefore, this study examines migrant remittances on expenditure pattern of households in urban sector of Sri Lanka. Household Income and Expenditure Survey (HIES) conducted by Department of census and statistics in Sri Lanka 2009/2010 period was used as the secondary data in this study. Urban Sector migrant data set comprises 893 households. Fractional logit models were used within the Engle's curve framework to investigate how the gender of the household head and remittances effect expenditure pattern. Results reveal that, within male-headed household, internal remittances spend more on food while allocate least expenditure on other ad hoc purchases such as transport and entertainment expenditures while international remittances spend more on health while spend less on education. Further, results suggest that within female-headed household, internal remittances spend more on housing expenditure while spend less on education. On the other, female-headed household spends international remittances more on housing expenditure while spend less share in education expenditure. Finally, the study concludes that head of the household play a significant role in the remittance's allocation on food, housing, health & other expenditure.

Keywords: Expenditure pattern, Fractional logit model, Remittances, Urban sector