

The results indicate that the decision to remit depends on the purpose of using the remittance rather than the amount of wages or experience. Unmarried migrants are more likely to remit for daily expenses in their households of origin to support elderly people and/or parents who cannot work and do not have a proper income in the places of origin. Households with larger areas of farmlands are less likely to receive regular remittances for consumption purposes whereas they receive more remittances for farming purposes as an investment. Households with students are more likely to receive regular remittances for daily expenses. Migrants tend to remit for the purpose of education if there are students in the household of origin. This confirms that rural-to-urban migration and remittances are not only for consumptive purposes but also for investment purposes. Moreover, rural-to-urban migration contributes significantly to asset accumulation in the communities of origin.

Keywords: Rural-to-urban labour migration, remittances, rural communities, Sri Lanka, Probit Regression, Tobit regression.

¹*Professor, Department of Economics, Faculty of Social Sciences, University of Kelaniya, Sri Lanka, seetha@kln.ac.lk*