

LABOR MIGRATION, REMITTANCES AND ENTREPRENEURSHIP: EVIDENCE FROM SRI LANKA

A dissertation submitted to the

Faculty of Animal Science and Export Agriculture

Uva Wellassa University

In partial fulfillment of the requirements for the award of the
Degree of Bachelor of Science in Tea Technology and Value

Addition

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Tea Technology & Value Addition Degree Programme

Faculty of Animal Science & Export Agriculture

Uva Wellassa University of Sri Lanka

2021

ABSTRACT

This research aims at determining the impact of Migration and Remittances on entrepreneurship in Sri Lanka. Migration is considered to increase income of the household by receiving international remittances and local remittances and thus it may affect for the start new business. As remittances are supposed to help solve most of household constraints by even affecting the commencement of new businesses. At the initiation of the business, the entrepreneurs face financial problem which could be solved by remittances from migration. Thus, this study examines the determinants of migration and remittance using Household Income and Expenditure Survey (2016) data of Department of Census and Statistics of Sri Lanka. Data were analyzed descriptively and using probit regression model. We used Stata software for Analysis part of this study and we applied probit regression model in this study for estimate major three factors. Such as migration, remittance receive and entrepreneurship which are consider as dependent variables in this study. Also most of the variables were statistically significant at the 10% significant level. Based on these results and finding we have concluded that migration helps to start new business but remittances not. Also we found some household and household head characteristics which affect on migration, remittance receipt and entrepreneurship. Finally end of this study, we can suggest that Government can implement some action to resolve the financial problems and enhance the business knowledge of people by lending loans under low-interest rates and organizing business knowledge development programs. we can increase business ownership percentage by implement properly above mentioned action.

Key words: Migration, remittances, entrepreneurship, determinants, probit regression