

**IMPACT OF MIGRATION ON PRODUCTIVE
INVESTMENT OF TEA SMALL HOLDERS IN BADULLA
DISTRICT**

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ABSTRACT

This study investigated the issues of migration on productive investment of tea smallholders in Uva region, Sri Lanka. The smallholders are the largest contributors to Sri Lanka's tea production. So the development of the tea small holding sector is very much important for the Sri Lankan economy. But labour migration is an upcoming issue in rural areas of the country. With the migration labour scarcity is arising while the income increases with the remittances. So it is important to understand the impact of remittance on productive investment of Tea small holders. The population of the research was the total tea small holders in Badulla, Hali-ela, Atampetiya and Passara regions. 300 small holders were randomly selected from the selected regions. Primary data were collected from the tea small holders while they are interviewed at their fields. Data were analyzed by Using Stata software package. Descriptive statistical techniques were used to present the demographic features of the sample. Heckman's two step model was worked out to find out the impact of remittance on productive investment of Tea small holders in Uva region. According to the data analysis there is a significant impact of remittance gained by migrant on productive investment in tea land in Uva region among tea small holders. Among independent variables number of cultivable land extent, income from another job, and migration effect have positive impact on the productive investment on tea lands of tea small holders of Uva region. Age of the house hold head, education level of the house hold head, number of family members, number of children, income from tea land, non-durable consumption and age below 15 female have not any significant impact on the productive investment on tea lands of tea small holders in Uva region.

Key words: Labour migration, Remittances, Productive investment, Tea small holders