

**IMPACT OF MIGRATION REMITTANCE ON  
CONSUMPTION EXPENDITURE PATTERN IN TEA ESTATE  
HOUSEHOLDS**

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## ABSTRACT

Migration can be identified as the flow or movement of people from the place of origin to the other surrounding, whether inside or outside the country with various reasons. In recent years, the outflow of Sri Lankan workers has shown an increasing trend. Sri Lanka is predominantly an agricultural country and Tea sector receives the highest priority in its development agenda. Due to labour migration, Sri Lankan Tea sector face many consequences such as scarcity of labour. The migration remittance that they send can make several impacts on consumption expenditure pattern of labour households'. Therefore, this research has been carried out to determine the effect of remittances on expenditure pattern of tea estate households in Badulla district collecting data from six tea estates. The sample consists of 205 estate worker households and 114 of them were migrant households. Data were collected by using self-developed questionnaire covering consumption details and other demographic characteristics of the households. The data were analyzed using Working - Leser model within the Engle's curve framework. Ordinary least square (OLS) regression technique was used to estimate the model. OLS results indicate that remittances negatively contributes to food expenditure and expenditure on utilities and positively to non – food expenditure. This implies that migration and remittances are used as a short term coping strategies and hardly used as stepping-stone to productive investment options.

**Key words:** Consumption Pattern, Migration and Remittance, Ordinary Least Square Regression, Tea Estate Households, Working - Leser Model