

**MIGRANT REMITTANCES, EXPENDITURE PATTERN
AND GENDER: EVIDENCE FROM URBAN SECTOR OF
SRI LANKA**

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ABSTRACT

Migrants' remittances take an important position in Sri Lankan economy while significantly affect 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 affect expenditure pattern. Results reveal that, within male-headed household, internal remittances are allocated more on food and less on other ad hoc purchases such as transport and entertainment expenditures while International remittances are allocated more on health and less on education. Further, results suggest that within female-headed household, internal remittances are allocated more on housing expenditure and less on education. On the other, female-headed household allocate international remittances more on housing expenditure and less share on 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