

The Impact of Remittances and Gender on Expenditure Pattern on Rural Households in Sri Lanka

Dharmadasa, R. A. P. I. S.¹, Rathnayake, K. K. H. M.² and Samaraweera, W. G. R. L.³

This study examines the impact of migrant remittances on expenditure pattern of rural households in Sri Lanka. Using a nationally representative data set, fractional logit models were estimated within the Engel curve framework for female headed and male headed households in order to examine the relationship between gender, remittances and expenditures of the rural households. The results suggest that with the receipt of internal remittances, male household heads allocate less on education and more on ad hoc purchases, entertainment and transport expenditure, while female household heads allocate more on food expenditure. The results further reveal that international remittances do not provide significant impact on household expenditure pattern in the rural sector households. Moreover, remitters' contribution for the ad hoc purchases, entertainment and transport expenditure increases while their presence as a migrant to the household head. Based on the results, the research concludes that there is an association between receipt of remittances and expenditure pattern of rural Sri Lankan households and also the gender of the household head and expenditure pattern of rural Sri Lankan households.

Keywords: *Expenditure Pattern, Gender, Migration, Remittances, Rural Sector*

¹ Department of Export Agriculture, Uva Wellassa University of Sri Lanka (sampath@uwu.ac.lk)

² Department of Agribusiness Management, Sabaragamuwa University of Sri Lanka (kkhmr222rathnayake@gmail.com)

³ Institute of Policy Studies of Sri Lanka (ruwan.inferno666@gmail.com)