

P.1

Remittances from International Labour Migrants and the Standard of Living of the Left Behind Households in Sri Lanka

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Abstract

This study aims to examine the effect of remittances on the standard of living of the remittance receiving households in Sri Lanka. Survey data were analyzed using thematic analysis and stratified matching method in propensity score matching. It was found that, a large majority of labour migrants remit money to their households left behind. However, the volume of remittances varies with the demographic and socio-economic characteristics of the labour migrants and their households. Furthermore, it was found that remittance receiving households enjoy income from diversified sources. Average treatment effects estimated through stratified matching analysis reveal that remittance receivers enjoy a higher level of income and higher standard of living compared to their non-remittance receiving counterparts. Improvement of the income by the remittances varies with the income quintile of the households.

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