Rural to urban labour migration and remittance inflows to rural communities in Sri Lanka: A review of Literature

Seetha P. B. Ranathunga

Abstract

The conceptual framework of migration can be reviewed in a broad range of studies ranging from Ravenstein's Laws of Migration to the famous Harris-Todaro model and the new economics of labour migration. This paper attempts to summarize theories of labour migration, focusing on classical and neo-classical migration theories and the theory of the new economics of labour migration (NELM). Further, this paper examines the links between migration and development, migration and remittances, and looks at empirical studies on the impact of rural-to-urban migration and remittances on rural livelihood improvement in developing countries. Based on the literature it can be concluded that rural-to-urban temporary labour migration contributes significantly to poverty reduction by improving the well-being of rural communities.

Key words: Literature, *Rural to urban labour migration,* Remittance inflows, Rural communities, Sri Lanka

1. Introduction

Migration literature has been enriched by the enormous contribution of economists, demographers, sociologists and geographers since the 1960s (Greenwood, 1975). Migration has emerged as a debatable global development strategy with profound opportunities and challenges for both sending and receiving communities (Todaro, 1980). Although increasing attention from researchers has brought migration issues to prominence in recent development debates, the history of migration goes back to the 1880s. The theory of migration history starts with Farr's remark[1] on migration[2] and Ravenstein's response to that, known as the "Laws of Migration" Lee (1966). This paper attempts to summarize theories of labour migration, focusing on classical and neo-classical migration theories and the theory of the new economics of labour migration (NELM). Further, this section examines the links between migration and development, migration and remittances, and looks at empirical studies on the impact of rural-to-urban migration and remittances on rural livelihood improvement in developing countries.

2. Classical and neo-classical theories of labour migration

The conceptual framework of migration can be reviewed in a broad range of studies ranging from Ravenstein's Laws of Migration to the famous Harris-Todaro model and the new economics of labour migration (De Haan, 1999). All these studies discuss both internal and international migration. However, Lewis (1954) initiated the idea of rural-to-urban migration using his two-sector model comprising the traditional (agriculture) sector and the modern (industrial) sector and showed that expansion of the modern sector absorbs cheap labour shifting from the agricultural sector.

Author is in the Department of Economics, University of Kelaniya, Dalugama, Sri Lanka. email: seetha@kln.ac.lk

[1] One of the first systematic studies of migration was by Ravenstein (1885). He states that the motivation for his study "was a remark made by the late Dr. William Farr [1876], to the effect that migration appeared to go on without any definite law…." (Ravenstein, 1885; p. 167) in (Greenwood, & Hunt, 2003, p.6)

[2] This refers to a remark of Farr's to the effect that migration appeared to go on without any definite law.

Although the population size is large, the marginal productivity of rural labour is close to zero. When the industrial sector continues to expand, surplus labour in the agriculture sector will ultimately vanish, pushing up wages. This conceptual framework closely follows that of Ranis and Fei (1961). Nevertheless, these studies did not consider urban-to-rural financial/in-kind transfers or remittances or the welfare impact of migration on the left-behinds in the rural sector and the in-kind flows from rural to urban areas through migration.

Although Ravanstein (1885) made the first attempt to work on rural urban migration, Sjaastad (1962) decisive work on rural-urban migration has informed economists' thinking on this debatable issue. Further, he has focused on the differences in earnings and emphasized how effective is migration in equalizing inter-regional earnings of comparable labour.

2.1 New economics of labour migration (NELM)

The new economics of labour migration emerged in the 1980s and 1990s, mainly in the American research context, as a response to both the developmentalist theory (the migration optimists) and the structuralist theory (the migration pessimists) (Taylor, 1999). NELM was pioneered by Stark (1982) and has been documented by some micro-econometric studies that have attempted to test it (Lucas & Stark, 1985; Taylor, 1995). According to the NELM theory, migration is hypothesized to be an effort by households to overcome market failures that constrain local production. Further, Stark (1991) and Taylor (1999) stated that NELM scholars argue that migration plays a vital role in providing a potential source of investment capital. This is very important in the context of the imperfect credit and risk (capital and insurance) markets that prevail in most developing countries. As such, these markets are weakly developed. Migration can also be considered as a strategy to overcome various market constraints. It also enables households to invest in productive ways (De Hass, 2006). The NELM represents a fundamental change in how the connection between migration and development is conceptualized and modelled (Taylor, 1999). Further, NELM views migrants as financial intermediates, providing capital for investment in farming activities in the sending communities and providing insurance for their households.

It is necessary to widen our understanding of rural livelihoods in developing countries without concentrating only on agriculture and natural resources, as households are diversifying their livelihoods. In this process, migration is one of the main securities and potential tools that enable them to diversify and improve their livelihoods. Further, agricultural intensification and local non-farming activity also support diversification of livelihoods (McDowell & Haan, 1997).

3. Migration and development

The role of migration in economic development is extensively acknowledged. Over the last five decades, migration research and policies have focused on internal and international migration separately (DeWind & Holdaway, 2008). Over the last two decades, internal migration in general and rural-to-urban migration in particular have been scrutinized favourably in the economic development literature (Todaro, 1980). Migration is generally considered a developmental issue with profound opportunities and challenges for both source and destination areas.

Arthur Lewis (1954) first demonstrated that a gradual reallocation of the labour force from the agricultural sector to the urban industrial sector is considered the main issue in economic development. Kuznets (1971) and Todaro (1980) further emphasized that the process of relocating rural farm labour to urban enterprises is supposed to be economically and socially beneficial. This is because human resources are being shifted from places where marginal products were assumed to be zero to places where the marginal products were not only positive but also rapidly growing as a result of capital accumulation and technological progress. Taylor and Martin (2001) stated that the relationship between development and migration varies over time and space. Consequently, time and geographical context are very important factors when assessing the impact of migration.

Although for many years migration has been viewed as an outcome of lack of development (Clemens, 2011), policy makers in both sending and receiving countries are highlighting the positive potentials of migration and development today. Despite growing recognition of the international policy debate on international migration, comparatively little attention has been paid to the significance of internal migration and development (Laczko, 2008). Hence, the extent of internal migration has not been sufficiently explored compared to international migration globally.

Nevertheless, Zohry (2009) observed the existence of a significant number of recent studies on the developmental impact of internal migration vs. international migration. He further noted that the main difference between these two migration processes is that international migration implies cross-border moves while the other involves cultural restrictions. Crossing international borders is regulated by migration laws and regional and international agreements. Nevertheless, there are regions in the world that do not have physical boundaries. For example, in Africa, there are no physical boundary barriers for potential migrants (Adepoju, 1998).

However, the migration and development relationship is complex. Migration implies a change of the place of usual residence and development implies better living conditions; assessing the relationship between these two is not an easy task (Skeldon, 1997). Migrants' remittances are the main visible indicator that can be used to assess this relationship.

Empirical studies on migration and development reveal different impacts on development, depending on the type of movement, the effect of remittances and the development nature of the place of origin. Zohry's (2009) findings from an Egyptian study indicate that both internal and international migration are deployed as development strategies to escape poverty and poor economic development. Further, this study indicated that migration is more a strategy to decrease vulnerability to poverty among poor groups than to maximise benefits. Hence, both internal and international migrations are important in enabling livelihood diversification among households through migrant remittances. According to internal migration and development theories, internal migration is a means to escape poverty and reduce regional economic imbalances. Anh (2005), based on data from China, Bangladesh, Vietnam, and the Philippines, demonstrated that migration is an impetus to growth and a key path out of poverty with a remarkable positive impact on the livelihoods and well-being of the poor.

ISSN 2229-5518

Although the correlation between migration and development has been widely examined both at macro and micro levels and there is a huge interest in investigating this relationship, findings are still not adequate to make any significant generalization about the relationships between these two factors. Theoretical and empirical studies on the impact of migration in sending and receiving countries seek to find the best answer to questions about socio-economic development and labour market problems. In particular, the impact of rural-to-urban migration on development needs to be empirically examined more widely.

3.1 Remittances and household development

Migration is not a new phenomenon and it is the oldest action against poverty (Galbraith, 1979). The most direct impact of migration is remittances. For many rural households in developing economies, remittances are a fundamental element of livelihood strategies (De la Briere, Sadoulet, De Janvry, & Lambert, 2002). Thereby, the role of remittances has been a decisive element in explaining household strategies regarding migration. The economic outcomes of remittances can be discussed as focusing mainly on consumption, investment, poverty and inequality. Expenditure is the primary indicator of household welfare. Remittances are taken as part of household income; they can also be directed towards household investment. Then, investment can be identified as the household's future capacity for expenditure. Most studies on internal and international migration and remittances have concluded that remittances improve consumption rather than investment (Zosa & Orbeta Jr, 2009).

Even though some studies (Gunathilaka, 1986; Murrugarra, Larrison, & Sasin, 2010; Skeldon, 2002) have confirmed that migration offers a way out of poverty, other studies argue that migration has less favourable impacts on livelihood improvements. Taylor and Filipski (2011) have argued that the direct impacts of worker remittances on poverty and rural welfare show discrepancies among and within economies, depending on the income distribution of the migrant-sending communities. A number of studies in Mexico highlighted that remittances from international migrants had little impact on poverty in regions where the frequency of migration was low and a larger effect on areas where the frequency of migration was high (Taylor, Adams, Mora, & López-Feldman, 2008). Stark, Taylor, and Yitzhaki (1986) and McKenzie and Rapport (2007) noted that as migrant networks expand, worker remittances reduce income disparities. Nevertheless, Stark et al. (1986) found evidence that even when access to networks is prevalent and remittances minimize income disparities, international migration does not benefit the poorest households.

Put simply, economic theory on migration indicates that remittances increase the income of the households receiving them and consequently, households are more likely to increase their expenditure on normal goods. Based on Philippines household survey data, Tabuga (2007) indicated mixed evidence of the impact of remittances. He further showed that a considerable proportion of international remittances was spent on conspicuous consumption; however, education and housing expenditure also increased. Further, this study emphasized that households spent relatively smaller amounts from remittances on tobacco and alcohol. Ratha, Mohapatra, Scheja, et al., (2011), based on studies conducted in Africa, Latin America, South Asia and some other regions, pointed out that remittances reduce the depth and severity of poverty while stimulating economic activities indirectly.

Considering the effects on consumption, the effect of remittances is not limited to total consumption expenditure; it also influences the distribution of different items of expenditure. Consequently, it is useful to study the impact of migration and remittances on both the total consumption expenditure and the expenditure patterns of households.

Migration produces indirect effects within migrant-sending households as these households adjust their production and consumption behaviour in light of the loss of the migrant's labour and the receipt of remittances. As mentioned above, remittances affect household demand by shifting household budget constraints. However, the depth of the poverty reduction and its sustainability depends on the background of the migrants and the prudent use of remittances by the migrant-sending households. Hence, the magnitude of the correlation of remittances and poverty reduction differs according to individual migrants, the characteristics of migrant households, usage of remittances, and time and space.

4. Rural to urban labour migration and sending communities

An emerging interest is currently visible among academics, policy makers and researchers regarding rural-to-urban labour migration, remittances and their impact on the left-behind in the place of origin, although the focus on international migration is still dominant. The overall impact of rural-to-urban migration on the migrants and their households in the original communities is viewed positively. The main characteristic of rural-to-urban migration that is seasonal or circular is that migrants leave the place of origin for various employment opportunities for varying lengths of time, usually with the idea of returning. Their main purpose is to work in cities but not to settle in cities permanently[3]. Mostly, they are supporting their communities through remittances while remaining a part of those communities. Hence, migration is considered as a factor which acts to improve consumption and income levels and leads to poverty reduction directly in migrant-sending households and indirectly in the rural sector.

Many countries in Latin America, Africa, and Asia have attempted to explore rural-to-urban migration from different perspectives. Todaro (1980) indicated in his study on internal migration in developing countries that migrants typically do not represent a random sample of the overall population; on the contrary, they tend to be disproportionately young, better educated, less risk-averse and more achievement-oriented. They have also better personal contacts in their destination areas than the general population in the place of origin. Further, his study pointed out that people migrate primarily for economic reasons. If there is a large difference in economic opportunities between urban and rural sectors, larger flows of rural-to-urban migration can be observed in any country.

Deshingkar (2006), using case studies on short term internal or circular migration involving villages and regions, emphasized that internal migration has greater potential for poverty reduction and for contributing to economic growth

[3] This conclusion is based on the field survey conducted by the author.

in developing countries. This study further indicated that international remittances reach fewer people while internal migration stems from a broader base where smaller sums of money are more evenly distributed among specific areas and poor families. Further, this researcher argued that the potential benefits of internal migration are not completely recognized due to an inadequate understanding of this process.

Empirical studies show that China has made a large contribution to the literature on rural-to-urban migration. Millions of Chinese farmers have moved to urban areas to seek employment both temporarily and permanently (Ha, Yi, & Zhang, 2009; Li & Zahniser, 2002). Furthermore, rural-to-urban migration has been viewed as a positive factor in China. Deshingkar (2006) indicated with respect to Asian countries that most of the common factors such as regional disparities, high unemployment and underemployment in the rural sector and the spread of labour-intensive industries in urban areas under open market economies motivate rural labour to migrate to urban cities. However, the results change over time and space and therefore, the benefits of migration should be examined or revaluated in a range of settings and periods.

Mendola (2008) argued that richer and larger households are more likely to participate in costly high-returns migration (international migration) and are then able to employ modern technology and achieve higher productivity. However poorer households tend to receive lower returns from migration due to the unaffordable nature of the entry cost of migration. Therefore, they engage in internal migration which does not help them to achieve production enhancements comparable to those from international migration.

The decision to participate in either international or internal migration is a decision that impacts the welfare of the household, the home community and in the end, the whole economy (Ratha et al., 2011). The welfare implications of international migration for the country of origin are more often positive and sizable. However, more research is required to judge whether the welfare implications of temporary rural-to-urban migration are positive and sizable in the context of rural development. Compared to international migration, it is still an immature literature which is too sparse to allow generalisation from the findings of rural-to-urban migration to community development. The present study is an attempt to obtain more empirical evidence, with respect to Sri Lanka, on this issue and thus contribute to the body of research on the topic.

5. Rural to urban labour migration, remittances and Sri Lanka

Sri Lanka is a small island that was under foreign rule for over four centuries and regained independence in 1948. Prior to independence, the economy was dominated by the commercial plantation sector, including mainly tea, rubber and coconut. Although Sri Lanka has become increasingly industrialised since the 1950s, it adopted a liberal economic model instead of inward-looking economic policies in 1977 (Kelegama, 2007). These economic reforms have transformed the Sri Lankan economy from a colonial export-oriented structure to an export-led manufacturing one, resulting in the emergence of rural-to-urban migration[4] within the country. With the establishment of the EPZs with highly labour-intensive factories, demand for both skilled and unskilled labour increased tremendously. Hence, there was a flood of migration from rural communities to the main cities. Since 1978, a majority of young single women have formed the backbone of an economic shift in Sri Lanka towards export-led industrialization. As most of the workers are migrants from rural villages, they contribute, through remittances, to developing the rural economy in Sri Lanka by supporting households in their areas of origin. EPZs have made a large contribution to poverty alleviation in Sri Lanka.[5] High unemployment and youth unrest have compelled a majority of young females to undertake the primary breadwinner role for their households. This demonstrates that rural-to-urban migration contributes significantly to rural communities and it is helpful to examine and quantify the direct impact of internal migration on migrant-sending communities.

In terms of international migration and remittances, Sri Lanka occupies a prominent place (Athukorala, 1990; Eelens & Speckmann, 1990; Shaw, 2010; Ukwatta, 2010). Show (2010) indicates that many studies have attempted to investigate housemaid migration to the Middle East from diverse perspectives including experience abroad, remittances and the impact of migration on the remaining members of the family. His study also contributes to the existing literature in the field. Kageyama (2008) argues that migration and remittances bring both positive and negative impacts to the home countries. She further emphasizes that remittances economically benefit migrant households, particularly the poorer ones, by increasing income in the short-run, while causing negative social effects through disruption in the migrants' families and also by creating a sense of relative deprivation in non-migrant families.

Zohry (2002) indicated that growing difficulties in finding productive employment in rural areas created a new type of human migration. Unmarried youths in rural areas, where the economic base is heavily depending on subsistence agriculture and where they are not treated well, face a different set of employment problems than young people face in urban environments, where the economic base is highly varied. She called this new type of migration "survival migration" (Zohry, 2002, 2009).

Sri Lankan internal migration, which is the focus of this chapter, differs from classical migration theory, which indicates that rural-urban labour movements occur due to agrarian systems and agricultural seasonality. It shows similarities to Zohry's study (2009), which indicated that Egyptian internal migration is independent of agricultural seasonality as surplus labour can occur at any time. As in the Egyptian case, there is no survival option for Sri Lankan young rural labourers, especially female, other than migration locally or internationally. Due to the higher travel costs for international migration, the usual response is migration to cities within the home country. Nearly 80 per cent of the population in Sri Lanka belongs to the rural

[4] Although internal migration existed prior to the market reforms in Sri Lanka, the rural-to-urban migration on which this study focuses emerged significantly after the establishment of EPZs in 1978. Especially with the economic reforms and accompanying changes in socio-economic conditions in Sri Lanka, female migration was accelerated through EPZs.

[5] http://www.enewsbuilder.net/globalcompact/e_article000776336.cfm access date 9/10/2011. Submitted by: Kamani Jinadasa, Manager, Women's Empowerment & Go Beyond, Corporate Branding & Strategic CSR,MAS Capital (Pvt) Ltd, under the heading "MAS Holdings: Championing Women's Empowerment in the Apparel Sector".

ISSN 2229-5518

sector, where the source of income for the household is predominantly agriculture, and 83 per cent of the total poor belong to the rural sector in Sri Lanka (DCS, 2011)[6]. Thus, migration and remittances are the key areas of livelihood strategies for poor households and this allows diversification of the source of income of Sri Lankan households.

Although there has been a flood of migration from the rural sector to the urban sector since 1977 with the establishment of EPZs, there is a dearth of research on rural-to-urban migration in general and of analysis of the economic impact of rural-to-urban migration on rural communities in particular. Even the existing few studies on internal migration have focused on migration patterns, determinants and consequences of lifetime inter-district migration, along with demographic perspectives in Sri Lanka (Perera S, 2005 2008; Ukwatta, 2005). Ukwatta (2005) has further argued that internal female migration from agricultural areas is higher than male migration due to EPZs, while women's participation in agriculture has declined in the recent past. However, none of these studies emphasize the impact of internal migration and remittances on the sending communities.

There is a huge shortage of migration data, particularly on rural-to-urban migration, as a migration survey is not yet planned for Sri Lanka. The Population Census[7] is the only reliable source of data on internal migration. Due to lack of data and statistics, there are few attempts to study internal migration and development in the country. Sri Lanka needs to be examined from the micro perspective, focusing on the impact of migration and remittances on rural communities and how migration contributes to transform the rural sector.

Although rural-to-urban migration has contributed immensely to household poverty reduction and income diversification strategies in rural communities in Sri Lanka, there have been no attempts in the literature to identify and quantify these impacts. According to available sources, the present study is the first one to examine the economic impact of rural-to-urban labour migration in Sri Lanka. Hence, the present study fills a literature gap concerning rural-to-urban migration in Sri Lanka with respect to the importance of the effects of internal migration on poverty reduction and rural development in the country. Further, this study highlights the importance of detailed and systematic surveys of internal migration in Sri Lanka.

6. Conclusion.

Based on the empirical literature reviewed, it can be concluded that rural-to-urban temporary labour migration contributes significantly to poverty reduction by improving the well-being of rural communities. Although opportunities to enter the international migration process are limited due to unaffordability of the cost of migration, rural-to-urban migration is an alternative for any households with skilled or unskilled labour to make their way out of poverty. Hence, rural-to-urban migration is relatively more supportive in the long term as migrants can spend longer periods in their jobs than in international migration. Thus, rural-urban migration is a better solution to the problem of skilled labour leaving the country, which

[6] Further details, see http://www.statistics.gov.lk/HIES/HIES2009_10FinalReport.pdf

[7] The Population Census conducted by the Department of Census and Statistics is the most reliable source of data on internal migration in Sri Lanka. Although it has been conducted since 1946, detailed information on internal migration was collected in 1971 and 1981. Then, due to the Civil War, no Population Census was conducted until 2001, which was the latest. Internal remittances data are included in HIES surveys.

developing countries like Sri Lanka are facing today. It also lessens the social consequences that migrant families face as, unlike international migrants, internal migrants can visit their families often.

Reference

Adepoju, A. (1998). Linkages between internal and international migration: the African situation. *International Social Science Journal, 50*(157), 387-395.

Anh, D. N. (2005). Enhancing the Development Impact of Migrant Remittances and Diaspora: The Case of Viet Nam. *Asia Pacific Population Journal, 20*(3), 111.

Athukorala, P. (1990). International contract migration and the reintegration of return migrants: the experience of Sri Lanka. *International Migration Review, 24*(2), 323-346.

Clemens, M., A. (2011). Economics and emigration: Trillion-dollar bills on the sidewalk? *Journal of Economic Perspectives, 25*(3), 83-108. doi:10.1257/jep.25.3.83

DCS. (2011). *Household Income and Expenditure Survey - 2009/10 - Final Report* Colombo: Department of Census and Statistics, Ministry of Finance and Planning , Sri Lanka.

De Haan, A. (1999). Livelihoods and poverty: The role of migration -a critical review of the migration literature. *The Journal of Development Studies, 36*(2), 1-47.

De Hass, H. (2006). Migration, remittances and regional development in Southern Morocco. *Geoforum, 37*(4), 565-580.

De la Briere, B., Sadoulet, E., De Janvry, A., & Lambert, S. (2002). The roles of destination, gender, and household composition in explaining remittances: an analysis for the Dominican Sierra. *Journal of Development Economics, 68*(2), 309-328.

Deshingkar, P. (2006). Internal migration, poverty and development in Asia: Including the excluded. *IDS Bulletin, 37*(3), 88-100.

DeWind, J., & Holdaway, J. (Eds.). (2008). *Migration and development within and across borders: Research and policy perspectives on internal and international migration*: International Organization for Migration (IOM) and Social Science Research Council (SSRC)

Eelens , F., & Speckmann, J. D. (1990). Recruitment of labor migrants for the Middle East: the Sri Lankan case. *International Migration Review, 24*(2), 297-322.

Fei, J. C. H., & Ranis, G. (1961). A theory of economic development. *The American Economic Review, 51*(4), 533-565.

Galbraith, J. K. (1979). *The Nature of Mass Poverty*. Cambridge,Mass, London: Harvvard University Press.

Greenwood, M. J. (1975). Research on internal migration in the United States: a survey. *Journal of Economic Literature, 13*(2), 397-433.

Gunathilaka, G. (1986. *Sri Lanka,migration of Asian workers to the Arab World, tokyo .UNU*.

Ha, W., Yi, J., & Zhang, J. (2009). *Inequality and internal migration in China:evidence from village panel data* (MPRA Paper No. 16896). UNDP. Retrieved from http://mpra.ub.uni-muenchen.de/16896/

Kageyama, A. (2008). Extent of poverty alliviation by migrant remitances in Sri Lanka. *South Asia Reseach online version, 28*(89)

Kelegama, S. (2007). *South Asia in the WTO*: Sage Publications Pvt. Ltd.

Kuznets, S. (1971). *Economic growth of nations*: The Belknap Press of Harvard Univ. Press.

Laczko, F. (2008). Migration and development: the forgotten migrants. In D. J. a. H. J. (Ed.), *Migration and development within and across borders: research and policy perspectives on internal and international migration* (pp. 9). New York: International Organization for Migration (IOM) and Social Science Research Council (SSRC).

Lee, E. S. (1966). A theory of migration. *Demography, 3*(1), 47-57.

Lewis, A. W. (1954). *Economic development with unlimited supplies of labour*: Bobbs-Merrill Company, College Division.

Li, h., & Zahniser, S. (2002). The determinants of temporary rural to urban migration in China *Urban Studies, 39*(12), 2219-2235.

Lucas, R. E. B., & Stark, O. (1985). Motivations to remit: Evidence from Botswana. *The Journal of Political Economy*, 901-918.

McDowell, C., & Haan, A. (1997). Migration and sustainable livelihoods: A critical review of the literature. *Working Paper-Institute of Development Studies, University of Sussex (United Kingdom)*

McKenzie, D., & Rapoport, H. (2007). Network effects and the dynamics of migration and inequality: theory and evidence from Mexico. *Journal of Development Economics, 84*(1), 1-24.

Mendola, M. (2008). Migration and technological change in rural households: Complements or substitutes? *Journal of Development Economics, 85*(1-2), 150-175.

Murrugarra, E., Larrison, J., & Sasin, M. (2010). *Migration and Poverty: Towards Better Opportunities for the Poor*: World Bank Publications.

Perera S. (2005). Patterns, determinants and consequences of Internal migration in Sri Lanka 1981-2001.

Institute of Workers's Education (IWE)Journal, Vol.5, 76-101.

Perera S. (2008). Female internal labour migration, living conditions and vulnerability: a case study of Katunayake export processing zone Sri Lanka *Academic Workshop on Migration Vulnerability and Security* (SLFI, Colombo:

Ratha, D., Mohapatra, S., & Scheja, E. (2011). Impact of Migration on Economic and Social Development. *Word bank*

Ravanstein, E. G. (1885). The Laws of migration. *Journal of the Statistical Society of London, 48*(2), 167-235.

Shaw, J. (2010). From Kuwait to Korea: the diversification of Sri Lankan labour migration. *Journal of the Asia Pacific Economy, 15*(1), 59-70.

Sjaastad, L. A. (1962). The costs and returns of human migration. *Journal of Political Economy, 70*(5), 80-93.

Skeldon, R. (1997). Rural-to-urban migration and its implications for poverty alleviation. *Asia-Pacific population journal/United Nations, 12*(1), 3.

Skeldon, R. (2002). Migration and poverty. *Asia Pacific Population Journal, 17*(4), 67-82.

Stark, O. (1991). *The migration of labour* Blackwell,Cambridge & Oxford.

Stark, O., & Levhari, D. (1982). On migration and risk in LDCs. *Economic Development and Cultural Change, 31*(1), 191-196.

Stark, O., Taylor, J. E., & Yitzhaki, S. (1986). Remittances and inequality. *The Economic Journal, 96*(383), 722-740.

Tabunga, A. D. (2007). International remittances and household expenditures: The Philippines case. *Philippine Institute for Development Studies Discussion Paper, 18*

Taylor, E. J. (1995). Micro economy-wide models for migration and policy analysis: an application to Mexico. Paris: OECD.

Taylor, E. J. (1999). The new economics of labour migration and the role of remittances in the migration process. *International Migration, 37*(1), 63-88.

Taylor, J. E., Adams, R., Mora, J., & López-Feldman, A. (2008). Remittances, Inequality and Poverty: Evidence from Rural Mexico *Migration and development within and across borders: research and policy perspectives on internal and international migration* (pp. 101). New York: IOM &SSRC.

Taylor, J. E., & Filipski, M. (2011). The impact of migration policies on rural household welfare in Mexico and Nicaragua. *OECD Development Centre Working Papers*

Taylor, J. E., & Martin, P. L. (2001). Human capital: migration and rural population change. *Handbook of agricultural economics, 1*, 457-511.

Todaro, M. (1980). Internal migration in developing countries: A survey. In e. Richard A. Easterlin (Ed.), *Population and Economic Change in Developing Countries*: University of Chicago Press.

Ukwatta, S. (2005). Internal migration of women and development in Sri Lanka. *Migration Development and Poverty Reduction Asia*

Ukwatta, S. (2010). *Economic and social impacts of the migration of Sri Lankan transnational domestic workers on families and children left behind*. The University of Adelaide, Adelaide.

Zohry, A. (2002). "*Rural to urban labour migration; A study of upper Egyptian laborers in Cairo*. University of Sussex.

Zohry, A. (2009). *The migratory patterns of Egyptians in Italy and France*. San Domenico di Fiesole,Italy: European University Institute, Florence Robert Schuman centre for advanced studies

Zosa, V., & Orbeta Jr, A. (2009). The social and economic impact of Philippine international labor migration and remittances. *Discussion paper series No. 2009-32*, 1-36

Acknowledgement

Author greatly acknowledge for the supervisory panel of Prof John Gibson, A.Prof. Anna Strutt, Dr. Steven Lim, Department of Economics, Waikato Management School, Waikato University, NZ for their invaluable guidance, comments and suggestions.