

## Remittance Transferring Practices among Labour Migrants of Sri Lanka

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Migration for labour has been growing rapidly during past years. As a result, remittances have become a significant and stable source of foreign resource flowing to labour sending countries. It is three times larger than official development assistance received by them. As shown in literature, remittances transferred through formal channels have a higher development potential than the transfers through informal channels. Hence, not only the level of remittances but also channels of remittance transfers are important to consider in designing appropriate policies to enhance the development potential of labour migration. This explorative study focuses on remittance transferring practices among labour migrants in Sri Lanka. Study explores remittance transferring mechanism, channel preferences among labour migrants and rationale behind their channel preferences. Both quantitative and qualitative analysis are carried out using the data collected from key informant interviews, a survey using a sample of 751 households and case studies. Findings show that, over 90 percent of labour migrants remit money regularly to their families left behind. About 80 percent of them use formal channels compared to different informal channels. Among formal channels, direct bank transfers are popular among migrants, while hand-carrying is the most popular informal channel. Channel preferences of the labour migrants are mainly based on trustworthiness, ease of access, speed of transfer and cost of transferring.

**Key words:** *Remittances, Migration, Sri Lanka*