

Determinants Of Consumption Of Remittances By The Families Of The International Migrants In Assam

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Abstract: Remittances bring new opportunities for economic and social development to the families of remittance receiving households. This development of a nation is affected by the fact that how these remittances are consumed. Remittances are basically used on basic consumption goods, housing, expenditure on education and health care goods and services, capital for small business creation and entrepreneurial activities. The basic question of whether migrants channel these remittances into human and physical investments or merely use such receipts in consumption has a profound impact on the development of a nation. This paper makes an attempt to understand the specific migrant and household characteristics that affect the consumption patterns of the remittances received from the international migrant workers by their respective families in the two villages Berenga and Kanakpur, in Cachar district in Assam.

Keywords: Migrant, Remittance, household, consumption, savings, investment etc.

1 INTRODUCTION

A remittance refers to the money that is sent or transferred to another party, typically one in another country. The term remittance is derived from the word remit which means to transfer back. The sender is usually an immigrant and the recipient a relative back home. They send back money home for different purposes. Migrant remittances contribute significantly to development of the living conditions in developing nations. The way these remittance receipts are used by the household members, play a remarkable role in capital accumulation. Remittances are predominantly used by households to meet the everyday needs such as food, clothing, housing and rent, expenditure on education, health care goods and services, transport, durable goods, capital for small business creation and entrepreneurial activities. The fact that whether migrants engage such remittances into conspicuous consumption or put into human and physical investments is influenced by specific migrant and household characteristics.

2 LITERATURE REVIEW

Workers' remittances are defined as current private transfers by migrant workers who are residents of the host country or origin. They include only transfers made by workers who have been living in the host country for more than a year, irrespective of their immigration status (World Bank 2007: 363).

According to the existing literature on remittances, the use of remittance is grouped into certain categories like food, consumer goods/durables, housing, education, health, payment of loan for migration, improvement of house, construction of new house, savings, investment, investment in business (like opening stores, transport services, fishing, agriculture, community objectives (social institutions), wedding ceremonies, funerals, pilgrimages etc. (Connell & Brown 2004:18), investment in jewellery and gold, purchase of land (Ralph, Fullenkamp, & Jahjah, 2003), recreation, special occasions, marriage of family members, pilgrimages, gifts (Tabuga, 2008:112). Zarate Hoyos categorize housing purchases, equipment purchases and savings under investment category (Zarate Hoyos 2004:561). However, Oberai and Singh categorize the utilization of remittances into productive investment, children's education, loan repayment, ceremonies, food and clothing, housing and household goods considering food, housing, and ceremonies under consumption (Oberai and Singh 1980:237). Hence the end uses of remittances are broadly classified into consumption, savings and investment.

Nevertheless a number of recent studies have shown that households receiving remittances are found to manifest a definite likelihood to consume and invest compared to those that do not. As stated by the literature on remittances there are three perspectives on how remittances are utilized. First of all remittances are spent at margin like any other source of income. On the other hand, some authors argue that remittances motivate certain behavioural changes at household level. And remittances are substantially used on status oriented consumption and luxury goods. Thirdly, households consider remittances to be transitory and short-lived hence spent them mostly at margin on investment goods. Remittances may possibly diminish good working habits as they increase resources without the need of any extra work on the part of the recipient, consequently lessening the pressure for social and economic change. A large number of studies on remittances evince that remittances are utilized mainly for conspicuous consumption (Richard H. Adams, Cuecuecha, & Page, 2008). The distinctive characteristics of the migrants and the distinguishing characteristics of the households form a

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basis of the conception of its linkage with the end-use and expenditure of remittances. The migrant's age has been found to be a principal factor in understanding the nature of remittances (Jayachandran, & Roy, 2002; Medina & Cardona, 2010; Rivera & Reyes, 2011; Karunarathne & Gibson 2014; Appiah-Yeboah, Bosomtwi, & Yeboah, 2013). Female migrants remit significantly more than do male migrants (Posel 2001: 180) and affect the end-use patterns of remittances (Humphries, Brugha, & McGee, 2009: 4). The number of years of schooling of the migrant is found to be positively associated with transfers to the origin family (Osili 2007). The migrants' educational attainment is found to have a significant positive impact on the remittance receipts and its use in consumption and investment (Mazumder, 2018). Education seems to enhance the importance of investment and also helps in finding attractive opportunities to invest remittance (Arif 1999: 29). It has been found that skilled migrants send larger remittance transfers to the origin families because of higher incomes than the unskilled migrants (Osili 2007). The migrant's length of stay at host country seems to have significant effect of the amount and quantum of remittances sent. Those migrants who stayed abroad for longer time were able to remit more thus resulting into more savings and investment (Arif 1999). Married migrants with dependents were inclined to remit larger shares of their income to their families back home and saved less (Massey and Basem 1992). Married migrants seem to be putting lesser percentage of remittance into investment compared to unmarried migrants. This behaviour can be described by the fact that married migrants need to spend more money on basic needs of the household (Arif 1999). Those migrants who visit home frequently think it's preferable to save in the home country. The probable reason could be a greater sense of attachment to the home country than those who do not frequent the home country (Makina 2014). Such bonding may arise partly from the hope to inherit family property and moderately from altruism or endearment towards the family members staying in village households. It could also be somewhat because of a strong feeling to take care of their investment (Regmi & Tisdell 2002). Besides who are accompanied with children in the host country tend to remit less, at the same time those with children in the home country remit significantly more (Appiah-Yeboah, Bosomtwi, & Yeboah 2013). The number of children in the family back home has a strong incontestable and statistically significant effect on the quantum of remittances transferred. The higher number of dependents a migrant maintains in the host country, the higher the savings in the host country. While this may be true, the more dependents a migrant maintains in the home country, the fewer savings are made in the host country and more remittances goes to the home country. One probable explanation to this is the fact that migrant who has been accompanied by most of the family members would have the intention to settle in the host country and hence having higher savings in the host country (Makina 2014). The migrant decision to remit is negatively correlated to the number of persons working abroad in the household at the home country (Oberai & Singh 1980). Migrants belonging to families with better economic status proportionately saved and invested more remittance money. It implies that greater the household income, greater is the possibility to use

remittance for savings and investment (Arif 1999). Furthermore households with stronger economic status receive less remittance than those that are more in need of financial help (Meyer, Möllers, & Buchenrieder 2012). Age of the head of the household is found to be directly related with the amount of remittance received. Moreover, female headed households apparently receive more remittances (Richard H. Adams, Cuecuecha, & Page 2008) thus affecting the overall use of remittances. The household location as rural or urban and religious group classification are also found to be important factors affecting remittance expenditure (Richard H. Adams, 2005). The educational attainment of the head of the household has a positive effect on remittances and its use as investment (Meyer 2012). A justification of that could be that more educated household heads are likely to have better educated children with consequently higher incomes (Meyer 2012). Besides the civil status and nature of occupation of the head of the household affects the remittance consumption (Clement, 2011). A study in Indonesia finds that international remittances are spent mainly on one key consumption good that is food (Adams and Cuecuecha 2016). An empirical data of the economy of Bangladesh shows that a considerable amount of remittance goes to unproductive schemes (Ullah 2011). In Germany families receiving remittances are unable to save and are at greater risk in the midst of higher income volatility (Amuedo-Dorantes and Pozo 2011). The individual pattern of consumption of remittance rises drastically as the local standard of living in the areas of heavy migration. He deduces that increased remittances lead to more urbanised consumption habits i.e. conspicuous consumption (Glytos 1993). In Bangladesh Remittances resulted in improvement of the social and economic indicators such as food and nutrition, living conditions and housing, health, education, poverty reduction, social security and investment activities at the households. The recipients of the remittances use the remittance income for a wide variety of purposes however a sizeable portion goes towards consumption (Barai 2012). A Study of Chavakkad village in Kerala found that the remittances received by households were used in any productive activities (Prakash 1978). Remittance receiving households use the largest proportion of it for consumption. Nonetheless purchase of land, construction, house repairs, re payment of loans etc. have been some other major uses of remittances. Land is considered the safest haven to invest in Bangladesh (Mamun & Nath 2010). Several micro level village studies ratify that migrants often reveal their newfound wealth by purchasing land or constructing affluent and lavish houses in their home villages providing affirmation for the negative and pessimistic view that migrant resources are mostly wasted on unproductive forms of consumption (de Haas 2007; Chami, Fullenkamp and Jahjah 2003). Receiving transfers from abroad expands the proportion committed to consumption expenditures by 1.7 percentage points and decreases the share of investment expenditures by the same proportion (Clement 2011:75). In a study using a large sample of rural households the authors find no link between migration and productive investment in China. The authors infer that remittances are predominately used for consumption purposes which is unlikely to boost capital build up, thus negatively affecting productivity in farming and rural development (Zhu, et al.

2012). Hence it can be concluded from the review of literature on remittances that a substantial portion of the remittances goes into consumption; a small portion goes towards savings and investment. Also from the review of extant literature the end-uses of remittance have been divided as expenditure on everyday non-durables, expenditure on durables, investment and savings. Expenditure on everyday non-durables includes expenses on daily consumption needs and non-durables like food, clothing, fuel, transportation etc. Expenditure on Durables includes purchase of consumer durables like equipments, appliances, refrigerators, mobile phones, furniture, etc. and purchase of vehicles. Investments include investments in real estate (construction/ extension of house), purchase of land and buildings, purchase of gold/ornaments and investments in fixed deposits, insurance policies, savings certificates etc. Savings include savings in liquid form, i.e., cash-in-hand and cash at bank. In this paper consumption refers to the total annual the expenditure of remittance money by the household on non-durables and everyday household expenditure, purchase of consumer durables, educational and health care expenses.

3 OBJECTIVE

The objective of the paper is to discover the specific family (household) and migrant characteristics that affect the end use consumption of the remittances received from the international migrant workers by their respective families in the home country in two villages- Berenga and Kanakpur, of Cachar district of Assam.

Rationale of the Study

Remittances are playing a progressively massive role in the economies of many countries. In this era of globalization, as a consequence of enhanced human mobility, the outmigration of the people of a specific country to various other foreign countries has intensified, following the inward flow of money to the household economy in the urban, semi-urban and the rural areas seems to have noticeably increased. The effect of remittances on the growth and development of a country will depend on how this remittance is spent by the recipients considering the profound developmental impacts of such consumption.

Data and Methods

This micro-level study focuses specifically on two villages lying around the Silchar Urban Agglomeration (SAG) in Cachar district of Assam in India. The two villages have been purposively selected for the investigation- Kanakpur and Berenga. The chosen villages provide broader insights into the subject. A preliminary focus group interviews showed high intensity of outmigration in the two localities and for this reason these two villages were considered most suitable for carrying out an in-depth examination. A multi-stage method was used to identify the sample household families. With the help of the 27 electoral rolls of the respective villages, a census survey was conducted in the 6,623 households of the two villages to identify the households having at least one migrant working abroad. The survey was undertaken during the year 2015–2016. All the identified families having at least one migrant working

aboard were approached with the interview schedules. From the 6,623 households, 270 households were identified as having at least one family member working abroad. For as much the main objective of the study is to understand how these remittance receipts are spent, only those families who have been receiving remittance for the past 2 years were chosen. Accordingly, 209 households, having 233 migrants, were selected for the final study. The data has been collected by means of direct personal interviews with interview schedules.

Analysis

Consumption here refers to the total annual the expenditure of remittance money by the household on everyday non-durables (like food, clothing, travel etc.), purchase of consumer durables (purchase of equipments, vehicles etc.), educational and health care expenses. Detecting the magnitude of influence the specific migrant and the household characteristics have on the consumption of remittances, essentially requires determining the factors that influence the consumption of such remittances. Such an exercise would assist in identifying the determinants. As brought out by previous studies on remittance the consumption of remittances is found to be influenced by various migrant and household characteristics. The impact of the said migrant and household characteristics on the consumption of remittances have been analysed and discussed in the two surveyed villages Kanakpur and Berenga. Cognizant of the cross-sectional type of data, multiple regression model is employed. With the help of the following model the size of remittance going towards consumption is taken as the dependent variable and the effect of the independent variables is measured.

The following regression equation has been constructed:

$$y = \alpha + \beta'x + u$$

where y = size of remittances going towards consumption, β' = vector of all the explanatory variables related to household and migrant characteristics and u = the error term.

The variables considered in this paper have been divided into two groups. Table 1 contains the list of the scale variables and Table 3 contains the list of the categorical variables (dichotomous variables).

Table 1: List of Scale Variables

Sl. No.	Variable	Description
1.	<i>hh_age</i>	Age of family head
2.	<i>hh_yrsshooling</i>	Number of years of schooling of the family head
3.	<i>no_elderlydep</i>	Number of elderly dependents in the family (above the age of 60 years)
4.	<i>no_child</i>	Number of children in the children (below the age of 15 years)
5.	<i>non_remit_income</i>	Total annual Income of the family other than the remittance income
6.	<i>mig_age</i>	Age of the migrant
7.	<i>mig_yrsshool</i>	Number of years of schooling of the migrant
8.	<i>mig_no_of_visits</i>	Frequency of visits by the migrant to his home country (in terms of number of visits during the two years preceding the collection of data)

9.	<i>mig_migyears</i>	<i>Duration of migration (i.e. number of years spent by the migrant outside his/her home country)</i>
10.	<i>fam_size</i>	<i>Number of members in the family</i>
11.	<i>no_sourcesincome</i>	<i>Number of sources of income in the family</i>

Firstly the data is normalized so that the greater numeric range would not impact the prediction accuracy. The objective of this empirical exercise is to enhance the predictive accuracy and not let a particular feature influence the prediction due to the large numeric value range. In case of large correlations between prediction covariates authors

face the problem of collinearity in linear regression, which can cause extreme sensitivity to the estimated model parameters to small changes in the data. To reduce the problem of collinearity among the selected independent scale variables, Pearson correlation is calculated. From the resulting correlation outcome matrix, one variable is dropped among two highly correlated variables (see Table 2). Thus the variable *hh_age* is dropped as it is found to have high correlation with *mig_migyears*.

Table 2: Pearson Correlation amongst scale variables

	<i>hh_age</i>	<i>hh_yrs schooling</i>	<i>no_elderlydep</i>	<i>no_child</i>	<i>mig_age</i>	<i>mig_migyears</i>	<i>mig_yr school</i>	<i>mig_freqst</i>	<i>non_remit_income</i>	<i>consumption</i>
<i>hh_age</i>	1									
<i>hh_yr schooling</i>	+	1								
<i>no_elderlydep</i>			1							
<i>no_child</i>				1						
<i>mig_age</i>		.			1					
<i>mig_migyears</i>		.			.	1				
<i>mig_yr schooling</i>		.			.	.	1			
<i>mig_freqst</i>								1		
<i>non_remit_income</i>					.	.	.		1	
<i>consumption</i>					.	.			.	1

Source: Author's calculations

Significant codes: '.' 0-0.3, '.' 0.3-0.6, ',' 0.6-0.8, '+' 0.8-0.95, '*' 0.95

The categorical variables are listed in the table below.

Table 3: Description of the categorical variables

Sl. No.	The Variable	Description
	<i>hh_gender</i>	Gender of head of the family 1, if male 0, female
	<i>hh_marital</i>	Marital status of head of the family 1, if married 0, widow/widower
	<i>hh_religion</i>	Religion of head of the family 1, if Islam 0, Hindu
	<i>hh_caste</i>	Caste of head of the family 1, if general 0, SC/ST
	<i>hh_occu_ls</i>	Occupation of head of the family 1, if occupation of the migrant belongs to low skilled 0, otherwise
	<i>hh_occu_pr</i>	Occupation of head of the family 1, if occupation is professional 0, otherwise
	<i>hh_occu_bs</i>	Occupation of head of the family 1, if occupation is business 0, otherwise
	<i>typ_family</i>	Type of family 1, joint 0, nuclear
	<i>Location</i>	Location 1, if rural 0, urban
	<i>mig_gender</i>	Gender of migrant

	1, if male 0, female
<i>mig_occu_ls</i>	Occupation of migrant, if occupation falls in the category of low skilled 0, otherwise
<i>mig_occu_pr</i>	Occupation of migrant, if occupation falls in the category of low professional 0, otherwise
<i>mig_marital</i>	Marital status of migrant 1, if married 0, single
<i>mig_intention</i>	Migrants' intention to return 1, if yes 0, no

Source: The Author

The Kendall and Spearman correlation measures are easily extended to ordinal variables. However none of these measures are pertinent to categorical variables. Hence for the categorical variables, the Goodman and Kruskal's tau measure was performed to understand the correlation amongst the categorical independent variables (see Table 4). Goodman and Kruskal's τ measure of association between two variables, xx and yy is given by:

$$\alpha(x,y) = \frac{V(y) - E[V(y|x)]}{V(y)}$$

where $V(y)$ denotes a measure of the unconditional variability in yy and $V(y|x)$ is the same measure of variability, but conditional on xx , and its expectation is taken with respect to xx

Table 4: Goodman and Kruskal's τ measure of association the nominal variables

	hh_g ende r	hh_m arital_ new	hh_reli gion	hh_ _ca ste	hh_o ccu_l s	hh_o ccu_ pr	hh_o ccu_ bs	typ_f amily	locati on	mig_g ender	mig_o ccu_l s	mig_o ccu_p r	mig_ marita l	mig_in tention
hh_ge nder	2	0.35	0.00	0.0	0.03	0.05	0.01	0.04	0.00	0.00	0.00	0.00	0.01	0.00
hh_ma ritals_ new	0.35	2	0.01	0.0	0.01	0.03	0.03	0.05	0.01	0.00	0.00	0.00	0.01	0.00
hh_reli gion	0.00	0.01	2	0.7	0.00	0.02	0.00	0.01	0.08	0.01	0.01	0.02	0.07	0.00
hh_cas te	0.00	0.01	0.77*	2	0.00	0.01	0.00	0.01	0.01	0.00	0.00	0.00	0.04	0.00
hh_occ u_ls	0.03	0.01	0.00	0.0	2	0.07	0.03	0.09	0.01	0.01	0.04	0.34	0.01	0.00
hh_occ u_pr	0.05	0.03	0.02	0.0	0.07	2	0.04	0.02	0.00	0.00	0.00	0.01	0.02	0.00
hh_occ u_bs	0.01	0.03	0.00	0.0	0.03	0.04	2	0.00	0.00	0.01	0.00	0.00	0.00	0.01
typ_fa mily	0.04	0.05	0.01	0.0	0.09	0.02	0.00	2	0.01	0.00	0.10	0.07	0.18	0.01
Locatio n	0.00	0.01	0.08	0.0	0.01	0.00	0.00	0.01	2	0.03	0.11	0.13	0.07	0.01
mig_ge nder	0.02	0.01	0.02	0.0	0.01	0.00	0.01	0.01	0.04	3	0.11	0.09	0.05	0.02
mig_oc cu_ls	0.00	0.00	0.01	0.0	0.01	0.00	0.00	0.1	0.11	0.08	2	0.75*	0.24	0.18
mig_oc cu_pr	0.00	0.00	0.02	0.0	0.04	0.01	0.00	0.07	0.13	0.07	0.75	2	0.16	0.12
mig_m arital	0.01	0.01	0.07	0.0	0.08	0.02	0.00	0.18	0.07	0.04	0.24	0.61	2	0.01
mig_int ention	0.00	0.00	0.00	0.0	0.00	0.00	0.01	0.01	0.01	0.02	0.18	0.12	0.01	2

After running the Goodman and Kruskal's τ measure of association the variables the correlation coefficient between the variables hh_caste and $hh_religion$ was found to be

0.77. Also the correlation coefficient between the variables mig_occu_ls and mig_occu_pr was found to be 0.75. These variables were found to be highly correlated as the r value is between 0.6 to 0.8. Hence the variables $mig1_occu_pr$ are $hh_caste_mig_age$ were dropped to suffice the assumption of linear regression model to have no

multicollinearity amongst the chosen variables. Thus the following variables are finally selected for the multiple regression model: no_elderlydep, no_child, hh_gender, hh_religion, hh_yrsshooling, hh_occu_ls, hh_occu_pr, hh_occu_bs, location, mig_gender, mig_migyears, mig_yrsshool, mig_occu_ls, mig_intention, mig_freqvst,

no_sourcesincome, fam_size, non_remit_income, hh_marital, mig_marital and typ_family. Multiple regression with the size of remittances going towards consumption annually in rupees as the dependent variable and the chosen independent variables is run (see Table 5).

Table 5: Estimates of the multiple regression

Variables	Estimate	Std. Error	t value	Pr(> t)	Sig.
(Intercept)	-0.006115	0.053437	-0.114	0.9090	
scale(no_elderlydep)	0.328657	0.068441	4.802	3.23e-06	***
scale(no_child)	0.420857	0.094972	4.431	1.60e-05	***
scale(hh_gender)	0.009336	0.094115	0.099	0.9211	
scale(hh_religion)	0.063329	0.063831	0.992	0.3224	
scale(hh_yrsshooling)	-0.019471	0.075921	-0.256	0.7979	
scale(hh_occu_ls)	0.027401	0.070837	0.387	0.6993	
scale(hh_occu_pr)	-0.011298	0.068995	-0.164	0.8701	
scale(hh_occu_bs)	0.064849	0.066625	0.973	0.3317	
scale(location)	-0.014443	0.060741	-0.238	0.8123	
scale(mig_gender)	0.123562	0.059988	2.060	0.0408	*
scale(mig_migyears)	0.329362	0.081202	4.056	7.35e-05	***
scale(mig_yrsshool)	0.026286	0.081022	0.324	0.7460	
scale(mig_occu_ls)	0.020846	0.095239	0.219	0.8270	
scale(mig_intention)	0.108346	0.066850	1.621	0.1068	
scale(mig_freqvst)	-0.018706	0.075845	-0.247	0.8055	
scale(no_sourcesincome)	0.073551	0.074803	0.983	0.3268	
scale(fam_size)	-0.195318	0.107043	-1.825	0.0697	.
scale(non_remit_income)	0.150592	0.075668	1.990	0.0480	*
scale(hh_marital)	0.048486	0.098915	0.490	0.6246	
scale(mig_marital)	-0.033805	0.100162	-0.338	0.7361	
scale(typ_family)	-0.092737	0.075956	-1.221	0.2237	

Source: Author's calculations

Significant codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 '.' 1

The following equation has been arrived at by using all significant variables from the above regression table:

Remittance received = -0.006115+ 0.328657 no_elderlydep + 0.420857 no_child +0.123562 mig_gender + 0.329362 mig_migyears -0.195318 fam_size + 0.150592 non_remit_income The adjusted R² is found to be 0.4687. The F-value for the model is 7.771. Since the adjusted R² is almost 0.5 it can be said that the identified independent variables explain fifty percent of the variation in the dependent variables. Thus, it can be said that the independent variables can be reliably used to predict the dependent variable.

3 RESULT AND DISCUSSION

From the above exercise it is found that the number of elderly dependents in the household, number of children in the household, gender of migrant (1, if male 0, if female), duration of migration (i.e. number of years spent by the migrant outside his/her home country), total number of members in the family and the total number of sources of income in the household are the significant variables.

The estimated coefficients of variables such as the number of elderly dependents in the household, number of children in the household, gender of migrant (1, if male 0, female), duration of migration and the total number of sources of income in the household have positive signs, which indicate their positive relationship with the end-use consumption of the remittance received. Thus it can be said that an

increase in the number of elderly dependents in the household, number of children in the household, duration of migration and the total number of sources of income in the household increases the consumption of remittance. The possibility is that a migrant who has left most of his family members and children in the home country would remit most of income to support dependents left back home. The expected coefficients of these variables are therefore positive indicating more remittances going towards consumption. The estimated coefficient of gender of the migrant indicates that presence of male migrants lead to higher end-use consumption of the remittances. The negative sign of the estimated coefficient of the variable total number of members in the family indicates a negative relation with the consumption. A probable reason for this could be the fact that a greater portion of the remittance might be going towards savings or investment rather than consumption. These empirical findings and those from the literature review show resemblance in the consumption of remittances. The number of elderly dependents, number of children, duration of migration and the total number of sources of income in the household increases the end-use consumption of remittance. In respect of the other variables, they exhibit a different relationship.

4 CONCLUSION

This article adds to a scanty researched area regarding the specific household and migrant characteristics that affect the consumption of the remittances in the host country. It

tries to comprehend the main driving forces behind the end-use consumption of the remittances by the households. The quantum of remittances going towards the total consumption of a household are found to be affected by a vast number of characteristics specific to the migrants and their families back home. The variables such as the number of elderly dependents in the household, number of children in the household, gender of migrant, duration of migration and the total number of sources of income in the household have positive signs, indicating their positive relationship with the end-use consumption of the remittance received. The estimated coefficient of gender of the migrant indicates that presence of male migrants lead to higher end-use consumption of the remittances. The negative sign of the estimated coefficient of the variable total number of members in the family indicates a negative relation with the consumption. A probable reason for this could be the fact that the larger the total number of members in the family, a greater portion of the remittance might be going towards savings or investment rather than consumption. It re-establishes many of the existing theoretical statements and empirical findings on remitting behaviour. It also provides new insights and understanding of the factors affecting remitting behaviour. In respect of the other variables, they exhibit a different relationship.

5 DIRECTIONS FOR FUTURE RESEARCH

The consumption of remittances by the families of the migrant households is found to be influenced by a variety of characteristics particularly those relating to the migrants and their families back home. The result of the inquiry of this study and those concerning the existing literature show resemblance in the determinants of the consumption of remittances. It re-establishes many of the existing theoretical affirmations and empirical findings on remittance consumption. It also imparts new insights and better discernment of the factors affecting such the consumption. Additional research in this area will be effective in answering questions relating to the other variables considered. In reality, the savings behaviour of the household and migrant has a bearing and influence on the consumption behaviour. For this reason, further examination and investigation needs to be done to find the other variables affecting the savings and investment from the remittances vis-à-vis the consumption.

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