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**Effects of the use of inward remittances on primary education by rural households:
A case study in the Galewela DS Area**

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Large scale migration for foreign employment from Sri Lanka started after the economic liberalization policies implemented after 1977. Around two million Sri Lankans are currently employed in foreign countries generating a remarkable amount of inward remittances. This accounts for nearly 8.3% to the Gross National Product of Sri Lanka and is second only to total export earnings from the apparel sector. This indicates that remittances play an important role in the economy. However, literature in this area is confined to the benefits of migration and do not focus on the effect of remittances on reduction of poverty. The impact of remittance on education levels of households especially are not adequately studied or documented. Therefore, the present study was conducted with the objective of measuring the usage of remittance in primary education and its effects. This study was conducted in Galewela, a predominantly rural area within the Central Province of Sri Lanka. Forty-five households were randomly selected from beneficiaries of foreign remittances *via* Sampath Bank PLC and another 45 households that did not receive remittances but resided in the same area were selected for comparison with the beneficiary households. Data were collected through interviews using a pre-structured questionnaire. Findings of the study reveal that households that receive inward remittances spend a higher share of their income on primary education of their children than other households. Children in households that receive inward remittances; show better academic records; participate more in extra-curricular activities; depict signs of better personal development; are more aspired to gain further educational achievements; and have higher rates of participation in tuition classes when compared with children in other households. Results of Wilcoxon signed-rank test based on five criteria reveal that the indicators of involvement of rural primary education has increased after the remittances are invested according to perceptions of parents of families receiving remittances. Therefore, it is concluded that remittance has been effectively used for the primary education of children of rural households.

Keywords: Foreign employment, primary education, personal development, Wilcoxon signed-rank test, school activities