Abstract

Remittances refer to money and goods that are transmitted by households by migrant workers working outside of their origin countries to their origins. Factually, there are remittance were sent (so the measurements scale are continuous) and there are were not (the measurements scale are discrete). So remittances have a mix measurements scale data that usually called mixture/ censored data. Model for remittances using linear regression for both sent and not sent remittances leads to a very poor fit, furthermore the regression line becomes negative for null observations which clearly make no sense. Although the logistic regression, simplifying the data to a zero-one variable, simply whether the workers remit or not. But the method loss of information, since it neglects the size of the observations which are not zero. Application of tobit models can handle zero-valued attribute intensities so it can be used to analyze the censored data. This research were describing the characteristics of factors that affected the motives to remit and use Tobit models to analyze the remittances of migrant workers from East Java. The data set of this research based on secondary data from the survey of Financial Access of Migrant Workers Household in 2009 were surveyed by Labour Department collaborating with BPS. The sample units are migrant workers from Gresik and Malang, predictor variables includes time since first working, gender, education level, status in family, destination country, the uses of remittances and kind of jobs. Based on migrant workers origins, there are different characteristics between Gresik and Malang. Time since first working, educational level and status in family have a positive impacts for Gresik remittances model. For Malang, the positive impacts given by education level, status in family and destination countries.

Keywords: censored data, migrant workers, remittance, tobit regression