

ABSTRACT

This paper examines the phenomenon of urban-rural income transfers. The data was collected as part of the Nairobi Urban Study, which included questions on basic socio-economic variables as well as on income remittances. The sample was confined to African low and middle income areas. The data is analysed by regression analysis using variables of income remitted, income earned, wives and children both in and out of Nairobi and indices of the workers attachment to the urban versus his rural area. The results show that the amount that an individual transfers is systematically related to income and other socio-economic variables, and that the total transfer represents about a fifth of the urban wage bill. The final section discusses some of the implications of the findings, particularly the extent to which the welfare of urban and rural residents is interlinked; the importance of the number and closeness of relatives in the high wage sector, and the implications of the decline of the proportion of income remitted as wages rise.