

**THE IMPACT OF LABOUR MARKET AND EDUCATION ON
MIGRATION: A STUDY BASED ON SRI LANKA (1996 - 2020)**

This study investigates the impact of the labor market and education on migration in Sri Lanka during the period from 1996 to 2020. In order to analyze the objective of the research, Augmented Dicky-Fuller (ADF) and Phillips-Perron (PP) tests were used to check the stationary property of data, the Johansen Co-integration Test was used to find the long-run relationship, and an error correction model was employed to test the long-run adjustment and short-run dynamics of NM (Net Migration Rate). A Granger Causality Test was employed to check the causality relationship between the variables. This study used Net Migration Rate (NM) as an endogenous variable and unemployment rate (UN), labor force participation rate (LFP), wage rate (WG), and education index (EDUI) as independent variables. This study found that there is a positive relationship between the unemployment rate, labor force participation rate, education index, and the net migration rate. In addition to the wage rate, which has a significant negative relationship with the net migration rate in both the long and short runs, there is uni-directional causality between the unemployment rate, the education index, and the net migration rate. Hence, this study recommends that both labor markets and education can be used as policy tools to mitigate migration from Sri Lanka in the long and short run.

Keywords: Labour market, Education on migration, Net migration rate, Unemployment rate

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