

Sri Lanka–Saudi Arabia Manpower Mobility: Migration Trends and Labour Governance

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ABSTRACT

Labour migration has long constituted a central dimension of Sri Lanka's external economic relations, particularly with Middle Eastern countries such as the Kingdom of Saudi Arabia (KSA). Saudi Arabia remains one of the largest destination countries for Sri Lankan migrant workers, contributing substantially to employment creation and foreign exchange inflows through remittances. This paper examines the evolution and contemporary dynamics of the Sri Lanka–Saudi Arabia manpower relationship by analyzing migration trends, remittance flows, labour market transformations, and bilateral policy frameworks. The study further explores recent developments under Saudi Arabia's Vision 2030 reforms, shifts in skill composition among Sri Lankan migrants, and migrant welfare initiatives. Using a mixed-methods research design that combines secondary data analysis and qualitative insights, the paper identifies persistent challenges including skill mismatches, labour rights vulnerabilities, and reintegration difficulties faced by returnee migrants. The findings highlight the need for strengthened labour governance, skills development, and bilateral cooperation to ensure sustainable and equitable manpower mobility between the two countries.

Keywords: Labour migration, Sri Lanka, Saudi Arabia, manpower, Bilateral labour relations

INTRODUCTION

International labour migration has emerged as a defining feature of Sri Lanka's development trajectory since the late twentieth century. Limited domestic employment opportunities, coupled with wage differentials between Sri Lanka and destination countries, have encouraged large-scale outward labour migration, particularly to the Middle East. Among destination countries, the Kingdom of Saudi Arabia (KSA) occupies a prominent position due to its sustained demand for foreign labour, large-scale infrastructure development, and economic diversification initiatives.

The bilateral relationship between Sri Lanka and Saudi Arabia has therefore been significantly shaped by manpower mobility. Sri Lankan workers—ranging from domestic workers and construction labourers to technicians and professionals—have contributed to Saudi Arabia's economic growth, while remittances sent back home have played a crucial role in sustaining Sri Lanka's economy. Labour migration has become not only an economic strategy but also a pillar of foreign relations and development planning in Sri Lanka.

Saudi Arabia's Vision 2030 agenda, which aims to diversify the economy beyond oil dependency, has further altered labour market requirements by increasing demand for skilled and semi-skilled foreign workers in sectors such as healthcare, engineering, hospitality, logistics, and information technology. In response, Sri Lanka has intensified diplomatic engagement, institutional cooperation, and skills promotion initiatives to maintain and expand its manpower presence in Saudi Arabia (Ministry of Foreign Affairs, Sri Lanka).

Aim of the study

This paper seeks to provide a comprehensive academic analysis of the Sri Lanka–Saudi Arabia manpower relationship by examining its historical evolution, economic impact, current dynamics, policy frameworks, and ongoing challenges.

Research Method

The study adopts a qualitative analyses to examine labor migration and remittance trends. Qualitative insights are obtained from policy reports, academic journals, and government publications and analyzed through thematic content analysis.

Historical and Economic Context of Labour Migration

Origins of Sri Lankan Labour Migration to Saudi Arabia

Sri Lankan labour migration to Saudi Arabia can be traced back to the oil boom of the 1970s, which transformed the Gulf region into a major hub for employment opportunities. Rapid industrialization, urbanization, and infrastructure expansion created labour shortages that could not be met by domestic populations alone. As a result, Gulf countries turned to labour-sending nations in South and Southeast Asia, including Sri Lanka (International Labour Organization [ILO], 2021).

During the initial phase, Sri Lankan migrants were predominantly unskilled or low-skilled workers employed in construction, sanitation, and domestic service. Female domestic workers constituted a significant proportion of early migration flows. Over time, however, labour demand diversified, allowing semi-skilled and skilled workers to enter sectors such as electrical work, mechanical services, healthcare, and hospitality.

Saudi Arabia as a Major Destination Country

Saudi Arabia has consistently remained one of the top destinations for Sri Lankan migrant workers due to its large economy, population size, and long-term infrastructure investments. Labour migration profiles published by the Institute of Policy Studies of Sri Lanka (IPS) indicate that Saudi Arabia absorbs a substantial share of Sri Lanka's overseas workforce each year, particularly during periods of domestic economic instability.

The bilateral manpower relationship has been reinforced by geographical proximity, established recruitment networks, and long-standing diplomatic relations. These factors have enabled Sri Lanka to maintain a competitive position among labour-sending countries to Saudi Arabia.

Remittances and Economic Impact

Contribution to Sri Lanka's Macroeconomy

Remittances from overseas migrant workers represent one of Sri Lanka's largest sources of foreign exchange earnings. According to recent estimates, remittance inflows account for a significant share of Sri Lanka's gross domestic product (GDP) and play a vital role in financing imports and servicing external debt (Central Bank of Sri Lanka, 2023).

Saudi Arabia has emerged as the leading source of remittances among destination countries. In 2023 alone, over 63,000 Sri Lankan workers secured employment in Saudi Arabia, contributing approximately 15–20 per cent of total annual remittances, estimated at USD 7–8 billion (Arab News, 2024).

Household-Level Impacts

At the microeconomic level, remittances improve household income, reduce poverty, and enhance access to education, healthcare, and housing. Empirical studies indicate that migrant households exhibit higher consumption levels and improved resilience during economic shocks compared to non-migrant households (ILO, 2021).

During Sri Lanka's recent economic crisis, remittances from Saudi Arabia played a stabilizing role by mitigating foreign exchange shortages and sustaining domestic consumption, underscoring the strategic importance of the manpower relationship.

Current Dynamics of the Sri Lanka–Saudi Arabia Manpower Relationship

Shifts in Skill Composition

Although low- and semi-skilled workers continue to dominate Sri Lankan migration to Saudi Arabia, recent policy initiatives aim to promote skilled labour mobility. A key development in this regard is the Skill Verification Program (SVP), which covers 23 professional categories and facilitates recognition of Sri Lankan qualifications by Saudi employers (Arab News, 2024).

This program represents a strategic shift toward quality-based labour migration and reflects Saudi Arabia's evolving labour market needs under Vision 2030.

Recruitment and Institutional Engagement

Sri Lanka's participation in manpower roadshows, recruitment expos, and bilateral forums in Saudi Arabia has strengthened institutional linkages between public authorities and private recruitment agencies. These platforms facilitate employer–employee matching, improve transparency in recruitment processes, and enhance Sri Lanka's visibility as a reliable source of manpower (Ministry of Foreign Affairs, Sri Lanka).

Community and Welfare Initiatives

Migrant welfare has gained prominence within bilateral engagement. Sri Lankan diplomatic missions in Riyadh and Jeddah provide legal assistance, dispute resolution services, and community outreach programs aimed at safeguarding migrant rights and promoting social integration (Ministry of Foreign Affairs, Sri Lanka).

Policy Framework and Bilateral Cooperation

Bilateral Labour Agreements and Governance

Bilateral Labour Agreements (BLAs) and memoranda of understanding form the backbone of labour governance between Sri Lanka and Saudi Arabia. These agreements regulate recruitment procedures, employment contracts, dispute settlement mechanisms, and employer obligations.

Scholarly research highlights that while BLAs contribute to orderly migration, gaps remain in enforcement, gender sensitivity, and access to justice for migrant workers (Wickramasekara, 2022).

Labour Market Reforms in Saudi Arabia

Saudi Arabia's labour reforms—including the gradual dismantling of the Kafala sponsorship system—aim to enhance worker mobility and rights. Although implementation challenges persist, these reforms represent a significant shift in the legal framework governing migrant labour and hold important implications for Sri Lankan workers (Times of India, 2024).

Challenges and Issues

Skill Mismatches and Labour Rights

Despite policy improvements, many Sri Lankan migrants face skill mismatches, limited recognition of credentials, and vulnerability to labour rights violations. These issues are particularly pronounced among low-skilled workers.

Reintegration of Returnee Migrants

Returnee migrants often face unemployment, underemployment, and social reintegration challenges. Existing reintegration programs remain fragmented and under-resourced (Journal of Contemporary and Comparative Policy Studies, 2022).

CONCLUSION

The Sri Lanka–Saudi Arabia manpower relationship remains a cornerstone of both countries’ economic and labour market strategies. While Vision 2030 reforms and skill verification initiatives offer new opportunities, persistent challenges related to governance, welfare, and reintegration must be addressed. Strengthened bilateral cooperation, skills development, and evidence-based policymaking are essential for ensuring sustainable manpower mobility.

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