

Inwards and Internal Labour Migration: Patterns and Challenges in Sri Lanka

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Summary

Sri Lanka experiences both foreign inward labour migration and climate-induced internal migration, often involving movement from rural to urban or semi-urban areas. However, the mismatch between labour demand in the domestic sectors and the existing labour regulatory framework has resulted in persistent shortcomings in ensuring adequate protections for both internal and foreign migrant workers.

Examining the migration patterns within South Asia is important, particularly for smaller countries like Sri Lanka, which increasingly draws labour from larger neighbouring countries due to labour and skills shortages, notably in the agriculture and construction sectors. It is estimated that out of the 43 million South Asians living outside their home country, the majority are labour migrants, and as of 2020, [at least 10 million reside](#) within the region itself and are classified as cross-border labour migrants.

Significant internal migration also occurs within these countries, [driven](#) in part by climate-related factors such as floods, landslides, droughts and saline intrusion, as well as by human-induced conflicts, including human-wildlife conflicts. These dynamics often push rural labour, including those engaged in agriculture on a seasonal or full-time basis, into urban construction and other informal sectors. However, rigidity in the existing labour rights regime in Sri Lanka, which is unable to respond to the evolving labour demands in the domestic sectors, results in practical shortcomings in guaranteeing substantial protections for both foreign and internal migrant workers.

Infrastructure-led Development: A Booming Construction Industry

Despite slowdowns due to the COVID-19 pandemic and the 2022 economic crisis, Sri Lanka's construction industry is projected to have an [average annual growth rate](#) of six per cent from 2025 to 2028, making it crucial to Sri Lanka's economic growth. However, the industry grapples with [labour shortages](#), identified as one of their key reasons for delays in the progress of such projects. The [Construction Industry Sector Training Plan 2018-2020](#) of the Tertiary and Vocational Education Commission of Sri Lanka has highlighted the absence of cognitive, soft and job-specific technical skills among the labourers working in construction sites in Sri Lanka. To meet these skill gaps and labour shortage, contractors tend to hire foreign workers, especially from larger neighbouring countries. In some [large construction projects](#), hiring foreign workers is a mandatory component of the contract.

However, significant challenges exist in the process. For example, local construction workers have [protested on several occasions](#) against labour inequality and exploitation, claiming that they receive lower wages and fewer benefits than their counterparts. Sri Lanka [lacks a](#)

[database](#) on inbound migration and has limited ability to monitor illegal migrants due to the absence of a central data collection system. Additionally, foreign workers face difficulties in obtaining work permits and visas. The construction industry, in particular, lacks a [standardised procedure](#) for issuing these permits, and there have been reports of falsified licences. Moreover, [irregular practices are reported](#) to persist, such as individuals entering the country on tourist visas and engaging in employment, while others remain after their visas have expired. There is a lack of data on the proportion of foreign workers compared to local workers, particularly in medium-sized projects where South Asian labour is predominantly recruited. This data gap is significant because irregularities in labour practices vary across countries and poses major challenges to ensuring due regulation and labour rights.

Agriculture and Climate-induced Migration

Sri Lanka's agricultural sector also faces the issue of [labour shortages](#), especially during the harvesting season. The exodus of Sri Lankan labour overseas and to urban centres drives these labour shortages in rural areas, both in terms of skilled combined harvester operators and unskilled manual workers. This labour shortage is often filled by [South Asian labourers](#), due to their availability and at lower wages. However, these workers rarely come on work visas, leaving them vulnerable to exploitation and limited access to legal or social safeguards.

Rural communities in Sri Lanka are [vulnerable to adverse effects](#) of climate change leading to increasing intensity of floods, landslides, droughts and saline intrusion, which, in turn, further exacerbate the human-wildlife conflict, hamper productivity of land and drive revenue from agriculture downwards.

As traditional agriculture becomes increasingly unproductive and alternative rural livelihoods prove insufficient to enable survival and upwards social mobility, internal migration becomes a [last resort response](#) rather than an informed adaptation strategy for such communities. This leads to the emergence of a [distinct labour pattern](#) of rural migration to urban areas, such as in Colombo, Kurunegala and Anuradhapura, in search of alternative work, and to the export processing zones around the country which remain one of the main recipients of internal migrant labour. As these internal migrants lack formal skills and vocational training, they largely work as unskilled or semiskilled daily workers in sectors such as the small-scale construction sector, the apparel sector and the gig economy. Apart from the apparel sector, these industries lack formal regulation and protections for workers' rights.

Sri Lanka's migration landscape reveals significant inequalities in labour protections. The mismatch between labour demand in domestic sectors and the existing labour regulatory framework has led to persistent shortcomings in providing adequate protections for both internal and foreign migrant workers. Although internal migrants have stronger legal recognition than some foreign workers, the absence of regulation in the informal economy exposes them to exploitation and insecurity, particularly in urban cities. Many foreign migrants also face precarious employment conditions and limited access to protection

mechanisms. Addressing these disparities is crucial to establishing fair and inclusive labour rights for all workers within Sri Lanka's evolving migration context.

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