

Provision of Social Security for Informal Sector Workers in Sri Lanka

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Introduction

Ageing will be one of the most significant social transformations of the twenty-first century, which would create significant implications on the social security schemes and well-being of the elderly in Sri Lanka. The objectives of this study are to assess the population ageing trends and its' implications on existing social security schemes, which are offered to informal sector workers in Sri Lanka. The study was based on both primary and secondary data. Secondary data was collected from relevant State institutions, while primary data was obtained from eight key informant interviews with experts from academia and practitioners. Not collecting primary data from pensioners and defaulters, who were in the informal sector employment, is a limitation of the study.

Findings

Population of Sri Lanka reached 18.7 and 20.4 million in 2001 and 2012 respectively. As per projection results, the population is expected to increase up to 22.2 million in 2022 and to 24.9 million by 2042 (De Silva, 2015). Apart from the rapid decline in fertility, the increase in the life expectancy among the both sexes has become an additional factor in the ageing process. During the time of 1980-82, life expectancy of males and females had reached 67.7 and 72.1 years respectively and by 2011-2013 the corresponding figures have increased to 72.2 and 78.4 years respectively. The elderly proportion of 6.6 percent of the total population in 1981, increased to 12.4 percent by 2012. Between 1981 and 2012, the volume of the elderly has more than doubled from 1.0 million to 2.5 million, and is expected to increase to 5.2 million by 2037 (De Silva, 2015). The ageing trend is expected to create a significant challenge to the Sri Lankan society in which family based, traditional methods of looking after the senior citizens are dropping alarmingly. Therefore, there is a strong need for a comprehensive social security scheme to assure socio-economic well-being of the elders. Informal sector workers in Sri Lanka accounts for more than 58 percent of total work force and in agricultural sector itself, this accounts for 85.8 percent. (Department of Census & Statistics, 2018). Due to the poor economic situation, majority of them are vulnerable to misfortune and old age and fragment systems make the situation worse. There are five occupation-based pension schemes in Sri Lanka at present. The existing pension schemes are also characteristic of low coverage. The average monthly pension payment of informal sector schemes were all well below the poverty line. Almost all key informants

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emphasized the need for government action to address the issues faced by informal sector employees in order to provide them with a better social security during their old age.

Conclusion

The changing demographics in Sri Lanka together with an ageing population warrants special attention towards old age protection. Out of over 4.7 million workers in the informal sector, only 6 percent have been covered by contributory pension schemes. Hence, there is a possibility to draw the attention of the policy makers to plan new policies and amend the existing policies which fit to the current requirement and further to draw their attention to prepare a national policy on pension.

Keywords: *Ageing, Informal Sector, Self-employed, Social Security,*

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