PENSION FOR ALL

Concept

An strategic proposal to introduce universal social protection to overcome challenges of ageing population in Sri Lanka.

Department of Pensions
Maligawatte, Colombo 10.

PENSION FOR ALL: TOWARDS A NATIONAL PENSION FRAMEWORK

The Executive Summary

Sri Lanka is ageing. The ageing rate of Sri Lanka is unique. It is the highest among all the South Asian countries. Moreover, it is higher than many of the developing countries and shows similar patterns to the ageing ratios of developed countries. Sri Lanka is among the fastest ageing countries in the world. Accordingly, Sri Lanka's old age population is rising at a rapid rate where it is estimated that 24.8% of the population will be over 60 years of age by the year 2050.

Many studies suggest that only 15-25% of the labour force are eligible for suitable retirement benefits while Public Service Pension Program provides accounts for the coverage of 70% of them. Moreover, a majority of the elderly population is not getting adequate benefits from a proper social security program. Inadequate benefit distribution and low coverage have resulted not only to increase old-age poverty but also has affected the trends of the existing labour force. Thus, many active members in the working-age group demands for public sector jobs, putting extra pressure on the government budget.

On this outset, the country is in a critical juncture, where it is now required to make decisions to expand social security programs, increase coverage and reform funding mechanisms and introduce sustainable pension programs.

The Vistas of Prosperity and Splendour has proposed many reforms to the Social Security Sector in Sri Lanka. The stand-out proposal among them is to increase the retirement age. Yet, raising the retirement age will only ease the pressure on the national budget for a shorter period of time with reduced pension budget. However, managing this brief period will allow the government to introduce sustainable solutions to solve funding issues in Social Security programs, including the Public Service Pension Program.

The paper includes proposals towards initiating an economically sustainable social security scheme that provides 'Pension for All'. Recommendations include, a pension for the private sector employees, establish National Pension Fund, increase retirement savings and increase investment opportunities and achieve universal pension coverage within next few years and increase retirement age to 63 years based on scientific data analysis.

"Many policies that are desirable for economic reasons have not been implemented for political reasons" (James and Brooks 2001). In Sri Lanka; the previous governments attempted pension reforms in 2002,2011, and 2016. However, all attempts failed. Mistrust and political pressure from different political groups involved, resulted in public calls to withdraw all such efforts. Some of the proposals in this report were included in previous reform attempts as well. Thus, one could argue the significance of this report and what guarantees the success of the reforms. The paper derives from a political-economic analysis perspective. Accordingly, to achieve success in Pension reforms and to implement successful economic solutions, it is essential to act politically. Hence, the government should choose the right actors and reformers to lead the reform process and take actions corresponding to a strategic timeframe.

The Department of Pensions (Vodopivec), was always in a focal point in all pension reform attempts during the last two decades. However, non of the reformers consulted DoP. Nevertheless, DoP has continuously engaged in studying various pension programs all around the world. Furthermore, DoP has practised several findings under Private-Public Partnerships programs offering financial, insurance, health assistance to the Pensioners community. By doing so, DoP has developed a tacit knowledge on old age needs, and methodologies that could achieve those needs. Accordingly, the proposal was developed carefully after considering all aspects of economy, demography, social security aspects and politics of pensions. DoP strongly believes that this is a golden opportunity to establish a comprehensive social security system and let go of weak welfare economy strategies. Hence, if an opportunity is presented, DoP shall provide its fullest corporation and assistance to the government to champion social protections strategy of the government.

Effort

The Department of Pensions(DoP) has continuously engaged in studying and understanding the global and national trends in the pension programs. Accordingly, DoP has engaged in its staff to research pension systems globally and identify the issues with the existing pensions schemes in Sri Lanka. In 2015, DoP organised an International Symposium to mark the National Pensioners Day about National Pensions Framework where experts from many sectors participated and discussed the real need for pension reforms in Sri Lanka. Further, in 2018 DoP organised a technical session and discussed possible pension reforms for Sri Lanka. Also, DoP staff members have studied why the pension reforms failed in Sri Lanka.

Preliminary documentary/documents/Papers prepared

- International Symposium 'Towards National Pensions Framework', video documentary: http://pensionersday.blogspot.com
- Pensions for All – Article, National Pensioners Day 2019
- Increasing the retirement age (From a public sector perspective) – Summary Report

Data Sources

Annual reports of Central Bank of Sri Lanka

United Nations World Population Prospects database

Department of Pensions' Payment database

ILO Social Security Floors

Life Tables and Healthy Life Expectancy (HALE) Data by WHO

Sri Lanka Employment Diagnostic Study, ADB

Objectives

The **Vistas of Prosperity and Splendour** has suggested many retirement policy reforms. It includes proposals to increase the retirement age, ensure pension rights for the government employees, offer pension benefits for the private sector and provide social security benefits for all older people in Sri Lanka.

Therefore, the purpose of this report is to provide technical support and strategic guidance to the government to implement much-needed pension reforms and enforce minimum social security standards in Sri Lanka.

Accordingly, the report aims at following objectives;

- Ensure the sustainability of the Public Service Pension Program.
- Introduce a Pension program for Private Sector Employees.
- Increase individual and government Savings.
- Ensure Universal Coverage of Pensions.
- Strengthen Social Security in Sri Lanka.

Pension Programs in Sri Lanka

Sri Lanka is ageing. The ageing rate of Sri Lanka is unique. It is the highest among all the South Asian countries. Moreover, it is higher than many of the developing countries and shows similar patterns to the ageing ratios of developed countries. Sri Lanka is among the fastest ageing countries in the world. Accordingly, Sri Lanka's old age population is rising at a rapid rate where it is estimated that 24.8% of the population will be over 60 years of age by the year 2050.

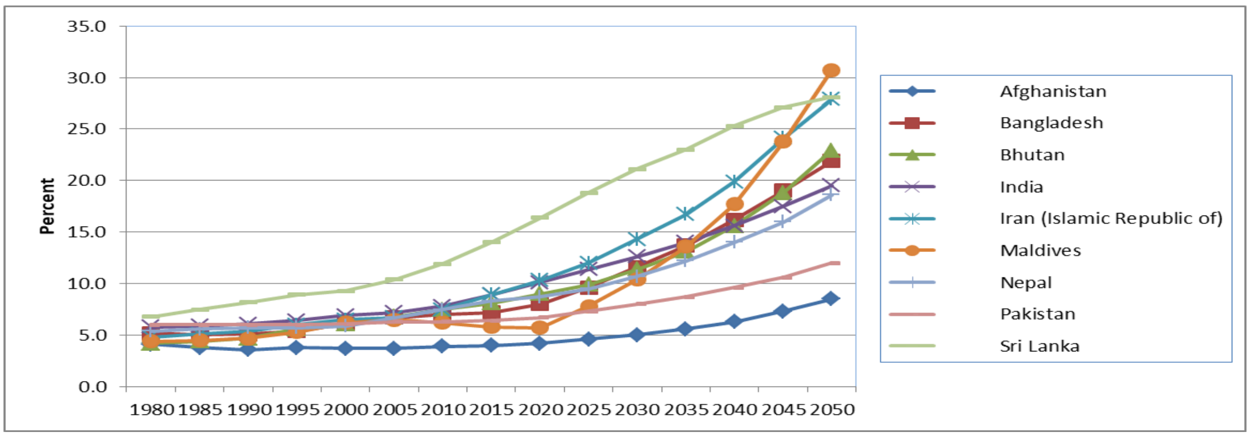


Figure 1: Percentage of over 60 population in South Asian Countries (Source: World Population Prospects)

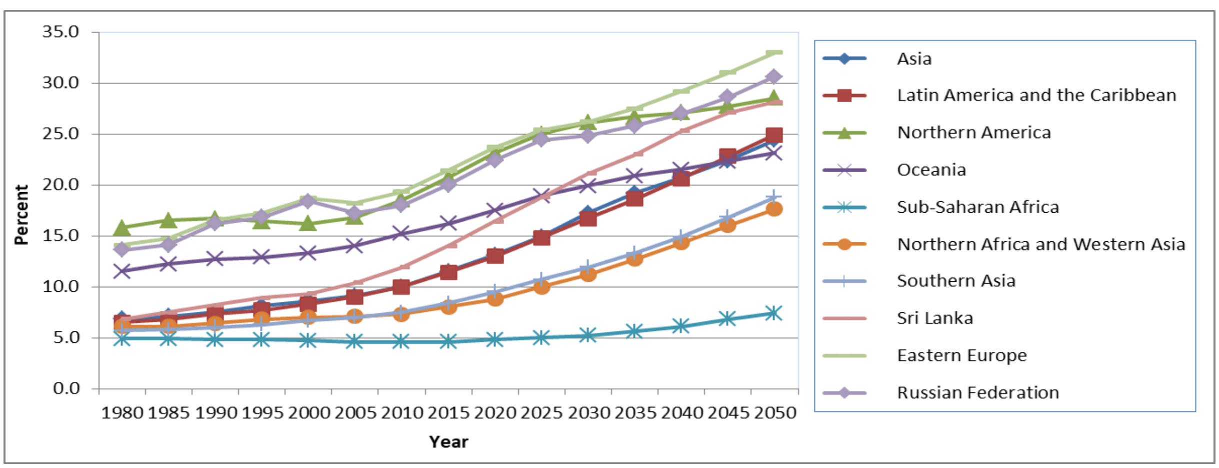


Figure 2 Percentage of over 60 population by region (Source: World Population Prospects)

On the other hand, the population that participates in the active workforce is declining. The human capital is the thriving force of Sri Lanka's economy. During the past decade, the labour force kept on rising due to increased women participation. However, since the total number of working-age population declines, there is a high possibility that the labour force will eventually start to fall in the next few decades. The Asia Development Bank (ADB) report on Sri Lanka Employment Diagnostic Study suggests that the labour force will decline to 7.5 million by 2045 from 8.2 million in 2019.

	Total
2011	7601405
2012	7497998
2013	7681279
2014	7700489
2015	7830976
2016	7947683
2017	8208179

Table 1 Labour Force Sri Lanka (Source: CBSL)

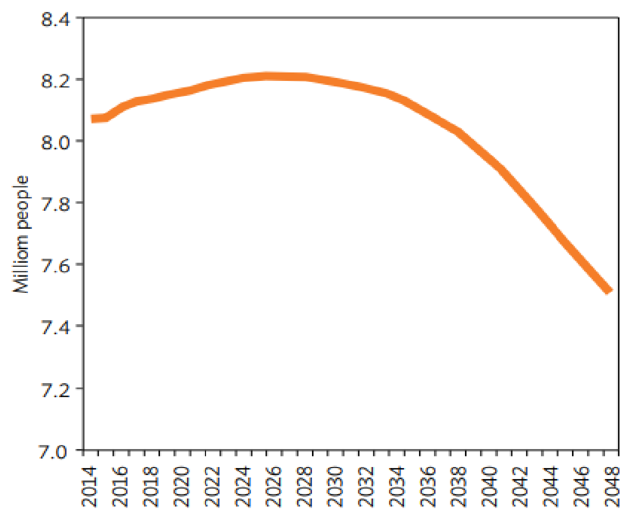


Figure 3 Sri Lanka Labor force projection (2014-2048) (Source: Sri Lanka Employment Diagnostic Report, ADB)

Progress in the health sector and health education has resulted in declined birth rates and increased longevity. It has unbalanced the population distribution among age groups and has resulted in high old-age dependency.

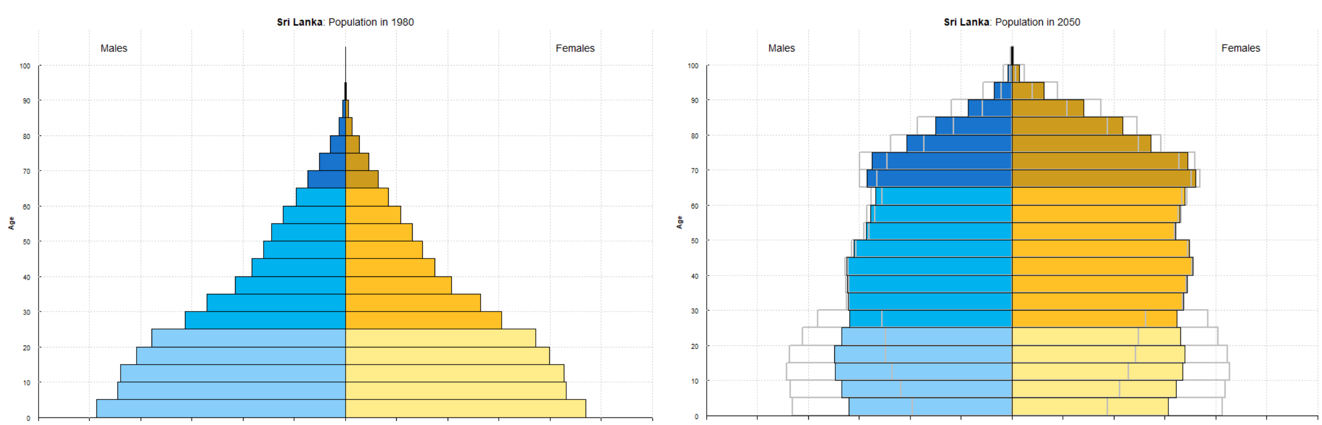


Figure 4 Demographic Shift in Sri Lanka (1980-2050) (Source: World Population Prospects)

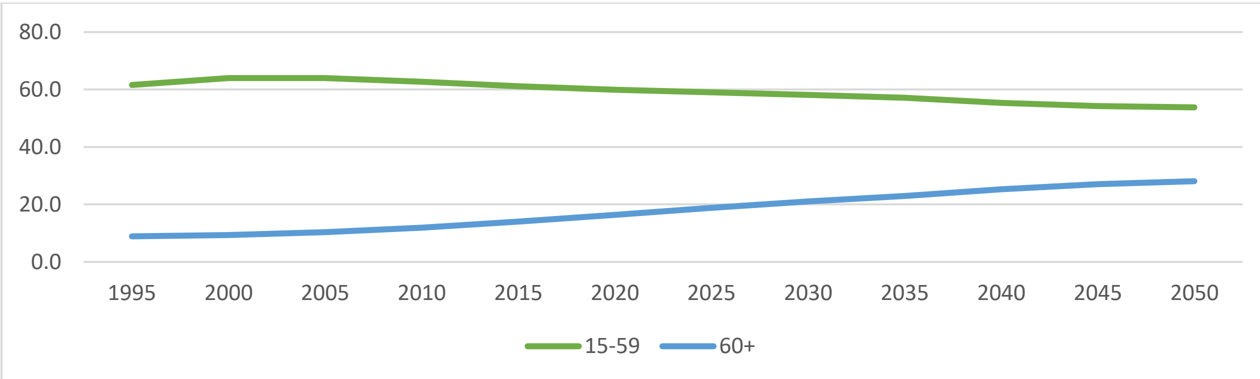


Figure 5 Population percentage change by age group in Sri Lanka (Source: World Population Prospects)

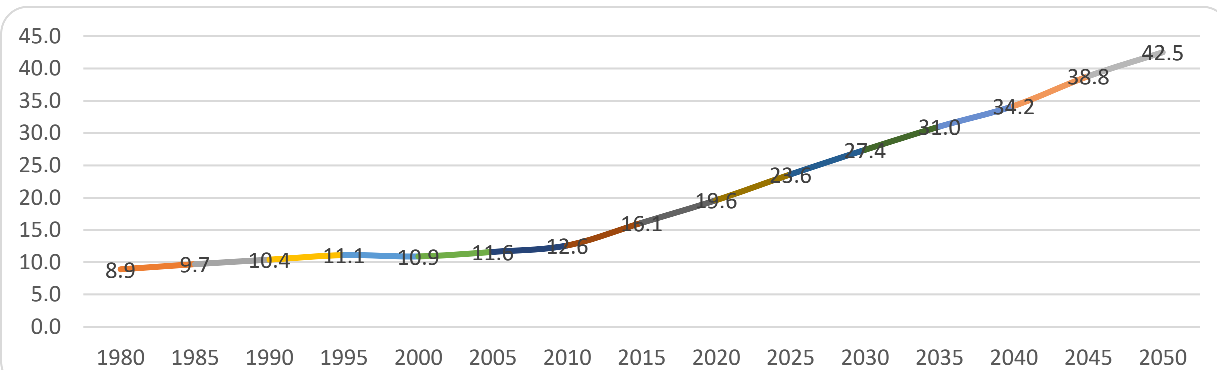


Figure 6 Old age dependancy ratio Sri Lanka (65+) (Source: World Population Prospects)

The demographic shift affects the economy in multiple dimensions. When the labour force decline, per-capita growth will lower. Employees will demand higher salaries. On the other hand, as the old age population increases, the demand for their existence will increase. It requires more health and welfare budget to look after the elderly.

Sri Lanka has several Old-age security programs. Most of them are employment-based. The Biggest such program is the Public Service Pensions Scheme, which provides lifelong pension benefits to its clientele. The EPF has the largest membership among all the pension programs. It is mandatory for all formal private-sector employees. And there are Farmers Pension Program, Fishermen Pension Program and Self-employed Pension Programs targeting the informal sector employees. However, the coverage provided by the old-age income security support schemes is not enough to match the increased Old age dependency.

Employment Category	Percentage of Labour force (2018)
Public Sector	14.5
Formal Private Sector	43.4
Employers	2.8
Own Account workers	32.3
Unpaid Family Workers	7.2

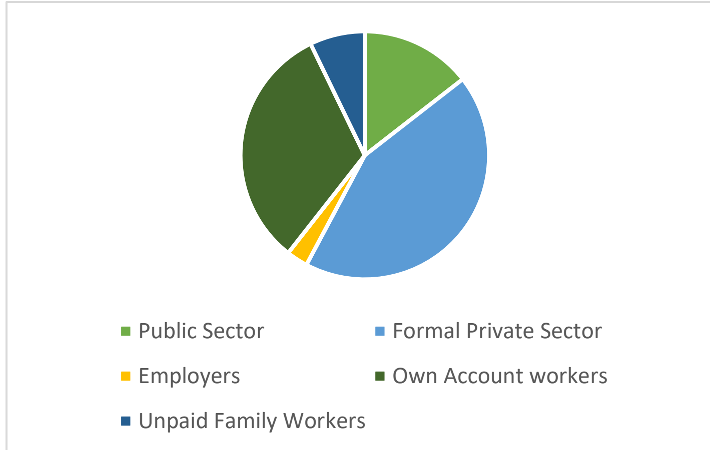


Table 2: Employment by Category CBSL Statistics Report 2019

Program	Number of Active Members	Percentage of labour force covered	Percentage of the Working-age population covered
Public Service Pensions Scheme	1,179,649	14.3	9.2
EPF	2,800,000	34.1	21
Farmers Pensions Program	957,000	11.6	7.47
Fishermens Pension Program	68915	0.8	.5
Self Employees Pension Program	715,013	8.7	5.58
Total		57.9	43.75

Table 3: The coverage of different Old-age Income Security Schemes in Sri Lanka (Source : CBSL report 2019, EPF 2018.12.31, AAIB annual report 2016, SSB 2019.12.31)

Only the Public Service Pension Scheme provides adequate benefits for its membership. The maximum benefits it offers may have a 90% replacement rate. Furthermore, the coverage of the program is 100%. Moreover, the Public Service Pension Scheme provides lifetime benefits to the pensioner plus benefits to the spouse and younger/ disabled children.

The EPF, which has the most massive clientele, provides a lumpsum payment at retirement. However, EPF does not offer an annuity plan. Siddhisena (2005), says that many tend to invest their retirement benefits in their children's future rather than on their old age security. Thus, there is a serious concern whether the EPF retirement benefits are rightly invested in Old Age Income Security.

Also, the existing education system does not provide sufficient knowledge of investment and income planning. Thus, due to lack of knowledge and traditional trust in the family support system, many EPF members tend to use their savings on other matters apart from old age income security.

The Pension programs which target the informal sector(Agriculture, Fisheries & Own account workers) does not provide a sufficient income after retirement. Many programs only offer marginal benefits to the poverty line.

Traditionally, the Sri Lankan society is the biggest provider for the elderly community. Accordingly, many families look after their elders in a cultural bond (Siddhisena 2005). However, with the descaled traditional way of life due to the capitalist economic system, the society's capacity to look after the elderly becoming weak.

The above table suggests that around 44% of the working population is covered with an old-age income security program. Although, many studies indicate that the effective coverage of those programs is only 15-25% of the working-age population (Nisha Arunatilake 2015, Gamanirante 2007).

In summary, Sri Lanka is ageing. One in every four people will be over 60 by 2045. Accordingly, Sri Lanka should review its social protection strategy. The existing pension programs of Sri Lanka only covers less than a quarter of the working-age population, leaving the majority of the society uncovered. Pension packages available for own account workers such as farmers, fishermen, shop workers do not provide adequate benefits.

Moreover, larger employment groups such as three-wheeler drivers, taxi drivers, daily paid workers are not covered by a pension package. Although EPF covers the formal private sector, its members lack knowledge and opportunities to convert their benefits to annuity package to ensure old age income security. Only the Public Service Pension Scheme provides adequate benefits. Therefore, to manage the drastic demographic shift and overcome the challenge of ageing in Sri Lanka, reforms should be made to existing old-age income security plans to increase coverage and offer adequate pension benefits.

Public Service Pension Scheme

Public Service Pensions Scheme is the most established pension program in Sri Lanka. It offers a lifetime pension for the government officers and their families.

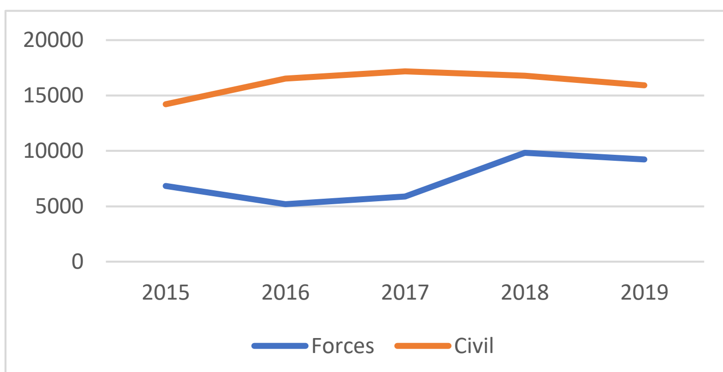
The Department of Pensions (DoP) is the solely responsible government authority to manage the public sector pension schemes. Accordingly, DoP executes the provisions of the minutes of pensions, Widows and Orphans Pensions (W&OP) Act and the tri forces pensions and W&OP act. The number of Pensions under this scheme 650,000 in September 2020. 19.5 Billion rupees were transferred to the pensioner households through the pension distribution process. It is the largest money transaction operation carried out by any government department in Sri Lanka. Overall the department's annual budget reached 250 Billion rupees in the year 2019, making it harder for the government to manage pension finances.

The public service pensions scheme is unfunded, defined benefit pension program. However, it is coupled with the Widows and Orphans pension program, which is a contributory, defined benefit pension program. Accordingly, every potential pensioner contributes 6% or 7% of their monthly salary to the W&OP pension scheme. Nevertheless, the W&OP contributions were never managed as a pension fund.

Pension is the main attraction for the government sector jobs. The security it provides is unmatchable. Accordingly, most people in the working-age, seek public sector employment. As a result, the number of retirements in a year increases every year, further extending the cost of pensions.

Year	Forces	Civil	Total
2015	6821	14212	21033
2016	5188	16523	21711
2017	5873	17181	23054
2018	9829	16797	26626
2019	9215	15924	25139

Table 4: Number of retirements by year (Source: DoP)



The cost of public service pensions increases every month. However, it has remained under 2% of the GDP consistently for the last five years.

Year	Share of GDP (%)	Share of Recurrent Expenditure (%)
2015	1.4	10
2016	1.4	10
2017	1.3	9
2018	1.4	9
2019	1.5	10

Table 5:Pension expense as a share of GDP (Source: CBSL Annual Reports)

Nevertheless, the annual pension budget has increased by rapidly during the last five years.

Year	Number of Pensioners	Annual Pension Cost (Rs)
2015	560,462	146,944,713,072.73
2016	579,508	163,836,243,102.93
2017	600,867	172,684,230,945.69
2018	621,905	181,833,118,566.26
2019	639,984	202,739,235,470.00

Table 6: Annual Pension Cost (Rs.) without gratuity and tri forces salary costs (Source: DoP)

Due to the advancement of the health conditions in Sri Lanka, life expectancy is rising. Accordingly, the number of years a pension is paid to a pensioner is increasing (retirement lifetime). At present, the average retirement lifetime is about 20 years. Also, the average number of years of service of the pensioners is 27.5 years. However, with increasing longevity, the lifetime of a pension is to grow further, thus increasing the cost for a pension further.

Age Range	No of Pensions
Over 100	232
95-100	2153
90-95	10647
85-90	27310
80-85	51221
75-80	70225
70-75	95001
65-70	105221
60-65	102817
55-60	37734
Below 55	148931
	593649

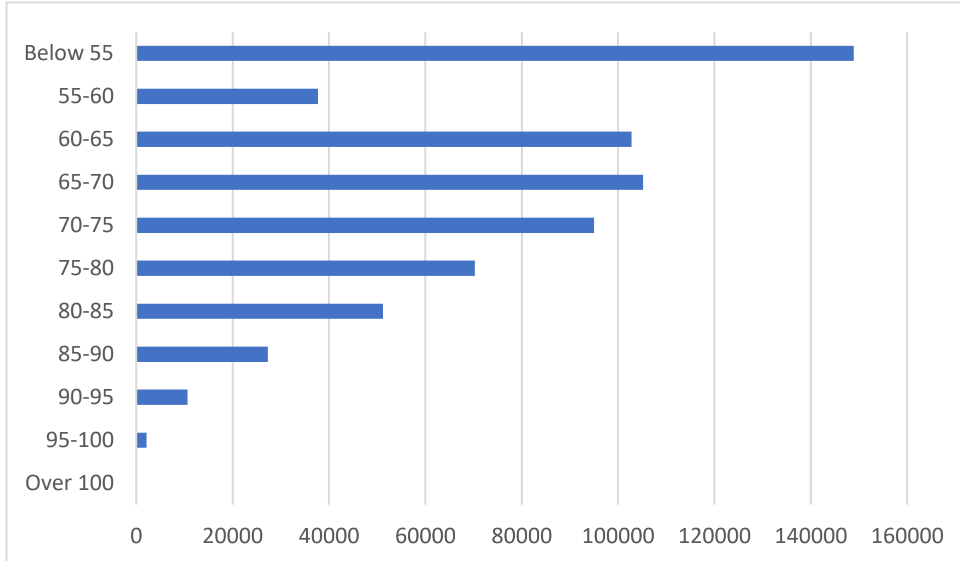


Table 7: Number of Pensions by Age group

The members of the armed forces retire before reaching the retirement age 55. Most armed forces members join the pensioners' community at the age of 40-45. Therefore, the pension lifetime of an armed forces pension is higher than the civil Pension. Thus, the average armed force pensioner receives a pension for more than 30-35 years for a service of 22 years.

However, the route cause for the rapid increase of the pension bill was not the longevity or the increasing number of pensioners. In 2015 and in 2019, the government made two pension revisions applying present wage rates for the previously retired pensioners increasing the Pension of previously retired pensioners.

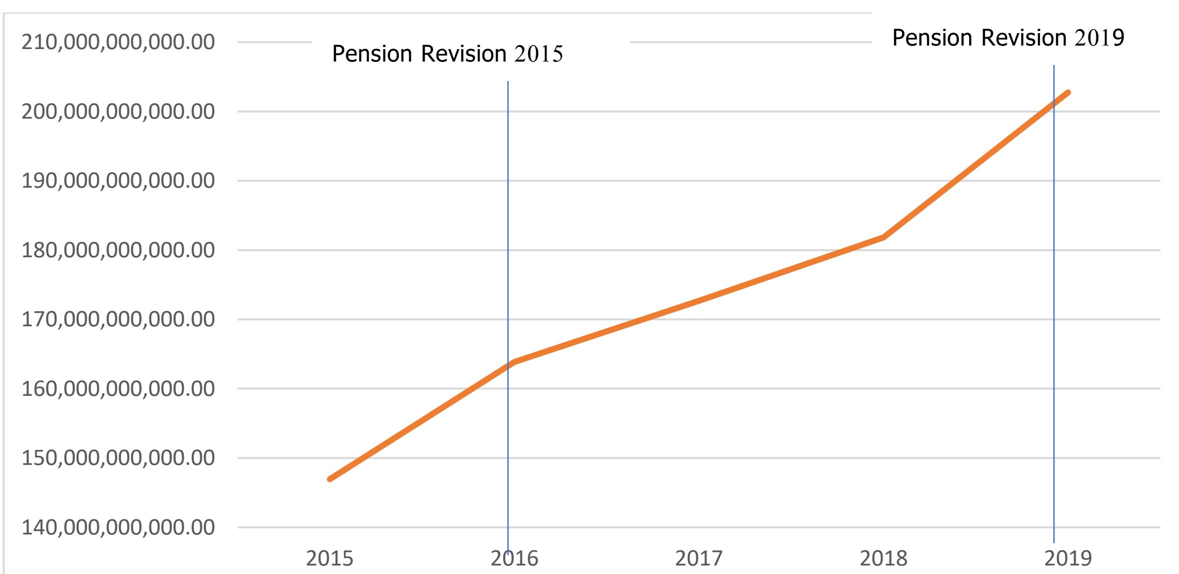


Figure 7: Annual Increase of Pension Cost (Rs.)

The luxurious benefits that offered by the Public Sector Pension Scheme have attracted many to the Public Sector. The recent recruitment of 60,000 graduates to the government sector is an example that exemplifies the interest of the labour force. The growing demand for the public sector will result in deteriorating the private sector, which is the thriving force of the country's economy. Furthermore, the most significant future challenge for the government will be managing the increasing pension bill.

Pension Payment	Amount (Rs)
Civil Pensions	154,170,526,859.00
WOP Pensions	48,408,490,938.00
Forces Disable Salary	33,636,536,738.00
Rail Warrants	141,272,708.00
Gratuity Payments	35,949,947,293.00
Administrative Expences	684,976,906.00
Postal & Printing	18,944,965.00
Total	273,010,696,407.00

Table 8: Annual Pension Cost 2019 (Source: DoP)

PENSION REFORMS: AN POLITICAL ECONOMY ANALYSIS

In 1952, the International Labour Organisation (ILO) defined the minimum standards for social security under ILO convention 102 (C102). Accordingly, the ILO member states should enforce basic social security principles under nine branches of social security. They are;

1. Medical Care
2. Sickness Benefits
3. Unemployment Benefits
4. Old-age Benefit
5. Employment Injury Benefit
6. Family Benefit
7. Maternity Benefit
8. Invalidity Benefit
9. Survivors Benefit

The convention encourages to design social security programs that provide benefits universal basis. Under article four of the convention, the member states were required to secure minimum income security to all older people over 65 years of age. In 2011 the international labour conference recognised ILO C102 as a benchmark reference to the social security development of the country. Based on that, ILO introduced convention 202 (C202) in 2012 and defined Social Security Floors. In the convention, it says that the right to social security is a human right and social security is a powerful tool to reduce poverty, inequality, minimise social exclusion and promote equal opportunity and support to transition from informal to formal employment. Furthermore, Social Security is an investment on the people and empowers society to adjust to social changes and reduce the economic risks.

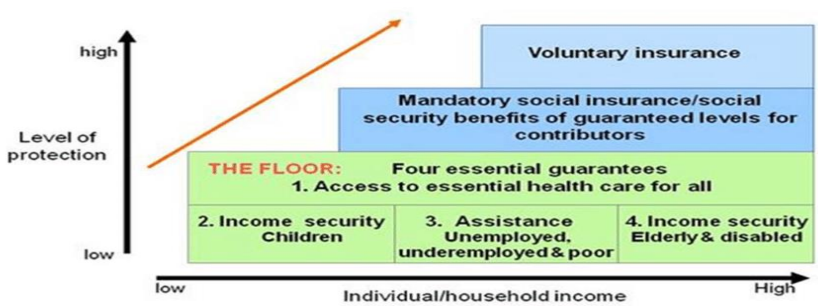


Figure 8: ILO Social Protection Floors

Although the idea of Universal Social Protection is attractive and beneficial for the progress of society, achieving such a system is not that simple. Implementation of such policies requires reforms to the existing systems and unbalance the powers of different groups in the economic class system. Therefore, it is essential to understand the existing structures before going into proposals.

Sri Lanka has more welfare programs than Social Security programs. The biggest Social Welfare program is the Samurdhi program. Elders Assistance program targets the elders in poverty. The disabled Allowance program, Social Welfare allowance program and the program to cover Cancer, Kidney diseased people (CKDU) are among the other main welfare programs. Those programs offer benefits to nearly 2,500,000 people. However, the budget to pay 650,000 Pensioners, exceeds the total government welfare budget by far.

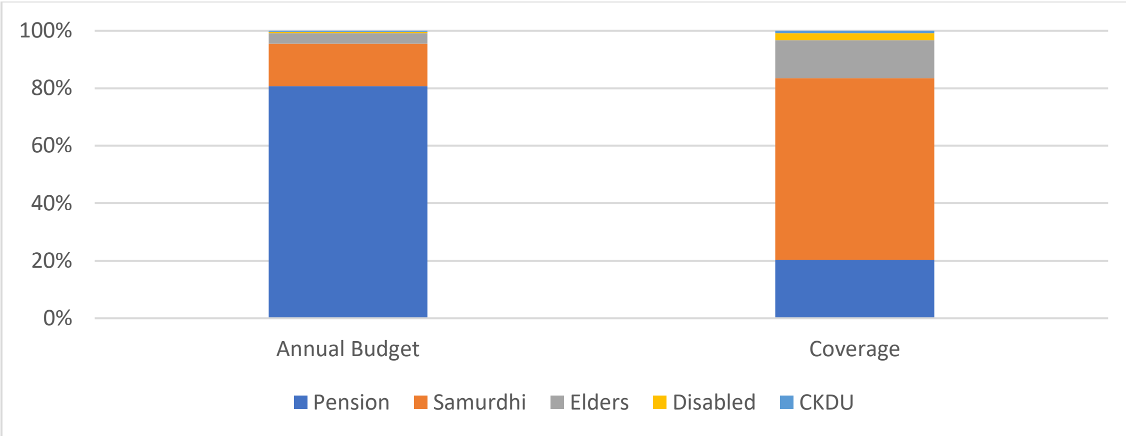
Public Service Pension Scheme is a Social Security program. Public Service Pension is a promise made by the government for the public sector employees. The contract is made at the beginning of the employment where the appointment letters of the public sector employees, define that they are eligible for a pension under the pension minute. Therefore, it is part and parcel of the agreement between the government and the public sector employee.

But, the Public Service Pension program is unfunded. Therefore, it accounts for a huge portion of the entire government budget. More precisely, it is the third highest recurrent expenditure item next to government sector salaries and the loan repayments.

The government must rethink its social security and social welfare strategies. Majority of the social welfare benefits are well below the poverty line. Hence, current welfare programs have a very low impact on economic progress. They provide minimum support for the beneficiaries to come out of poverty. On the other hand, there are no sufficient Social Security programs to cover the population. The only program that provides good benefits is the Public Service Pension Program. However, it covers less than 10% of the working-age population and is unfunded. Hence, the government has to bear the heavy financial burden of the Public Sector Pension Scheme. Thus it limits the government's capacity to fight poverty.

Program Name	Annual Budget (Rs Million)	Coverage	Per head cost per month(Rs)
Pension	199,543	612,000	27,170.89
Samurdhi	36,700	1,900,000	1,609.65
Elders	9,007	400,000	1,876.46
Disabled	1,082	72,000	1,252.31
CKDU	868	24,600	2,940.38
Total	247.2	3,008,600	34,849.69

Table 9: Distribution of government tax money (Source: Budget report 2018)



"Many policies that are desirable for economic reasons have not been implemented for political reasons" (James and Brooks 2001). Unlike early 1990s implementation of economic policies are very complex and highly contested. Correspondingly, in Sri Lanka, the recent attempts to introduce new policies and to reform existing Pension Programs failed.

Application of Critical Political Economic Analysis approach (Hutchison et al. 2014) helps to understand the class hierarchies of the present capitalist society, that cause contestation over the distribution of resources. Individuals are placed in social classes according to their economic position. Moreover, political power is defined according to the economic positioning of the social classes. Accordingly, dominant political classes are the ones that remain at the top of the economic structure while the subordinate classes are lower in the structure.

Similarly, the pensioners, who are a small group, has the power to influence the government compared to the people who are poor and vulnerable. Accordingly, they were able to influence the government to make six pension hikes from 2000 to 2020.

Moreover, in 2003 and 2016, the government attempted to reform the Public Service Pension Scheme. Yet, both attempts failed since the organised and robust government sector employees objected the reforms. Moreover, the image of the governments severely damaged during the attempt for pension reforms.

In 2011, the government planned to introduce a new pension program for the private sector. The idea of Pension for Private Sector was widely accepted in society. Yet, the government intention was to drive the employees to contribute an extra 3% for a new Pension fund. Private-sector employees did not accept it. Hence, the proposal was withdrawn by the government following massive protests.

However, there was less demand from the groups of people who represent the informal sector for more benefits out of the system. Majority of the estate workers, three-wheel drivers, bus drivers, conductors, people who engaged with foreign employment, housemaids, small retail workers, own-account workers are not covered by any social protection program nor receive any Social Assistance. Even though there are programs for farmers and fishermen, those programs failed to attract many eligible groups. However, they all pay taxes.

Reforms create 'winners' and 'losers'. When one group become more powerful in the capitalist system, other groups get weaker or stronger, respectively. Therefore, reforms are political. Hence, strategic engagement with social groups is the best method to implement reforms in this capitalist society.

However, in previous attempts, the reformers did not consider the Political Economy of the Pension Reforms. In all occasions, the technocratic agencies such as Ministry of Finance and Ministry of Policy Development; led all the pension reform initiatives under government direction. Especially in 2003 and in 2015, pensions were framed only as a financing issue and reforms primarily focused on establishing a contributory pension fund. However, these technocratic agencies underestimated the power of the government sector to influence political decision making.

Pension is not a problem of one segment of the society. It impacts every one of the society. Even though the Public Service Pension Scheme provides benefits for the government employees, the entire population contributes to the program via taxes. Although EPF is funded by the employees and employers, 97% of the fund is invested in treasury bonds. Moreover, having a pension or having a lump sum creates financial activities that affect the economy. Likewise, every pension program is connected not only with its beneficiaries but with everyone in society. Hence, every decision towards pension reforms must consider all the reactions of the different groups in society.

The proposals made in this paper has considered the structural positioning of different groups in the Sri Lankan society. Further, the recommendations respect different interests of different groups, and none of the proposals attempts to take away the existing luxuries they already enjoy. The recommendations made here are strategically focused on redistributing the social security benefits productively. Furthermore, the recommendations appeal for increased savings and effective fund management that could flourish the economy.

Proposals

1. INCREASE THE RETIREMENT AGE TO 63 YEARS

The retirement age affects the entire labour force. At present, the default retirement age for the government sector is 55 Years. However, government employees could work up to a maximum of 60 years of age. In the private sector, although, there is no maximum age limit. But, they can apply for EPF benefits at the age of 55. Female employees in the private sector can apply for EPF benefits at the age of 50. Therefore, at present, different Old Age Security Systems, define the age of retirement in different ways.

Increasing pension costs has forced the government to consider increasing the retirement age. Longevity has increased the retirement lifetime. Hence, the pension benefits must provide for the pensioners to live the extended retirement life.

In the public sector, pensioners receive pension benefits through unfunded Public Service Pension program. Therefore, when the retirement life is extended, the government must pay the Pension for an extended period. Hence, Pension Cost rises.

In the private sector, EPF provides a lumpsum benefit. The pensioner must manage the EPF benefits for the extended retirement life. Therefore, when the retirement life increases, the amount that a pensioner could use for a month reduces.

However, the principal welfare provider for the elderly in the Sri Lankan society is society itself (Siddhisena, 2005). Most elders are looked after by their children in a family support system. Therefore, when longevity increases, families will have to invest more in their elders.

In a broader perspective, the increasing elderly population increases the dependency ratio. Therefore, the pressure on the labour force increases. Therefore, defining the retirement age should focus on maintaining a manageable dependency ratio and a manageable retirement life period.

Moreover, the retirement marks that a person could not work due to not fit for work either for being old or for some other reason. On the other hand, having a healthy retirement life is also essential. Therefore, the retirement age should imply how long a person could work while securing a reasonable retirement lifetime.

According to World population prospects database, the life expectancy of an average Sri Lankan at the age of 60, has increased from 17 years in 1970 to 20 years in 2010. And it is expected to rise further in the coming years.

Location	1980 - 1985	1985 - 1990	1990 - 1995	1995 - 2000	2000 - 2005	2005 - 2010	2010 - 2015	2015 - 2020	2020 - 2025	2025 - 2030	2030 - 2035	2035 - 2040	2040 - 2045	2045 - 2050
Afghanistan	13.59	14.15	14.59	14.95	15.29	15.68	16.10	16.40	16.68	16.93	17.17	17.42	17.67	17.95
Bangladesh	14.12	14.67	15.47	17.53	17.94	18.38	18.87	19.30	19.94	20.56	21.15	21.73	22.31	22.88
Bhutan	14.63	15.30	16.10	17.00	18.03	19.18	20.16	20.82	21.42	21.95	22.44	22.91	23.36	23.79
India	14.68	14.75	15.44	16.15	16.58	17.01	17.63	18.02	18.34	18.66	19.00	19.34	19.70	20.07
Iran	15.49	16.80	17.00	17.65	18.48	19.13	19.39	19.82	20.44	21.07	21.70	22.31	22.93	23.55
Maldives	14.44	14.61	15.21	16.62	18.04	19.09	20.10	21.26	22.31	23.29	24.19	25.02	25.78	26.43
Nepal	14.18	14.70	15.29	15.87	16.36	16.74	17.17	17.61	18.07	18.52	18.99	19.51	20.03	20.57
Pakistan	16.96	17.12	17.29	17.31	17.35	17.34	17.74	17.73	17.84	17.92	18.03	18.14	18.28	18.43
Sri Lanka	18.33	18.32	18.39	17.32	20.04	20.42	20.77	21.10	21.63	22.16	22.69	23.23	23.80	24.37

Table 10: Life expectancy at the age of 60 (Source: United Nations World Population Data)

With the increased longevity, the retirement lifetime has also extended.

Year	Life expectancy at 60	Retirement age	Average Retirement Lifetime
1970-1975	17.06	55	22.06
1975-1980	17.52	55	22.52
1980-1985	18.33	55	23.33
1985-1990	18.32	55	23.32
1990-1995	18.39	55	23.39
1995-2000	17.32	55-60	17.32-22.32
2000-2005	20.04	55-60	20-25
2005-2010	20.42	55-60	20-25
2010-2015	20.77	55-60	20-25
2015-2020	21.10	55-60	21-26
2020-2025	21.63	55-60	21.5-26.5

Table 11: Retirement Lifetime of a Public Service Pensioner, Sri Lanka (Source: Analysis based on life expectancy at 60)

There is no mandatory retirement age for the private sector. However, the government made compulsory retirement age to 55 in the year1970 for the Public Sector. Then in 1996, it was extended to 60 years. Therefore, the retirement life of a public servant was always around 20 years.

Defining the retirement age should also consider the health factors. Longevity, itself does not indicate the health conditions of the subjected population. Life expectancy only considers mortality records in its calculation. Therefore, although life expectancy can be used to understand how long a person could live, it does not define how long a person could live with good health in a given country/ society.

World Health Organization introduced Healthy Life Expectancy in 2006 (HALE). It represents, 'average number of years that a person expects to live in "full health" by taking into account years lived in less than full health due to decease or injury'.

Country	2000	2005	2010	2015	2016
Sri Lanka	14.3	15.5	15.5	15.9	16.1
Australia	18.3	19.1	19.7	20.2	20.4
Bangladesh	12.8	13.2	13.7	14.5	14.7
China	14.6	15.2	15.4	15.6	15.8
France	18.4	19.1	19.8	20.4	20.6
India	11.5	11.8	12.4	12.8	12.9
Singapore	17.5	19.1	20	20.8	21
United Kingdom	16.9	17.7	18.8	19	19.2

Table 9: Healthy Life expectancy at the age of 60of Sri Lanka compared to Other countries in the world (Source: World Health Organisation)

Sri Lanka has a higher HALE compared to its South Asian contingents. However, it is lesser than the developed nations. Yet, Sri Lanka has a good HALE score.

South Asian Country	Life expectancy at the age of 60	Retirement Age	Retirement Lifetime
Afghanistan	16	65	11
Bangladesh	19	59	20
Bhutan	21	60	21
India	18	60	18
Iran	20	55-60	20-25
Maldives	21	65	16
Nepal	18	55-60	18-23
Pakistan	18	60	18
Sri Lanka	21	55-60	21-26

Table 10: Comparison of Life expectancy at the age of 60 and the retirement age, South Asian Region (Source: United Nations Population Database)

It is also important to consider what other countries maintain a retirement lifetime. Most developed countries recently increased their retirement ages. Yet, most of the South Asian countries still maintain traditional standard retirement ages.

Country	Life expectancy at the age of 60	Retirement Age	Retirement Lifetime
Sri Lanka	**21**	**55-60**	**21-26**
Australia	25	67	18
China	20	60	20
United Kingdom	24	65	19
France	26	67	19
Singapore	25	67	18

Table 11: Comparison of Life expectancy at the age of 60 and the retirement age (Source: United Nations Population Database)

Sri Lanka has a high retirement lifetime compared to both South Asian countries and the Developed countries. Most of the countries, tend to maintain a retirement lifetime below 20 years. Accordingly, it would be appropriate to keep a retirement lifetime of 20 years (Which is still a higher retirement lifetime) for the next decade.

Base Year	Life expectancy at the age of 60	Proposed Retirement lifetime	Proposed Retirement Age
2020	21.63	20	62
2025	22.16	20	63
2030	22.69	20	63

Table 12: Proposed retirement age for 20 years of average retirement lifetime

Recommendations

Increase the retirement age to 63 in 2021 and reconsider to revise the retirement age in 2030.

Benefits

When the retirement age is extended, the number of people who contribute to the GDP growth will be increased. Since the employees going to work for a much more extended period, the government could get additional workforce strength.

2. PENSION FOR PRIVATE SECTOR

The Private Sector is the thriving force of a neoliberal economic model. Sridharan (2004) explains how important is the private sector in a country's development process. In Sri Lanka, the face of the private sector has changed drastically during the last two decades. Booming ICT and telecommunication sectors have attracted new educated cohort to the private sector, shifting the countries traditional production-oriented economy to a service-oriented economy. Hence, it is the government's responsibility to facilitate and protect the private sector.

The private sector offers attractive salaries to their employees. However, the government sector still attracts many people, even though they were offered a lower salary. The main reason for this is the Public Sector Pension Scheme.

Except for few who are the members of privately managed pensions schemes, general private-sector employees are not eligible for pensions. But they all are members of the most significant savings and investment fund in Sri Lanka. Accordingly, many employees secure enough money to live their retirement life. However, due to the lack of pension products and lack of knowledge in financial management, many of the private sector employees face financial difficulties later into their retirement life.

Majority in the private sector are very keen to have a pension plan. The government highlighted the importance of having a pension scheme for the private sector. In 2011 the government brought up a proposal to introduce a pension scheme for the private sector.

The 2011 proposal included establishing a new fund parallel to EPF. But, the reformers failed to justify why the private sector requires a separate pension fund when they already have EPF (20% contribution). Moreover, it did not state how the pensions will be calculated and who is going to pay out the annuity. Massive trade union actions erupted against the new pension fund, and protests ended up with one person being shot dead at a protest forcing the government to withdraw the proposal.

The demand for a pension program for the private sector is still valid in the present context. Pension is one of the main influences for private-sector employees to give up their highly paid salaries and join the public sector. Moreover, if the EPF money adequately invested, the private sector employees could receive a better pension than the public sector employees.

Recommendations

1. Introduce a Pension Scheme for the private sector. EPF members could contribute their total or part of EPF benefits to the Department of Pensions and receive a lifetime / minimum 20-year monthly pension from the Department of Pensions.

Benefits

With the introduction of a government-managed Pension program for the private sector, the differences between the private sector and the government sector will be minimised. Hence, the demand for government jobs will reduce. Moreover, the private sector job market will flourish.

3. ESTABLISH A PENSION FUND

Public Service Pension Scheme is the most extensive Pension program in Sri Lanka. It is an unfunded pension program. Throughout the decades the cost of pensions has risen with parallel to the number of pensioners.

Year	Average Pension Rs.Mn	Total No of Pensioners	GDP
1990	4,490.00	258,033.00	1.4
1995	14,549.00	310,854.00	2.2
2000	20,366.00	371,772.00	1.7
2005	46,543.00	418,923.00	1.8
2010	90,930.00	473,762.00	1.6
2011	80,363.00	463,410.00	1.5
2012	90,980.00	472,266.00	1.5
2013	102,399.00	491,929.00	1.5
2014	105,354.00	546,379.00	1.2
2015	147,765.00	560,499.00	1.4
2016	163,836.00	579,414.00	1.4
2017	172,685.00	600,867.00	1.3
2018	177,098.00	621,905.00	1.4
2019	202,739.00	639,984.00	1.5

Table 13: Increase in the number of pensioners and the Pension Cost over the past three decades

However, collecting tax money and paying for the existing pensioners is not a sustainable financial practice. Therefore, the government must establish a sustainable funding source for the public sector pension scheme.

Starting a new pension fund is challenging. In 2003 and 2017, the government attempted to establish a contributory pension scheme for the public sector. However, the public sector employees opposed the proposals. Therefore, the government could not expect that the public sector employees will again support a similar proposal. On the other hand, with the mounting cost of public sector wages and pension cost, the government cannot afford to contribute the capital for the fund. Therefore, the government must act strategically.

Although the Public Service Pension is an Unfunded, every Public Sector employee contributes to the Widows & Orphans Pensions Scheme.

Widows & Orphans Pensions Scheme Ordinance of 1898 is the oldest Social Security law in Sri Lanka. The program targets the protection of the family member of the deceased public servants. The first program only covered women and children. Later on, the laws expanded to include men as well.

W&OP scheme is a contributory pensions scheme. Every public servant must contribute 6-7% of their salary to the W&OP fund. As per the initial law in 1898, the W&OP contributions were supposed to manage by a fund management board. However, the fund was not established, as stated in the initial law.

At present, the Department of Pensions only collects W&OP contributions of public sector employees who work in the provincial councils, private school and 'piriven' teachers and 25% salary contributions of public servants who are in under secondment agreements. This collected money is used to pay gratuity payments and to cover administrative costs of the department of pensions as directed by the treasury. The W&OP contributions for the public sector employees (a majority of the civil servants and judicial service employees) under the central government only recorded in the public accounts without directing to the fund. Therefore, the W&OP contribution has become merely an entry in the accounts of the financial statements of the government. If the W&OP fund was established as per the initial law, it could have reduced the pension burden for the government.

Year	Annual Collection of W&OP Contribution
2015	5,164,102,308
2016	6,092,736,090
2017	7,418,099,194
2018	8,685,808,640
2019	10,029,618,701

Table 16: Collection of W&OP Contributions received by DoP annually

At present, there are 186,000 W&OP pensioners in Sri Lanka. It costs 4.3 Billion rupees a month (51.6 Billion rupees annually) to pay them. In parallel, the government collects 2.5 Billion rupees a month as W&OP contribution (30 Billion rupees a year). Therefore, the current W&OP collection itself could account for 60% of the W&OP pension cost.

If a Pension fund is establishing, the government could redirect the W&OP collection from the provincial councils to the new fund. However, it will take a long time for the fund to grow to a certain level that it can support the government to manage the pension costs. Therefore, alternative strategies must be looked at.

Population ageing itself has offered a golden opportunity for the government to establish a pension fund. Due to the decreasing labour force and the increasing retirees, the government is considering to extend the retirement age. This paper has already provided a scientific foundation to consider to increase the retirement age to 63 years for both the private sector and the public sector.

Increasing the retirement age for the public sector will postpone the pension costs temporarily. However, since the employee continues to work in the government sector, there won't be any significant cost reduction for the government. However, the government gets the opportunity to postpone the gratuity payments for the pensioners as well. Gratuity is a lump sum payment paid by the government for a new pensioner. It is equal to 24 times the calculated pension of a pensioner. Therefore, the government will have a saving equivalent to the cost of gratuity for a particular period when the retirement age is increased. Hence, the government could use the short-term financial gains from the extended retirement age and reinvest in establishing a pension fund.

Type	Number of Pensioners	Amount (Rs)
Retirement	24,084	24,396,199,725
Military	207	86,298,818
Death	978	641,158,406
Other	6,247	678,477,355
Total	31,516	25,802,134,304

Table 17: Gratuity Payment Costs, 2019 (Source: DoP)

Every year, roughly 25,000 to 30,000 new pensioners join the pensioners' community. With the retirement age increased, the number of pensioners retiring every year will reduce by around 17,000 (except for the military).

Year	Gratuity Payment for Public Sector
2017	12,483,241,791.24
2018	14,232,126,055.39
2019	16,312,196,022.87
2020 estimated	18,916,227,047.34

Table 18: Cost of Gratuity for Public Sector Employees excluding armed forces gratuity (Source: DoP)

Therefore, if the government increases the retirement age, there will be a savings of 20 Billion rupees approximately per year from unpaid gratuity.

The total of unpaid gratuity money (20 Billion) and the annual collection of W&OP contributions (10 Billion) from the provincial council will be 30 Billion rupees per year approximately. Hence, it is proposed to invest 30 Billion rupees for the three years when the extending retirement age provides financial relief to the government.

At the end of three years, the government will again have to pay the gratuity for the pensioners. But, since the Pension fund is established and has three years of funds accumulated, it can be used to pay the gratuity payment on behalf of the government. Therefore, the government could continue to finance the W&OP fund while the fund will manage the gratuity cost and a portion of the total pension cost.

Year	Annaul W&OP Contribution Collected (Rs Billion)	Annual Interest 8% (Rs Billion)	Gratuity Payment (Rs Billion)	Total Fund (Rs Billion)
2021	30			30
2022	30	2.4		62.4
2023	30	4.992		97.392
2024	30	7.79136	25	110.18336
2025	30	8.8146688	27.5	121.4980288
2026	30	9.719842304	30	131.2178711
2027	30	10.49742969	32.5	139.2153008
2028	30	11.13722406	35	145.3525249
2029	30	11.62820199	37.5	149.4807268

Table 19: Projection 1: Evaluation of W&OP fund with increased retirement age and gratuity payment.

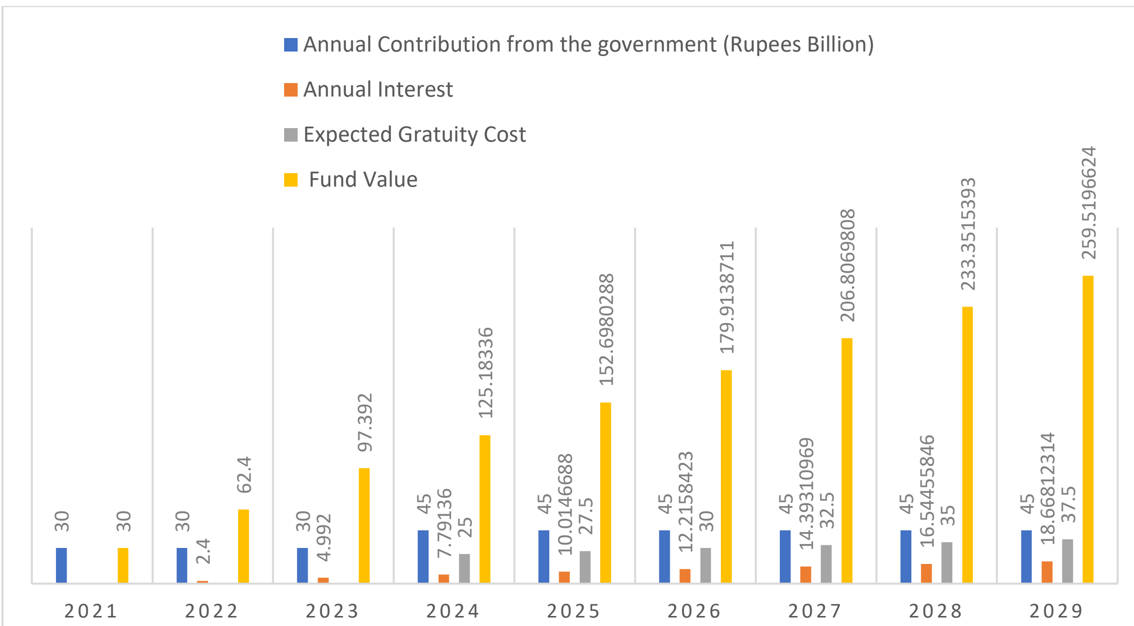


Figure 10: Projection 2: Evaluation of W&OP fund with increased retirement age and gratuity payment

Assumptions:

The annual interest rate is 8%

The cost of gratuity will increase gradually with the increasing number of retirements after the first three years

After the initial three years the government will direct all W&OP contributions to the pension fund

Note:

The W&OP contributions of armed forces were not considered in the calculation. The Armed Forces pension scheme is the most expensive pension scheme since a member of armed forces could receive a pension for more than 40 years. Therefore, reforms are required in the armed forces pension schemes as well.

However, using the contributions from the present public sector and pay the current pension community is not advisable. Although it will reduce the pressure on the budget for a shorter period, in longer-term, it is not sustainable.

Financing Pensions: Ensure reasonable contribution

At present, the public sector has expanded to its limit. Every one in eight of the labour force is a public sector employee. Therefore, it cannot expect to grow further. Hence, if the public sector starts to decline, the contributions collected from the future employees will not be sufficient to pay the pension benefits for the increasing number of pensioners. Hence, it is a must to establish a proper contributory mechanism to the pension fund.

Mathematical modelling of Pension & Contribution

Actuarial Science is the science of predicting uncertainty, risk and finance through mathematical methods and statistics. Actuarial science helps to estimate how much money a person is required to invest in getting a decent pension after retirement (present value calculation), or how much will a person get as a pension for the investment he does now (future value calculation).

Future Value Formula

$FV = PV * (1 + i/n)^{n*t}$

Present Value Formula

$PV = FV / (1 + i/n)^{n*t}$

FV = Future value of money,

PV = Present value of money,

i = Rate of interest or current yield on similar investment,

t = Number of years and

n = number of compounding periods of interest per year

Above formulas support in developing mathematical models to understand the costs of a pension under the present system and of a contributory scheme. Accordingly, the formula will be used to compare the existing pension system and a contributory model similar to EPF.

The current system calculates a pension based on the service period and the final salary. Salaries are not constant. Neither changes in salaries can be predicted. Salaries change due to increments, promotions, based on inflation or more importantly due to political demands from the employees.

In the present context, public sector salaries are subjected to extreme political pressures. The existing government salary scales were introduced in 2016. Before 2016, salaries were revised in 1997, 2004 and 2006. Therefore, future salary revisions cannot be predicted. Hence, the paper analyses an example pension of a pensioner who will retire in 2027 after a thirty-year service period.

Suppose a management assistant officer enter the government sector in 1997 and is to retire in 2027 after a service period of 30 years. (30 years of service period offers maximum Pension befits). The future Pension of the officer would be Rs.36303.50 (Assumed Final salary 42710 after calculating promotions and annual increments).

Assumptions:

Pension lifetime is equal to 20 years.

The annual Interest rate is 8%.

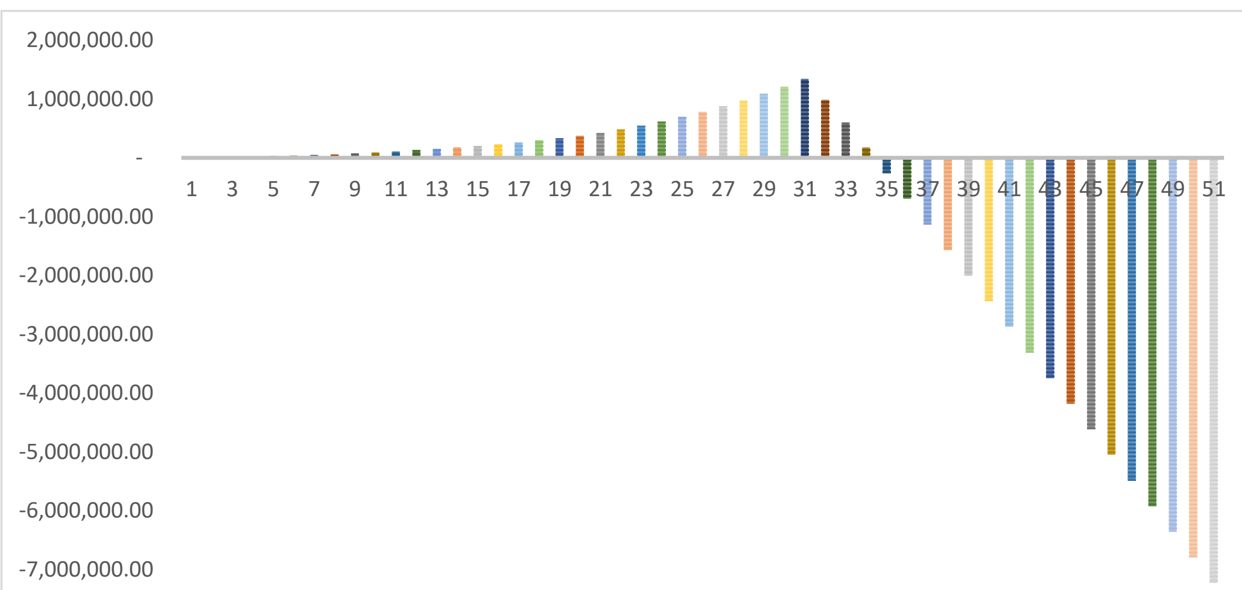


Figure 11 Modeling of cost of a pension in the existing pension system (6% contribution)

The existing system only requires to contribute 6% of the salary. Accordingly, the officer's contribution will only be Rs. 477,241.20. If the contributed amount was invested, the value of the contribution after 30 years would be Rs. 1,336,517.47. However, to pay the Pension for another 20 years government requires another Rs. 7,231,142.26. Hence, the existing system does not produce sufficient savings to pay the Pension.

In the EPF model, the employee contributes 8% (2% extra), and the employer contributes 12%.

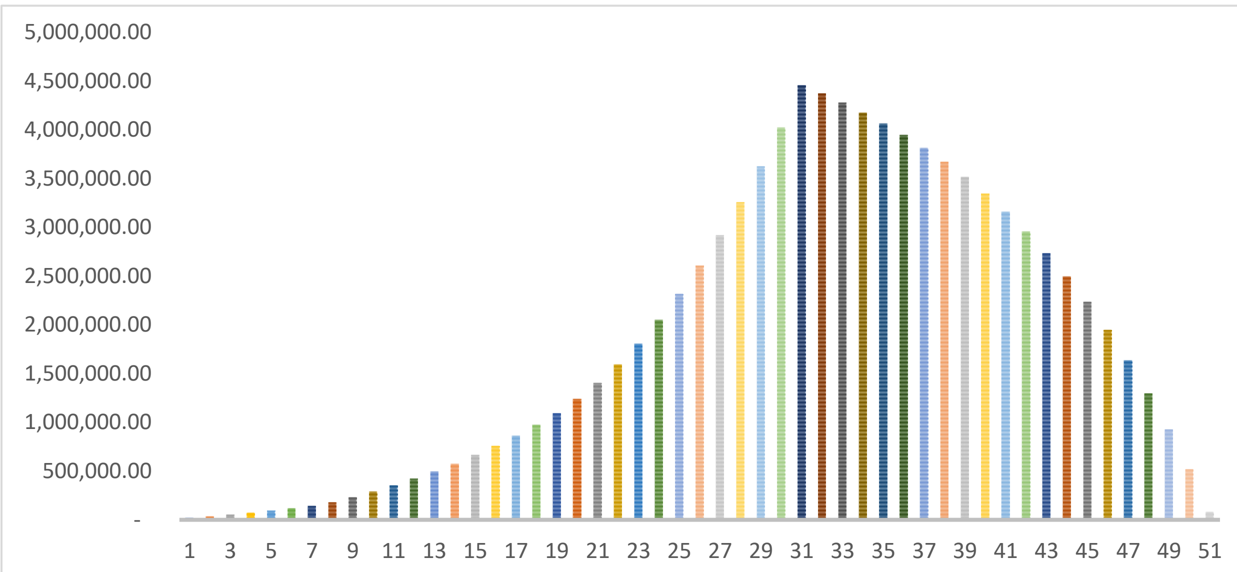


Figure 12 Modeling of a cost of pension in a contributory system similar to EPF model (employee 8% and government 12%)

According to the second model, if the government had implemented a contributory scheme similar to EPF model, the pensioner could have obtained a pension of Rs.37,374.87, which is slightly higher than the Pension paid through the existing system. Furthermore, the government would only have to contribute Rs. 954,482.40, which is much lesser than the cost of a pension to the government.

The models used above provides similar results to all salary scales in the government sector.

Public Sector Pension Schemes is a law. The century-old pension minute was revised twice and has amended multiple times. Therefore, the existing law is extremely complex. Further, many regulations are not appropriate with present demography. Hence, Sri Lanka should look to replace the current outdated pension law and replace with a modern, flexible and sustainable social security program.

Increasing service period to increase the contribution

The minimum service period to obtain a public service pension is ten years. However, to achieve optimum benefits under a contributory pension scheme, the service period, which contributes to the system, should be high. Similarly, in the public service pension scheme, the Pension is calculated based on the service period.

Service Period (Years)	Replacement Rate (Pension Percentage)	Real Pension LKR	Contributory Pension (20%) LKR
20	65%	16534.7	11,755.51
25	75%	29782.5	21,846.06
30	85%	36303.5	37,374.87

Table 20: Calculation of Pension based on the service period compared to Existing pension system, contribution and to the EPF model

Both the existing pension system and the proposed contributory pension model provides lesser benefits when the service period is low. However, the defined benefits scheme offers much better benefits than the contributory scheme at short service periods. The contributory systems provide better benefits when the service period is high. Therefore, the government must encourage public service employees to work for a more extended period.

According to PAC 23/94, the minimum age that a person should enter the public sector is 45, and the compulsory retirement age is 60 years whilst anyone who wishes to retire at the age of 55 can retire from the service on request. Accordingly, the pension minute only requires to have ten years of service to receive a pension. With prevailing laws, a person who retires with a 10 years of service could also receive a pension for 20-25 years. Hence, it is proposed to consider to increase the minimum service period or to review the pension percentage table to equalise with the real contribution.

Introduce pension increasing formula

The main reason for the escalation of the pension cost is not the increase in the number of pensioners or the increased longevity. It is mainly because the political influences to increase the pension time to time with relative to government salary increases.

Year	Previous Pension cost (Rs Billion)	Revision Circular (Public Administration)	Increase of the Pension cost (Rs Billion)	New Pension cost (Rs Billion)
2014	128	25/2014	13	141
2015	141	16/2015	16	157
2019	189	14/2019	31	225

Table 21: Increase of the cost of Pensions due to Pension revisions

The cost of Pension increased from 60 Billion rupees during the last five years due to pension revisions. It is nearly two-thirds of the total pension cost increase for the period (Total cost increase from 2014-2020 is 97 Billion rupees) The rest of the cost increase was mainly due to public sector salary revision according to PAC 3/2016.

Moreover, the benefits derived from such salary revisions were not distributed equally among pensioners community. During the latest pension revision program (PAC 14/2019), nearly 40,000 pensioners out of 500,000 eligible pensioners did not experience a salary increase while the majority of the pensioners experienced a Pension increase of 0-3500. However, the pensioners who worked in higher ranks who had already secured other pension benefits such as pensionable allowances (e.g. Cabinet secretaries received 25,000-50,000 pensionable allowance), gained an increase of Pension from 15,000 to 20,000 rupees through this pension revisions. Hence, the revision program did not treat equally to the Pensioners community and has increased inequality.

Revision Benefit	Number of Pensioners	Average benefit (Rupees)	Cost(Rupees)
Less than 0	39794	0	0
0-1000	26899	563.78	15,165,118.22
1000-3500	162013	2265.99	367,119,837.87
3500-5000	57779	4248.14	245,453,281.06
5000-7500	80938	6199.64	501,786,462.32
7500-1000	35707	8388.51	299,528,526.57
10000-15000	10180	11685.9	118,962,462.00
15000 above	2420	18069.74	43,728,770.80
Total	415730	6427.7125	1,591,744,458.84

Table 22 Distribution of benefits from 2019 Pension Revision (Source: DoP)

The prime argument for pension revisions is that the recent pensioners receive a higher pension than a pensioner retired earlier from the same salary level due to government salary hikes. However, once a pensioner is retired, he is not an active public sector employee anymore. Furthermore, the Public Service Pension Scheme is only bound to pay a pension to its beneficiaries based on their last paid salary and the service period. However, the pensioners should receive a reasonable pension to cover their expenses during their retirement life. Hence, it is proposed to introduce a mechanism to increase the cost of living allowance in five years intervals based on a Cost of living calculator.

4. PENSION FOR ALL

Pension is a vital component of a country's Social Security policy. There are many government institutions managing pension programs in Sri Lanka. Yet, the majority of the population in Sri Lanka does not receive any cash transfer from the government.

Farmers who receive seasonal crops, plantation workers, bus drivers, three-wheeler workers, small retail shop workers, foreign housemaids, own-account workers, people who are engaged in family unpaid economic activities and many other do not cover from a social security program. Due to the ununiformed income pattern, many of those can't contribute to a pension fund. Therefore, it is important to introduce voluntary contributory schemes and increase the ease of access to those contributory schemes.

The government spend more than 300 Billion rupees annually to provide social security and social welfare benefits to the elderly. It is nearly 1.5% of the country's GDP. However, the benefits are distributed only among 20% of the elderly population.

The ILO's Social Protection Floors Cost Calculator (https://www.social-protection.org/gimi/gess/SPFCalculReport.action) projects that to pay a pension of Five thousand rupees to everyone in the population over 65 years will only cost 1.15% of the total GDP. Hence, it is proposed to introduce a Social Security Tax and provide universal pension benefits to all elders in the society.

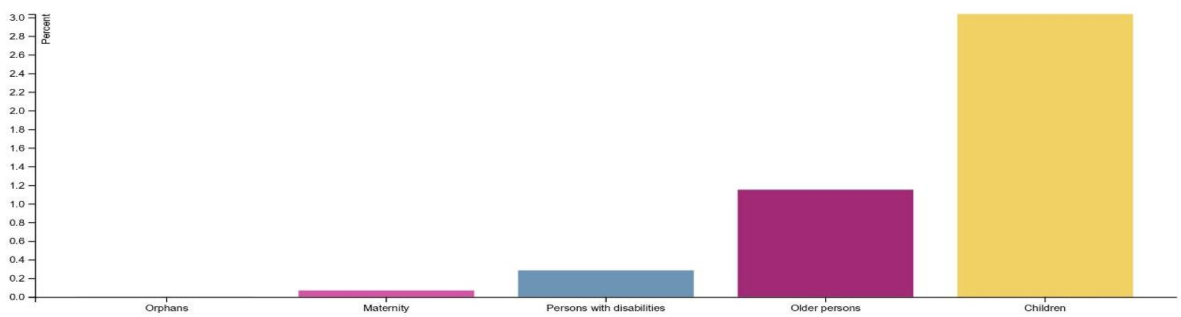
SOCIAL PROTECTION FLOORS COST CALCULATOR

SRI LANKA

Inputs	
Total population	21,445,775
GDP per Capita in LCU	500,441.2
National Poverty Line in LCU	48,403.2
Minimum salary	70,656
% of Children in the Population	24.6 %
% of Orphans among children	0.0 %
% of older persons in the Population	9.3 %
Disability rate	3.47 %
Total Fertility Rate	2.3
% of fertile age women	1.7 %

Cost of benefit as % of GDP	
Cost as % of GDP of a child benefit of to all children (Less than 15 years old) of 85 % of the minimum salary	3.04 %
Cost of a benefit of 85 % of the minimum salary to all orphans as % of GDP	0.00 %
Cost as % of GDP of a benefit of 85 % of the minimum salary to all persons aged 65 and over	1.15 %
Cost of a benefit of 85 % of the minimum salary to all persons with severe disabilities as % of GDP	0.28 %
Cost of a benefit during 4 months of 85 % of the minimum salary to all mothers with newborns as % of GDP	0.07 %
Total Cost	**4.54 %**

COST OF THE BENEFITS FOR AS A % OF GDP



ILO Social Security Cost Calculator

Conclusion

"Many policies that are desirable for economic reasons have not been implemented for political reasons" (James and Brooks 2001). Pension reform policies are much harder to introduce than other government policies. Not only in Sri Lanka, countries such as Russia, Malaysia, Indonesia, France also faced public protestations against pension reforms during the last few years. The main reason for such failures is due to a lack of focus on political forces.

Any effort to public sector reforms must be implemented in a trusted manner with trusted actors in the frontline. Every pension reform creates winners and losers. We should identify who are the winners and amplify their voice while reducing the costs for the losers to justify the reforms. Hence, the whole process is not just about implementing technically sound proposals but implementing technically sound solutions in a politically active environment.

However, the present situation has presented Sri Lanka a golden opportunity to make vital pension reforms with public support. Throughout the pandemic, the government's effort to establish a Social Security Fund, disbursement of 5,000 rupee allowance for the affected using Samurdhi welfare fund and the appeal for the public servants to contribute for the W&OP scheme has spotlighted the need for having a more robust social security program. Therefore, the government must secure this opportunity and use it wisely to implement much-needed pension reforms which are technically correct and politically understandable.

The proposals given in the report are carefully developed and technically correct according to the available information. And they are ordered adequately to gain political acceptance from different groups in the society. Moreover, proposals made here will provide financial support for the government while achieving minimum social security standards for the elderly. The Department of Pensions is looking forward to the implementation of the proposals and willing to provide the fullest support in Social Security development.

References

Gamanirante, Nirosha. 2007. "Population Ageing Policy Responses and Options to Extend Retirement Coverage Case Study of Sri Lanka." In. IPS- Sri Lanka: IPS. http://www.ips.lk/wp-content/uploads/2017/01/01_Population-Ageing-ips.pdf.

Hutchison, Jane, Wil Hout, Caroline Hughes, and Richard Robison. 2014. *Political Economy and the Aid Industry in Asia*. London, UNITED KINGDOM: Palgrave Macmillan Limited.

ILO. "Workers and Employers Organisations in Sri Lanka and the Maldives." accessed 2018-11-08. https://www.ilo.org/colombo/areasofwork/workers-and-employers-organizations/lang--en/index.htm.

James, Estelle, and Sarah Brooks. 2001. "The political economy of structural pension reform."

Nisha Arunatilake, Shanika Samarakoon, Neluka Gunasekara. 2015. Income Security for Older Persons in Sri Lanka. In *INCOME SECURITY FOR OLDER PERSONS IN ASIA AND THE PACIFIC*, edited by

ESCAP. Economic and Social Commission for Asia and Pacific: Economic and Social Commission for Asia and Pacific, United Nations

Siddhisena, KAP. 2005. "Socio-economic implications of ageing in Sri Lanka: an overview." *Oxford Institute of Ageing Working Papers. Oxford: Oxford Institute of Ageing*.

Vodopivec, Milan. 2008. "Sri Lanka: Addressing the Needs of an Aging Population."