

Labour Force Participation among Elderly in Sri Lanka

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Introduction

Population ageing in Sri Lanka is an inevitable outcome of a rapid demographic transition. At present it is taking place at a faster pace than even some of the developed countries. Therefore, consequences relating to, socio economic, demographic and health conditions due to this rapid demographic transition is more complex than the developed countries (De Silva, 1994). Sri Lanka as a middle income developing country consists of a growing middle age and elderly population. Therefore it is a necessity to focus upon upgrading economic security among elderly through productive and active economic participation (De Silva, 2003).

Research Problem

Increasing trend of longevity and a growing proportion of elderly population in Sri Lanka and their income stability in the future requires new avenues of economic activity among the elderly. Existing data and findings supports that only less than one-fifth of elderly has been benefited from pensions and the rest depend on other means of income such as support from their children (World Bank, 2008). Lack of a formal social security system for the majority has negatively affected the wellbeing of the elderly. To reduce the vulnerability among elderly, participating in income generating activities in the later life has become a matter of importance. Therefore it is very vital to investigate the labour force participation rate among elderly in Sri Lanka.

Objectives of the Study

- To demonstrate the trends and patterns of elderly labour force participation in Sri Lanka.
- To identify the impact of basic demographic, socio economic and health factors on economic activity status of elderly in Sri Lanka.

Theoretical Considerations and Empirical Evidence

Disengagement theory (Cumming and Henry), activity theory (Havinghurst; Lemon et al), continuity theory (Havinghurst, Neugarten and Tobin) and life cycle hypothesis (Ando and Modigliani) have been utilized to conceptualize this study.

In the Sri Lankan perspective, several researchers and scholars taking in to consideration elderly aged 60 years and over found that, there is a decreasing trend of labour force participation by age and gender. Females have been relatively less likely to participate in economic activities than males (De Silva, 1994; World Bank, 2008; Siddhisena & Rathnayake, 2008).

Current marital status, number of living children, headship of the household, place of residence, inter and intra generational family relations, financial and emotional security for the elders were also identified as determinants of labour force participation (Siddhisena & Rathnayake, 1998; Perera, 1999; De Silva, 2003; Sandaratne, 2004). Findings in health aspects, (World Bank, 2008) suggest that economic independency positively correlated with perceived health status among elderly. From an economic perspective, wages, salaries of profits are influential factors on elderly workforce participation behavior.

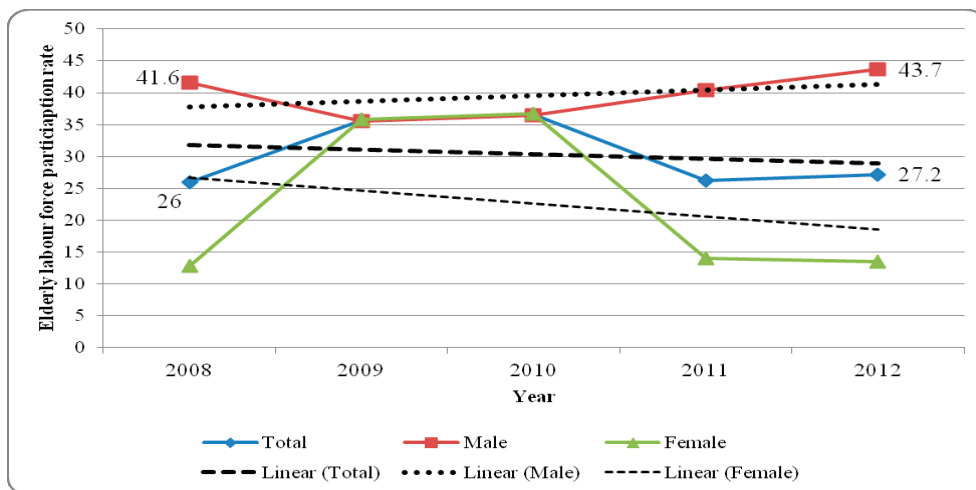
Methodology

Mixed methodological approach and comparative cross sectional research design has been used in this study. Main analysis based on the data was drawn from micro data of the Sri Lanka Labour Force Surveys 2008 to 2012, while case studies and key informant interviews have been used to collect qualitative primary data. Apart from the basic analysis, binary logistic regression has been used to analyze the significant determinants and probability of economically active status. Narratives and cross case analysis was used as qualitative analytical methods.

Key Findings

Results of the study indicate that in 2012, around 27 percent of elderly respondents were participating in the labor force during the seven days preceding the survey. Even though there is a decreasing trend of elderly labour force participation during 2010-2012 (Figure 1), there is an increasing trend of elderly male labour force participation. Furthermore, analysis shows that, there is a negative relationship between economically active status and age.

Figure 1: Annual Labour Force Participation among Elderly 2008-2012 (Excluding Northern Province*)



* Jaffana, Mannar, Vavuniya, Mullativu, Killinochchi districts

Household headship was identified as a key determinant of elderly labour force participation. In 2012, more than 75 percent of elderly with the status of head of the household were economically active. Approximately, 13 percent elderly women with household headship have been economically active in 2012. The majority (57percent) of employed elders has been own account workers and more than 40 percent of elderly were engaged in skilled agricultural, forestry and fishing sectors while another 20 percent of them worked as elementary or unskilled workers (Figure 2).

Figure 2: Elderly by Categories of Occupation – 2012

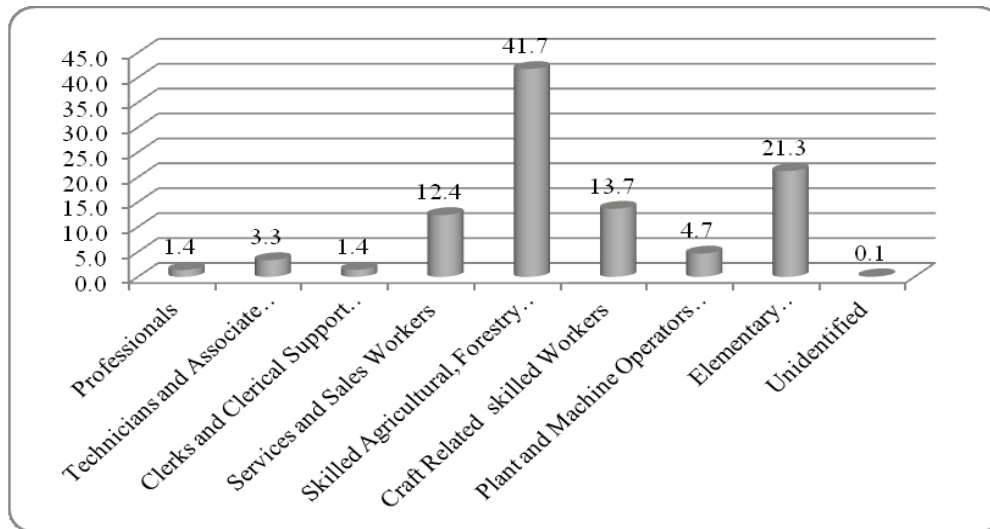
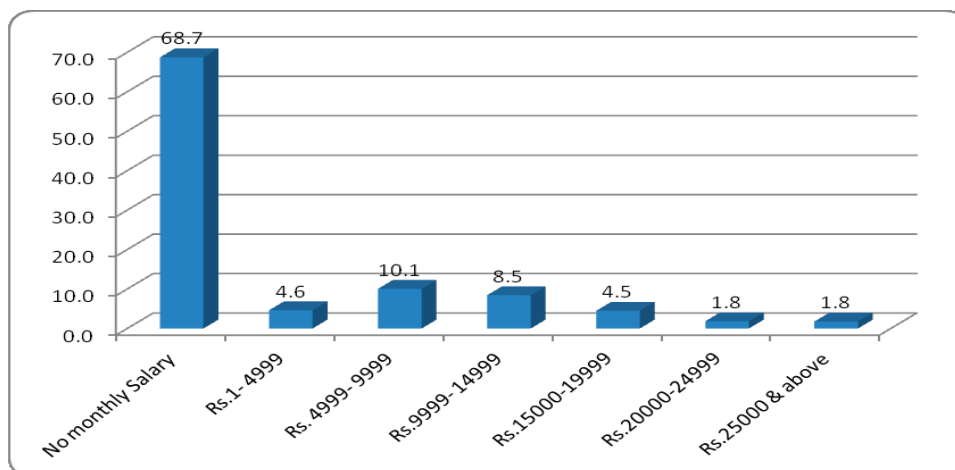


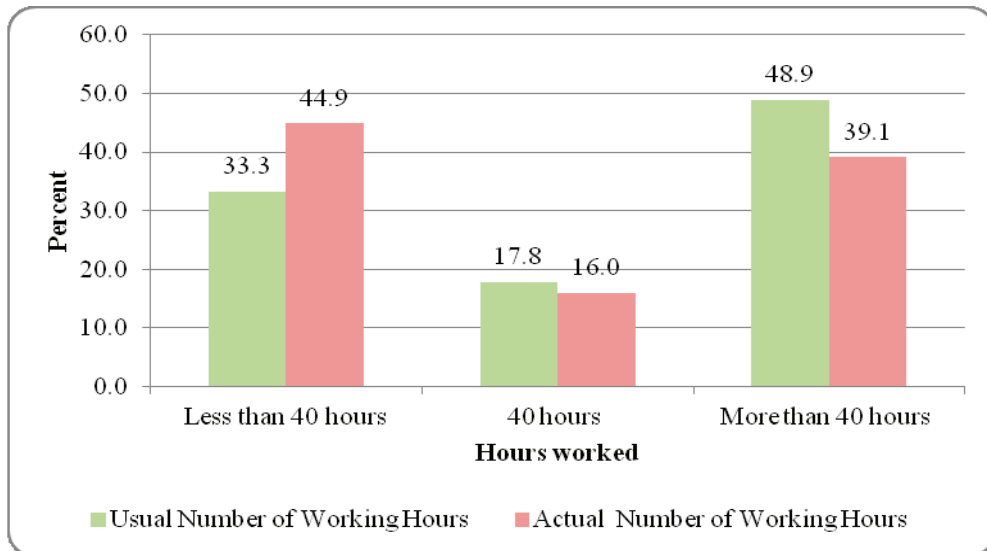
Figure 3 reveals that, in 2012 approximately 69 percent of employed elderly are not having a monthly salary. Among the elderly who received a monthly financial or other kind of benefit from employment, 15 percent of them received less than Rs. 10,000 per month.

Figure 3: Average Monthly Salaries among Elderly in Sri Lanka In 2012



As shows in Figure 4, there is a difference between usual and actual working hours among elderly. Especially, actual working hours were less than the usual working hours among the elderly who worked more than 40 hours per week.

Figure 4: Actual Vs. Usual Working Hours among Elderly in Sri Lanka-2012



These differences also captured by the case studies also support to justify the difference between actual and usual working hours among elderly workers. The case of *Sinnathambi*, who is Tamil, Hindu, married, 65 years old employed male, Kangani (KG/Factory watcher) who lives in a tea estate house in Badulla district, mentioned;

My working hours are between 6 p.m and 7 a.m. before my retirement I worked during the day. Manufacturer asked me to work at the night after retirement. Even though “*children help as they can*” I decided to engage in this job. My dinner time during working hours is scheduled for two hours from 10 p.m – 12 midnight by the management. During the working time I’m very busy so I use these hours to take rest. Therefore I am able to work till 7 a.m in the morning. Also I’m not fully physically occupied during heavy rains or mist but I don’t have free time because of my responsibilities.

Multivariate results

Table 1: Adjusted Odds Ratio (OR) of Reported Having Involvement in Labor Force Participation in the Past 7 Days among Sri Lankan Elderly by Selected Predictors

Logistic regression analysis found that, respondents who were female (OR = 0.184), those who were older (OR = 0.0198 for 70 years & above),

Predictors	Model I	Model II	Model III
Demographic characteristics			
Sex of the respondent(ref. Male)-female	0.184***	0.184***	0.184***
Age group (ref.60-69 years)-Otherwise	-	0.198***	0.198***
Place of residence (ref. Rural) –Otherwise	-	0.630***	0.715***
Marital status (ref. Married)-Otherwise	-	0.676***	0.612***
Socio-economic characteristics			
Head of the household (ref. No)-Yes	-	-	2.077***
Level of education (ref. Higher than secondary) –otherwise	-	-	1.564***
Ethnicity (ref. Sinhala)-Otherwise	-	-	0.761***
Province(ref. Uva)-Otherwise	-	-	0.583***
Gender of the head of the household (ref. Female)-Male	-	-	1.197***
Intercept	0.909	0.909	0.909
-2 Log likelihood	3024247.1	2724620.6	2677453.1
Cox & Snell R square	0.125	0.212	0.225

those who were never married, widowed, divorced and separated (OR = 0.676), those who were living in urban or estate sector (OR = 0.630), were less likely to participate in the labor force than their counterparts. On the other hand, those who had below secondary level of education (OR=1.564), those who were the head of the household (OR = 2.077), and elderly men with household headship (OR = 1.197) were more likely be involved in the labor force than their comparison groups.

As a summary point, the first model showed that the sex of the respondents was a significant predictor of labor force participation. In the second model, sex of the respondent retained its significance level even after inclusion of other demographic characteristics ($p < 0.001$). All these variables retained their significance level even after inclusion of socio-economic variables in the third model.

Conclusions

Sri Lanka is one of the rapidly aging societies in the South Asian region. Although the overall participation in the labour force of the elderly is low as 27 percent of females tend to participate at much lower rate than their male counterparts. Many socio economic and demographic factors determine the economically active status of elderly in Sri Lanka. The analysis found that currently, more than 60 percent of the elderly are inactive, which basically indicates that the elderly who have the potential might be out of labor force for reasons such as bad weather, inability to find a job, physical illness/disability or household activities. The logistic analysis confirms that the probability of economically active status is relatively higher for the currently married elderly men and those who live in rural areas. This implies that there is both need and potential to absorb the female elderly to the labor force.

Keywords: Demographi; Elderly; Labour Force Participation; Socio Economic; Sri Lanka,

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