

The Young Generation's Attitude towards Contributory Pension Schemes in Sri Lanka

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Sri Lanka is regarded a model, a country with successful social policies, yet for decades it has faced significant challenges in providing employment and satisfying other aspirations of the youth. With all of their challenges, youth represents the biggest opportunity to change societal savings behaviours for a better future. The Administrative data of the pension schemes which were introduced by the Sri Lanka Social Security Board (SLSSB) provides insights into how best to achieve this through a greater understanding of the group's outlooks and future savings habits. Thus the purpose of this research is to present the attitudes of young people towards pensions systems offered to them by the SLSSB.

The data used for the study are maintained by the SLSSB, of those who are the contributors of pension schemes for self-employed in Sri Lanka. The complete sample included the different age group contributors, those who are enrolled in pension schemes and the total enrolled population is around 480,764 contributors consisted of different age groups. Among that, the selected sample is the age group of 18-24years adding up to 97,472, (20%) and age group 25-29 adding up to 68,778,(14%) of contributors in the different schemes.

Those who were knowledgeable to arrange a pension at a young age have entered into a retirement contract. However, further examination revealed that such contracts in almost all the cases were cancelled at a subsequent date in order to meet unavoidable necessities of day to day lives. This suggests that about half of the people are subsidized by parents or relatives. For those who do not recognize the need for their own action, the picture is even more dramatic. Without a proper understanding of the impending problems and responsibilities, some of the self-employed people have entered into a retirement contract, due to third party

instigations, or when a confidante or officers undertake to pay first instalment or, at least agree to contribute. More than half of the respondents consider retirement products as inflexible and that they do not sufficient incomes to enter into long-term contracts. Instead, they save to fulfil their smaller and greater desires of the immediate future. Many of them neither see nor appreciate the urgent need for the offered retirement schemes. The present day young, are in the habit of thinking that they have enough and more time to plan their future. Another reason why the younger generation is not in favour the security net is their unawareness of the available pension schemes and specially the far reaching benefits that the schemes do offer.

In a country where everything is offered on a platter, the people may not enrol in a contributory pension scheme, willingly as they are not trained in the culture of “give and take”. Therefore, in a society where population is ageing in rapid progression the younger generation needs to be trained in these practices in order to lead them to a respectable retired life. Finally, with the high rate of inflation and associated high cost of living, the associated problems and the inherent weaknesses need be satisfactorily addressed for the sustenance of the pension programmes for the self-employed workers in Sri Lanka.

Key words: *Attitude, Pension, Young generation, Self-employment.*