



# **SRI LANKA**

## **Status of Social Expenditure Tracking**

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& Social Accounting**  
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# Outline

- Country Background
- National Statistics
- Social Expenditures Tracking
- ILO Social Security Inquiry 2005 Coverage
  - Process Problems
  - Coverage
  - Sri Lanka Recommendations
- National Reflections

# Country Background

- Lower-middle income developing economy
  - GDP per capita \$1,000, 19 million pop.
  - Ageing population
- Relatively developed social service provision
  - Universal health and education access since 1940s
  - Programs for income transfers to poor
  - Limited unemployment insurance/benefits
  - ~45% of workforce covered by pensions/provident funds
  - Most social expenditures funded from general revenues - No social insurance
- Social policy traditionally of high political importance

# National Social Statistics

- National statistical office
  - Department of Census and Statistics
    - National population statistics
    - Income and product accounts
    - Household consumption surveys, economic surveys
- Other agencies
  - Central Bank of Sri Lanka
    - Income and product accounts
    - Social trends, primarily using its own household socioeconomic survey
  - Other ministries
  - Other agencies
    - MoH/Institute for Health Policy - health expenditures

# Social Expenditures Tracking

- Limited systematic tracking
  - No systematic tracking of pensions coverage, social transfers
- Health expenditures
  - Comprehensive estimates of health expenditures compiled annually using OECD SHA framework (IHP) - reported to WHO
- ILO Social Security Inquiry
  - Pilot survey 2005
  - Consensus for establishing national focal point for reporting in future - no action yet

# ILO Social Security Inquiry 2005

## Process problems

- ILO questionnaire too detailed, too many items, and unfeasible
- Many items, particularly income/age/sex profiles require survey data analysis - difficult for ministries to undertake - needed research agency
- Many items requiring survey data estimation cannot be updated annually
- Duplication with other reporting activities, e.g. health
- Definitions and classifications often inconsistent with other nationally reported statistics
- May be difficult to ensure adequate cooperation from all government agencies without the process being made official at national level

# ILO Social Security Inquiry 2005 Coverage

- Old age cash benefits

- Pensions: Civil servants, farmers, fishermen, self-employed

- Deficiencies in administrative data prevented adequate reporting of beneficiary details for pensions
    - Recognized as an area requiring improvement
    - Statistics for coverage required estimations, but useful exercise
    - No national body responsible for pensions

- Provident funds: EPF, ETF, private approved funds

- Government funds - data available on routine operations, but analysis of impact on households income/beneficiaries not possible
    - Inadequate collection from private provident funds

# ILO Social Security Inquiry 2005 Coverage

- Disability benefits

- Lack of detailed data on disability burden
  - Questions in 2001 census, but no national surveys using standardized definitions
- Benefits mostly limited to pension schemes - these can be tracked
- Some limited public benefits

- Occupational injuries

- No system for tracking, except for certain covered occupations
- No standard benefits



# ILO Social Security Inquiry 2005

## Coverage

- Unemployment benefits

- No unemployment benefits

- Introduction being considered for public sector workers, but not genuine unemployment insurance

- Elderly services

- Limited range of service provision, but increasing

- Limited provision of residential homes, etc. No routine data collected, especially private sector

# ILO Social Security Inquiry 2005 Coverage

- Health expenditures
  - Well covered and available
  - Health expenditures tracked using OECD System of Health Accounts (2000) framework, with annual updates
    - 1990 - 2004
  - ILO questionnaire does not fully take into account SHA features
  - Sri Lanka to participate in Joint WHO-OECD-APNHAN regional data collection

# ILO Social Security Inquiry 2005

## Sri Lanka Recommendations

- Narrow focus of inquiry - at least initially
  - Drop areas not of central concern to ILO  
Housing, education
  - Focus on pensions, social insurance systems, disability/unemployment benefits, etc
- Collect via identified national contact point, although may be delegated to technical agency
  - E.g., MoL <-> IHP
- Exploit and link with existing data collection efforts, esp. health accounts data for Asia-Pacific region (<-> OECD Korea RCHSP)
- Coordinate with OECD, ADB, World Bank, WHO and others

# National Reflections

- Interest in access to comparable social expenditures data, especially pensions, health, etc.
  - Support participation in regional collaborations to improve data reporting
  - ILO questionnaire too detailed and burdensome for routine use - but basis with modification
- Recognition of need to improve tracking of social expenditures and coverage
  - Priority area: pensions
- Routinization will require making process more official, and identifying national ministry as contact point, and technical agency to undertake work