

INFORMAL CONSTRUCTION SECTOR IN SRI LANKA AND ITS EXISTING CHALLENGES: A WAY FORWARD FOR FORMALIZING

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Abstract: The informal construction sector has been significantly expanded over past few years and most countries' economic growth including Sri Lanka is depending heavily on the informal sector. However, when compared with formal sector, informal sector has different characteristics and faced with several challenges as lack of awareness and knowledge, lack of enforcement, lack of direct regulations, no proper documentation path, lack of credibility and high irresponsibility, absence of standards and high costs of compliance. Thus, the purpose of this study is to recommend the probable approaches to enhance the formality of Sri Lankan informal construction sector by overcoming existing challenges. A mixed research approach was adopted for attaining the research aim while conducting questionnaire survey among 100 local professionals with 84 responses and 10 expert interviews who are in both contractor and consultant fields. The findings were analyzed with visual representations by Microsoft Excel and content analysis technique. Lack of awareness and knowledge and lack of enforcement were the highest ranked challenges faced by local informal construction sector. It was recommended to improve the knowledge on legal and formal procedures and to arrange awareness programs in rural and school level technology field. Informal sector must follow some legal procedures and the government enforcement and support is essential. They can initiate with a license system and proper documentation path. Trainings, microfinance, simplified regulations and market linkages can formalize the informal construction sector in Sri Lanka.

Keywords: Informal Construction, Challenges, Overcoming.