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Trends in Ageing Population and Its Consequences in Sri Lanka

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Abstract Although Sri Lanka is a developing country it faces the problem of ageing population due to falling in birth rate coupled with longer living population. This paper highlights pattern of population, growth rate and ageing population, female to male ratio by age group, impacts and consequences of ageing population to the economy, and measures taken to assist the old population. The secondary data were gathered from the Department of Census and Statistics, Ministry of Health and Central Bank Reports of Sri Lanka and analyzed using MS Excel 2007 software. The results reveal that the ageing population has been increased over the years and has many economic implications. Therefore, the useful policy options are required to be coping up with the aged population.

Keywords ageing population, consequences, Sri Lanka

Introduction

As a consequence in the 21st century, implication of the population ageing is likely to be massive ever than before. Indeed, the 21st century has been named as "The Era of Population Ageing" (Kuroda, 1993). Sri Lanka is one of the fastest ageing countries whilst ageing is a universal phenomenon (Milan and Nisha, 2008). It looms particularly large for Sri Lanka (Fig. 1). Even though it is a developing country it shares the problems of ageing population with the more developed world (Shantha, 2003). A falling in birth rate coupled with the longer living population results in a rapidly ageing society (De Silva, 2007).

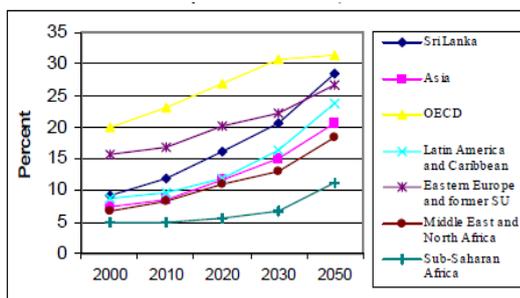


Figure 1 Demographic aging, Sri Lanka and world regional averages (percentage of population over 60 years old, 2000-2050)

With this background the objectives of the research are i) to identify the pattern of population, growth rate and ageing population over the years, ii) to calculate the female to male ratio by age group over the years, iii) to gather the impacts and consequences of ageing population to the economy, and iv) to refer the measures taken to help and secure the old population.

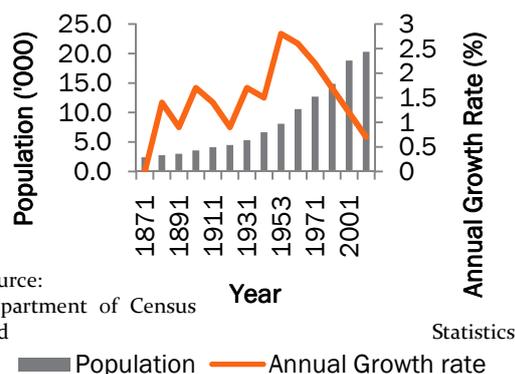
Materials and Methods

This study uses secondary level data. The data were gathered from the Department of Census and Statistics, Ministry of Health and Central Bank Reports of Sri Lanka. The gathered data were analyzed using MS Excel 2007 software.

Results and Discussion

Population and growth rate

Sri Lanka's population had grown approximately eight times since the first national census of 1871, which calculated a population of 2.4 million and had risen to 20.3 million people in 2012 (De Silva, 2012). At very first the population has doubled in 1925 after 54 years from 1871 and the subsequent doubling was in 1960 after another 35 years from 1925. The third doubling had occurred after 43 years in 2003 (Fig. 2).



Source: Department of Census and Statistics
 Legend: Population (Grey bars), Annual Growth rate (Orange line)

Figure 2 Population enumerated at the census and annual growth rate, 1871-2012

The growth of the Sri Lankan population has not been uniform during the present century. The average annual population rate was increased up to 2.8% in 1953 since the mortality rate diminished during the period caused the population to grow rapidly and thereafter it continuously reduced to 0.7% in 2012 (Fig. 2). The actual growth rate in 2012 was 1% (Economic and Social Statistics of Sri Lanka, 2013). The decline in the rate of growth of population was due to the fertility decline among all women and an increase in emigration, especially to the Middle Eastern and developed countries.

At the same time Sri Lanka has experienced an enhancing trend in population aged over 60 since the 1950s, principally as a result of declining fertility rates and secondarily due to a considerable decline in mortality rates, and pronounced gains in longevity that started in the early 1950s. Moreover, if the aged population (who are 60 and above) is concerned, it has increased a lot where it was 8.2% in 1991, 12.2% in 2011 and it is forecasted that aged population will be 16.8% in 2021 (Tab. 1).

Table 1 The aged population of Sri Lanka

Year	Aged Population ('000)	Percent Aged Population
1991	1.4	8.2
2001	1.9	9.2
2011	2.8	12.2
2021	4.0	16.8

Female to male ratio

As far as composition of population is concerned, age and sex have transformed a lot since 1981 where the first census has taken. Age pyramid can be produced by plotting the age composition of the population. The bottom of a pyramid specifies the segment of population in the youngest ages whereas the crown indicates the oldest ages. The proportions of people in the various age and sex categories are matter to alter as of the continuous action of population growth components, such as mortality, fertility and migration.

Age and sex composition was plotted for the year 1981 and 2011 in Fig. 3. In 1981 the male population over 60 was 3.2% and female

population was 3.5%. At the same time, male population below 15 was 17% and female population was 17.6% (Fig. 3a). Again in 2011 male over 60 was 4.3% as well as female was 5%. Moreover, male below 15 was 13.4% and female was 12.9% (Fig. 3b). It clearly shows that aged population above 60 in 1981 was 6.7% and in 2011, 9.3% which shows a 2.6% increase in aged population. In contrast, the population below 15 was 34.6% in 1981 and 26.3% in 2011. It shows a drastic drop in child dependency in the population by 8.3%. One prominent feature of the age pyramid is the gradual decline in the population below 15 and gradual increment in the population above 60. The population age structures of 1981 and 2011 (Fig. 3) clearly point out these impacts, which are due to the rapid decline in fertility and the improvement in life expectancy.

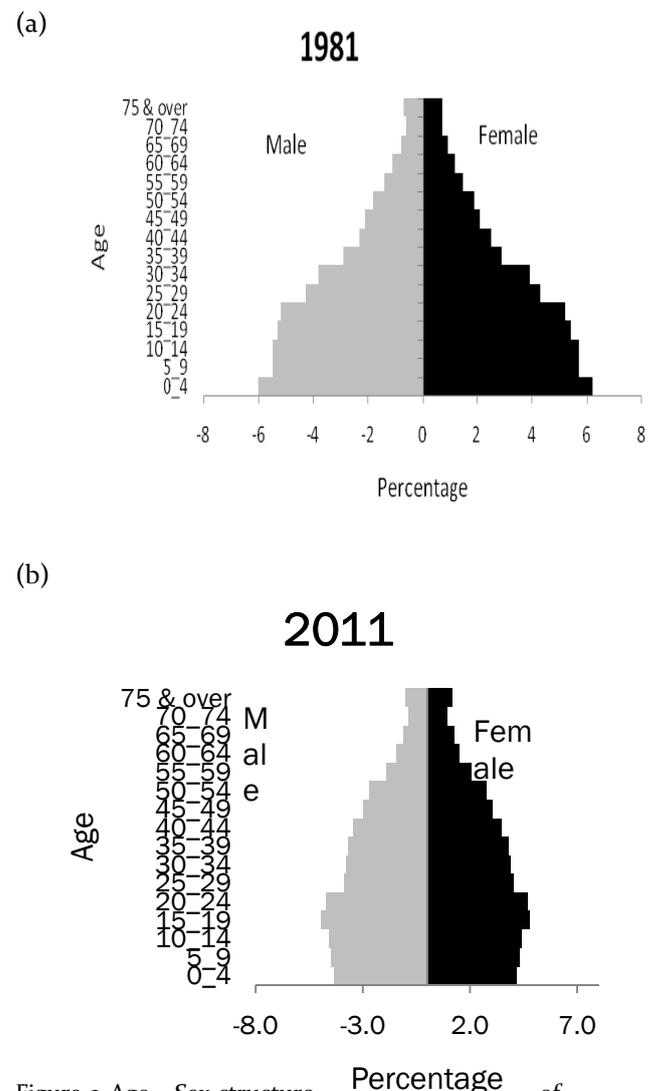


Figure 3 Age - Sex structure of the population in 1981 and 2011

The age and sex structure of the population pyramid for the year 2011 reveals the consequences of continuous changes occurred in different age and sex categories, due to changes in the population growth components during a time span of 30 years. A number of significant characteristics are visible. The fertility level diminished significantly is evident from the population pyramid, which has a relatively smaller base with respect to children of less than 4 years. In addition, the proportion of working age population aged 15 - 59 years is significantly greater than the combined proportionate level of children and the elderly (Fig. 3).

Impacts and consequences of ageing population

Due to the ageing of population, there are a number of economic implications such as income support for the lengthened retirement period, consumption, production, structure of labour market, changes in housing, needs of transport etc, and expenditure on health (Siddhisena, 2005). Activity Theory (Hendricks and Hendricks, 1977) gives emphasis to that the aged are disengaged from their work in latter age. Due to ageing the economic actives are reduced or stopped in the aged population (Perera, 2004).

Employment and income support

In Sri Lanka the majority of the population does not have retirement benefits such as formal pensions, EPF, PSPF and ETF or other means of old age protection schemes such as public assistance and safety net programmes, health or life insurance schemes, labour market participation and investment collections (Gaminiratne, 2004). The income gained from social security benefits is not enough to cover expenditure for health and routine living in later life. Seeing that most employed are in unofficial activities proves that retirement benefits cover only about 50 per cent of the employed population. Provident and Pension Fund has increased annually and it was Rs. 1,204,729 in 2012 (Economic and Social Statistics, 2013).

Spending on pension schemes

The number of pensioners and the length of retirement period have increased due to increased longevity during last few decades. The giving up work system in Sri Lanka consists of both fully financed and pay-as-you-

go (PAYGO) schemes mostly covering workers in the official sector. Gaminiratne (2004) states that the both systems still only cover approximately 25 percent of the working age population, implying that a larger proportion of workers remain without formal social security coverage. As a result, these propensities in the expenditure on pensions make known the serious suggestions of ageing on public finance, public investment and economic development of the country. In 2012 the total number of pensioners is 510,343 (Department of Pensions, 2013).

Spending on health

In common, older people have need of more health concern and treatment than younger people, and the pattern and causes of their illness are different as well, which need extraordinary care and geriatrics treatment that cost very much. Therefore, the provision of long-term health care is another most serious issue combined with the ageing of the population. On the other hand, with the raise of older people and the changing age structure from young to elderly, it is necessary to invest relatively more for older peoples' health and prime care.

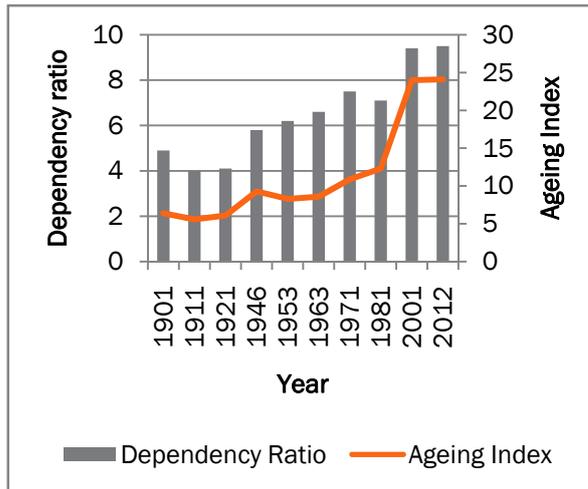
Age dependence

The aged dependency ratio is the number of aged beyond 60 per every 100 persons aged 15-59. In Sri Lanka the age dependency ratio has gradual increment and now it has the highest dependency ratio (Figure 4). The economic situation of the aged and the loads on the working population due to ageing process is increasing as a result of increasing trend of aged dependency ratio.

The ageing index is calculated as the number of persons over 60 years old per 100 persons under age 15. The ageing index was lowest at the year of 1911 and thereafter it shows a gradual increment with the fluctuation. It reaches highest where the index was 24.1 in the year 2012 (Fig. 4). Highest ageing index was gained due to higher age dependency and lower child dependency.

Note: Jaffna, Mannar, Vavuniya, Mullaitivu, Kilinochchi, Batticaloa and Trincomalee districts in which the 2001 census enumeration was not completed are not included here.

Figure 4. Age Dependency ratio and Ageing Index over the years



The adjustments with the transformation of family systems, living arrangements, co-residence patterns and socio-economic situation of the country, cause a series of social and economic implications, which are mostly negative.

Measures taken to help and secure aged population

In Sri Lanka, there are several methods and means to assist the aged population. These support systems for the elders consist of pensions, provident funds, public assistance systems, their own savings, wage labour and family community support.

The special objectives of the Ministry are to promote active ageing by health publicity and to prevent disability and disease among elders. Health care staff at divisional and regional levels have been trained as resource persons in collaboration with the Department of Social Services and Help age Sri Lanka. The government of Sri Lanka put forward several

schemes and programmes in order to assist the older population in Sri Lanka (Tab. 2).

The performance of Protection of the Rights of Elders Act No. 09 of 2000 is a step forward in the past of services for elders in Sri Lanka. The act has made provision for the establishment of a National Council for elders, a National Secretariat for Elders, a National Fund for Elders and a Maintenance Board for Elders. Until the enactment of Elders Act No. 9 of 2000, there was no specific legislation to provide for the general, social and financial security of older persons. The Ministry of Social Services and Social Welfare provide services and activities such as provision of elders’ identity card, establishment of village level / divisional level / district level elders committee.

At the same time, Help age Sri Lanka, which is a private sector undertakes several programmes and services in order to help the elderly people in Sri Lanka. They are awareness lifting on ageing and population issues, youth education programmes on the ageing population, operating 52 Day Care Centers throughout the country and organizing and conducting programmes on education and training for elderly people, establishing day centers, conducting care givers for elders, provision of pension scheme for senior citizens, appointing maintenance board for elders, conducting pre retirement seminars for elders, conducting medical clinics, registration of organizations and individuals providing services for elders, financial grants for the homes for the aged, distribution of books, magazines and other publications and some more services.

Table 2 Government Schemes and Managing Institution

Scheme	Managing Institution
Public service pension scheme	Department of Government
Employees Provident fund scheme	Employees Provident fund of the Central Bank
Employees’ Trust fund scheme	Employees’ Trust fund Board
Pension and Social security Benefits	Insurance scheme for farmers Agricultural and Agrarian Board
Pension and Social security Benefits	Sri Lanka social security Board
Public Assistance Scheme	Department of Social services

Conclusions and Recommendations

The current growth rate of the population is 0.7% which is the lowest than ever before. The aged population was 2.8 million at 2011, which was the 12.2% of the total population. The prominent feature of the age pyramid is the gradual decline in the population below 15 and gradual increment in the population above 60. It clearly points out the impacts due to the rapid decline in fertility and the improvement in life expectancy. The economic implications of ageing population are income support for the lengthened retirement period, consumption, production, structure of labour market, changes in housing, needs of transport etc, and expenditure on health. In Sri Lanka mainly the government has taken the necessary actions to cope with the ageing population. However, abundant policy options are required to be considered, the most realistic and sustainable policy options, programmes and approaches have to be taken on dynamically and critically to meet the challenges.

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