

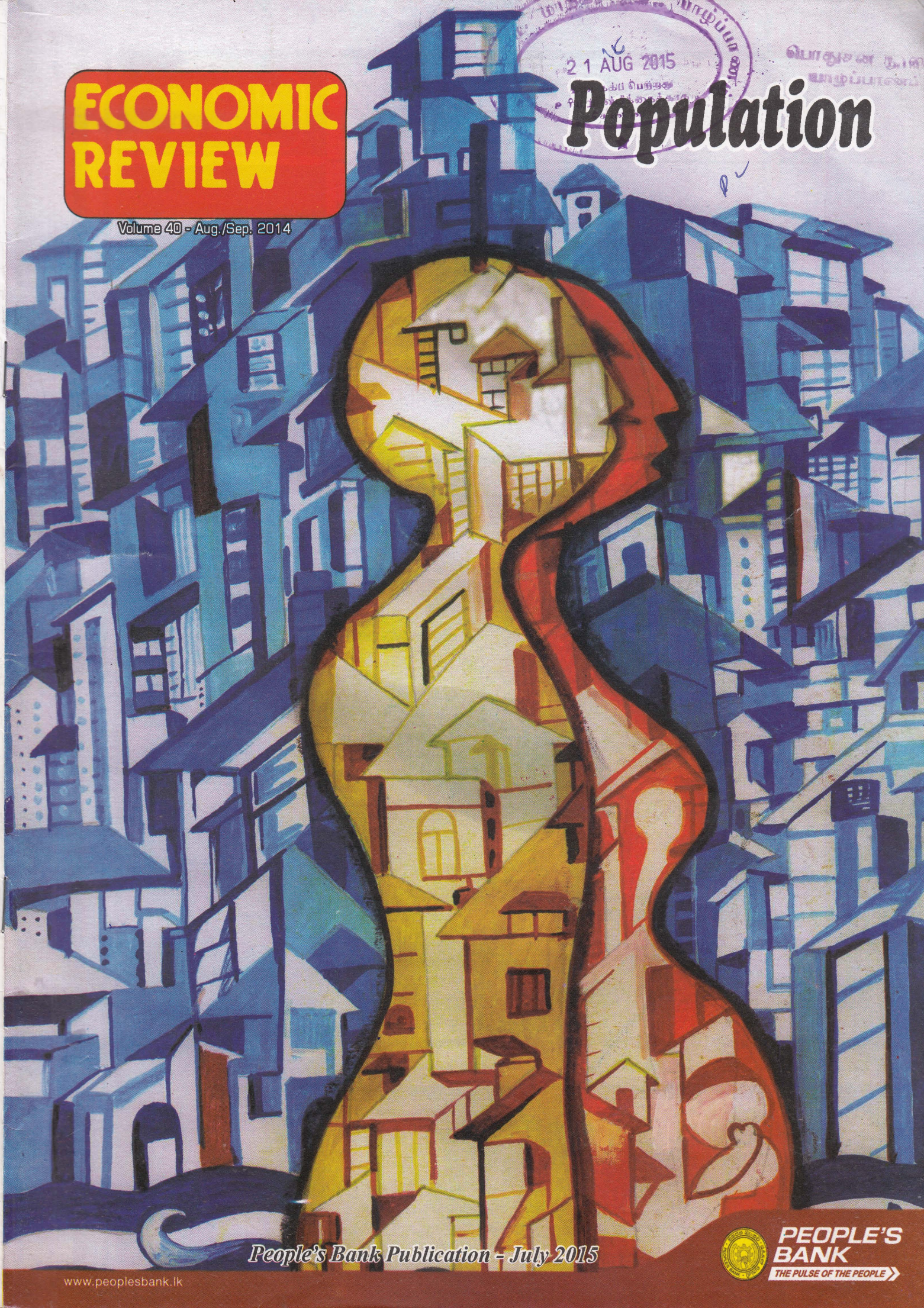
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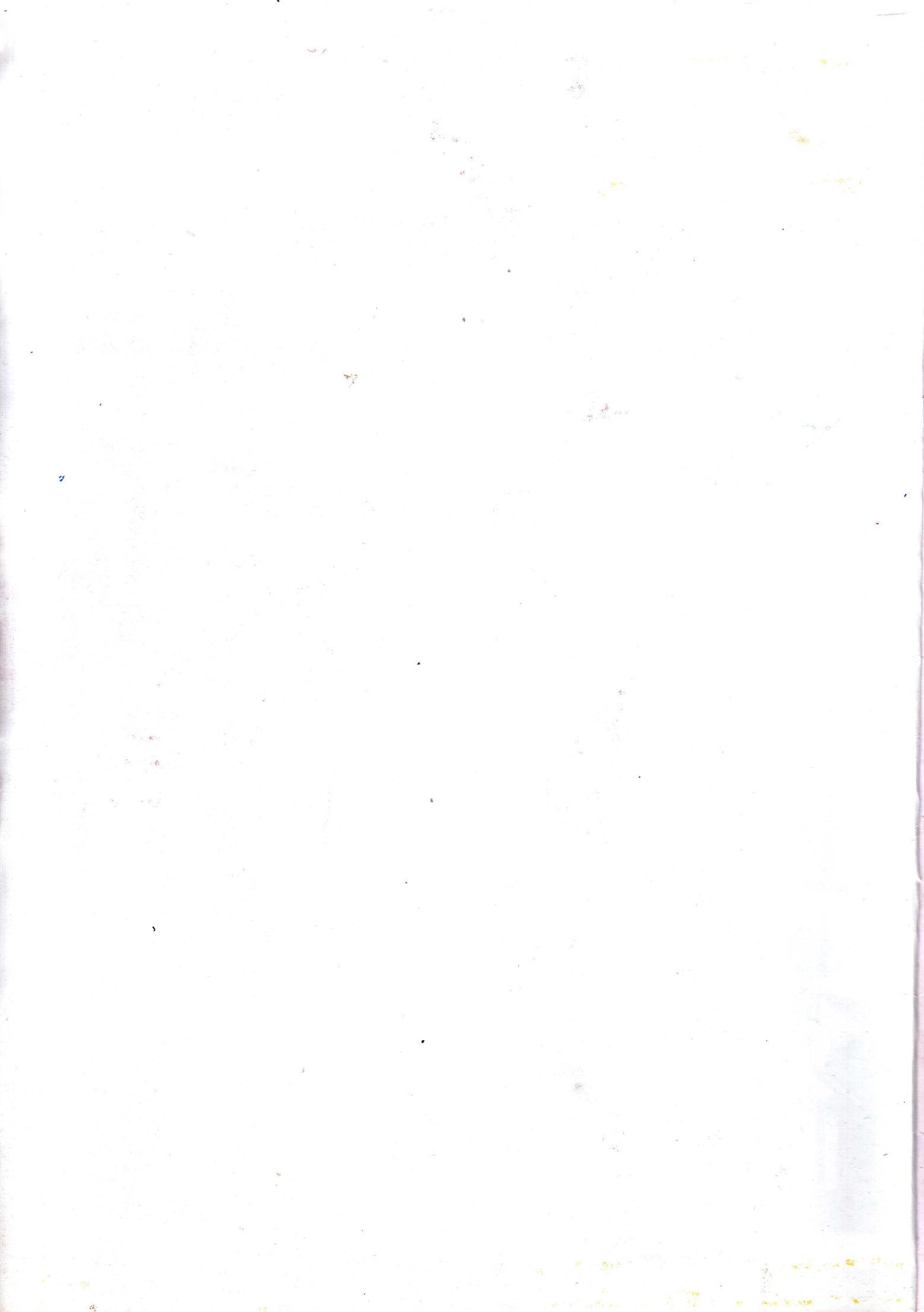
Population



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**PEOPLE'S
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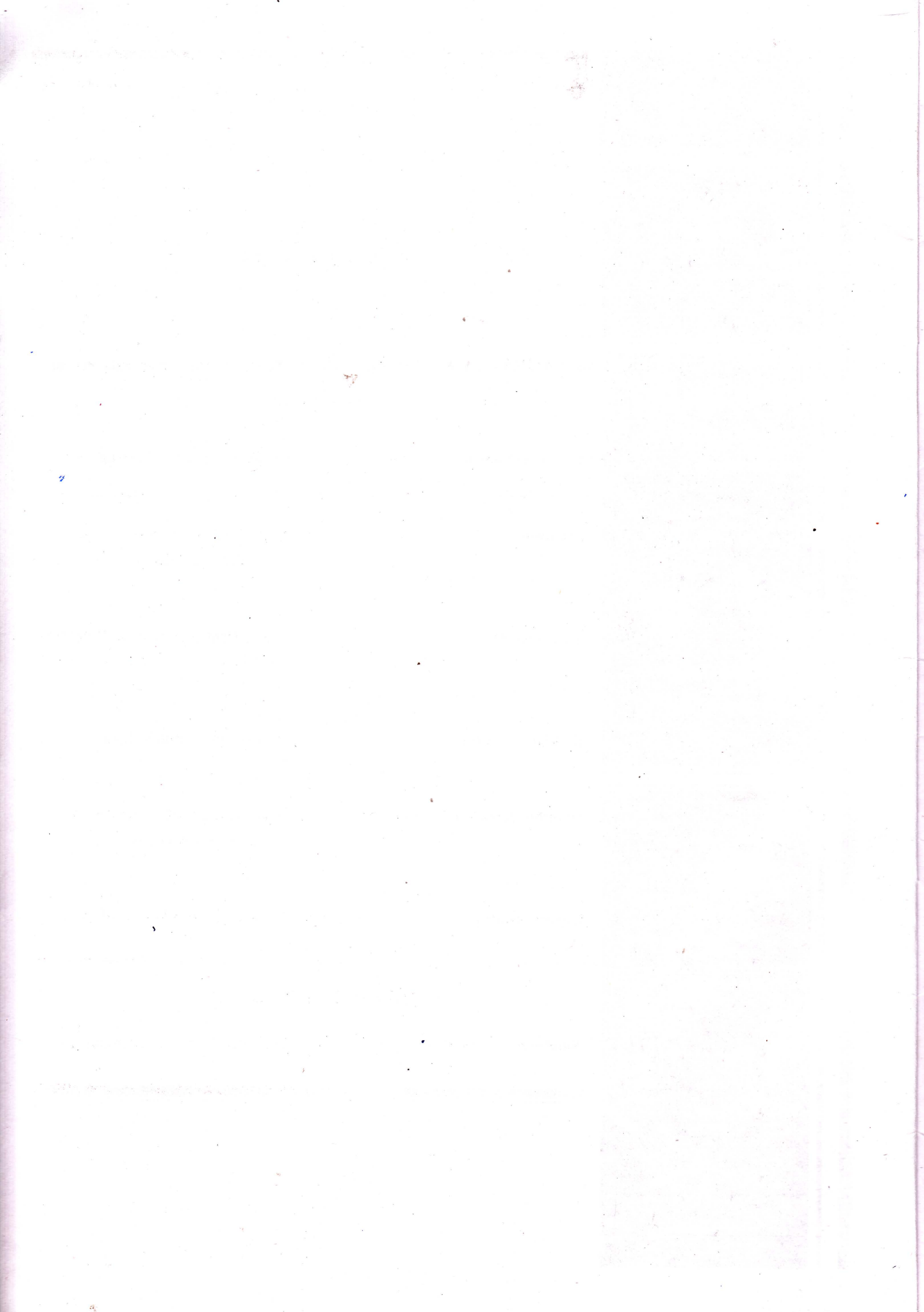
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Population Dynamics in Sri Lanka

- June 2015

Introduction

Upholding the well-being of present and future generations can be regarded as the most essential target of sustainable development. In this context, sustained social development which includes the reduction of poverty, growth in living standards and progress in well-being, does not have the potential to progress without linking into economic development which increases the production of goods and services. Similarly, the social and economic development cannot be enhanced without considering environmental changes because the production processes involves a transformation as well as degradation and depletion of natural resources. Social, economic and environmental processes are strongly entwined with population dynamics and proper understanding of the population dynamics in Sri Lanka is central to any prospective development agenda.

Sri Lanka is currently experiencing major population dynamics including significant transformations in its age structure associated with 'youth bulge' as well as 'population ageing'. These novel population trends create many developmental challenges as well as opportunities that have crucial implications for social, economic and environmental development. These emerging population trends shape and are shaped by public policy in the form of policies and related programmes

(employment creation, poverty alleviation, social protection and pensions, health, education, housing, sanitation, water, food and energy) that are being used to balance population change, economic growth, social transformation and environmental sustainability. However, the accomplishment and sustainability of development strategies need that Sri Lanka pro-actively addresses and not just simply respond to varying population dynamics. Demography alone cannot be regarded as destiny but it is very much essential that the Sri Lanka understands about the changing nature of population dynamics over the next decades, and whether they become developmental challenges or help facilitate their resolution. Most importantly, all these depend on whether effective policies employed are necessarily rights-based, evidence informed and gender-responsive.

Millennium Development Goals (MDGs) are reaching its target year in 2015 and then Post 2015 Development Agenda will become the priority for development strategies in the future years. In this context, it is crucially essential to comprehend how population dynamics affect the major development challenges of the 21st century, and how population dynamics are best integrated and addressed in the post-2015 development agenda. Therefore, population dynamics which include population size, age-structure and spatial distribution have important

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implications for the accomplishment of many development objectives, and hence, all the characteristics of population dynamics need to be understood properly and integrated into the formulation of development goals, targets and indicators, as well as strategies, policies and programmes.

Population Size and Growth

According to the Census 2012, the total population was 20,359,439 indicating that the annual average growth rate of the population had declined to 0.71 per cent during the inter-censal period of 2001 to 2012 from 1.2 per cent during the inter-censal period of 1981 to 2001. The average annual growth rate of the population between two complete censuses of 1981 and 2012 is 1.1 percent per annum. This is mainly attributed to declining birth rate, low death rate and an increase in out migration, reflecting the demographic transition of the population. The changes in age structure in the recent years are observed due to the demographic transition which involves a shift from young to old age. According to the Census 2012, a significant change in the age structure of the population has occurred compared to the Census 1981, reflecting that population ageing has

taken place in Sri Lanka over the last 30 years, which is a common feature of many developed as well as developing countries in the world today. This phenomenon is occurring mainly due to the decline in fertility over the years and mortality decline which results in the increase in the life expectancy which were accompanied by the socio-economic developments of the country. Figure 1 shows that population has been growing in an exponential manner but it will be stabilizing around 24 million in the fourth decade of this century as shown in Figure 2. However, annual rate of growth of the population has started to decline from the 1960s coinciding with the onset of the fertility transition occurred in the 1960 decade.

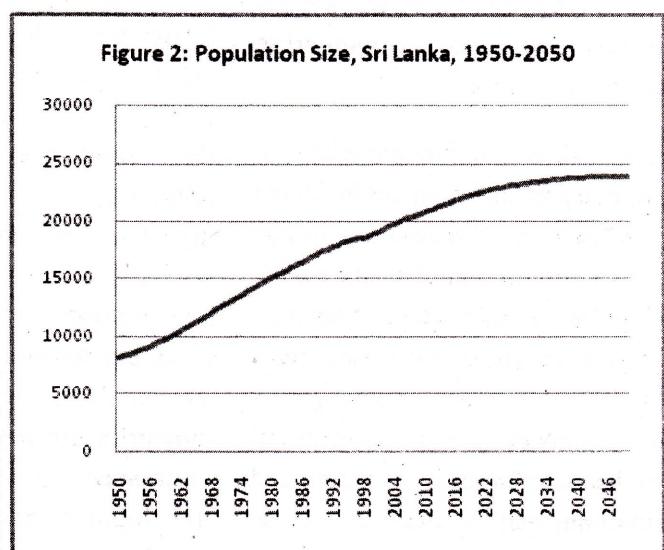
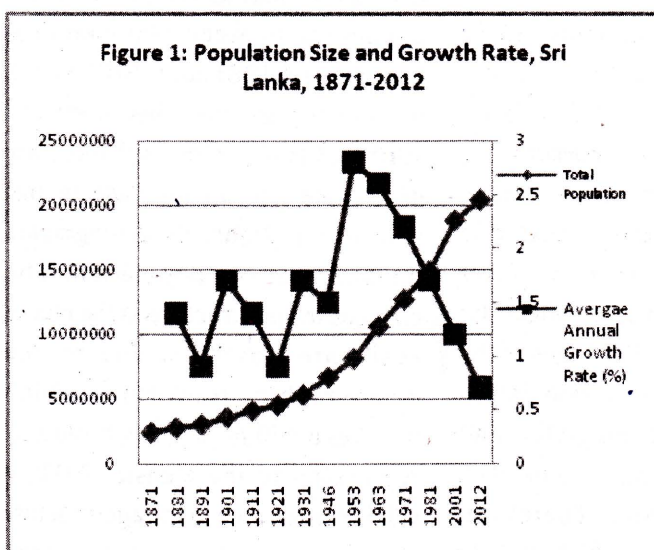
Nonetheless, further analysis with the use of recent census data suggests that Sri Lanka's population has grown exponentially until 2001 but a slight change of its speed is seen in 2012 (Figure 3). This may be the first sign that the country's population entering

in to a logistic growth model by deviating from its former exponential growth pattern. It is also reasonable to argue that Sri Lanka's population has been responding to resource constraints in the system itself during the last few decades of the 20th century. Logistic growth assumes that systems grow exponentially until an upper limit or "carrying capacity" inherent in the system approaches, at which point the growth rate slows and eventually saturates, producing the characteristic S-shape curve (Stone, 1980). As the effects of limited resources become important, the growth slows, and approaches a limiting value, the equilibrium population or carrying capacity. Carrying capacity is the maximum population size of a species that an ecosystem can support indefinitely. This natural evolution of population allows us to reasonably assume that the carrying capacity of the Sri Lankan population would be 25 million and hence total population will stabilize at 25 million during the second half of this century (Figure

4). Predicted future population with the use of logistic function is shown in Figure 4.

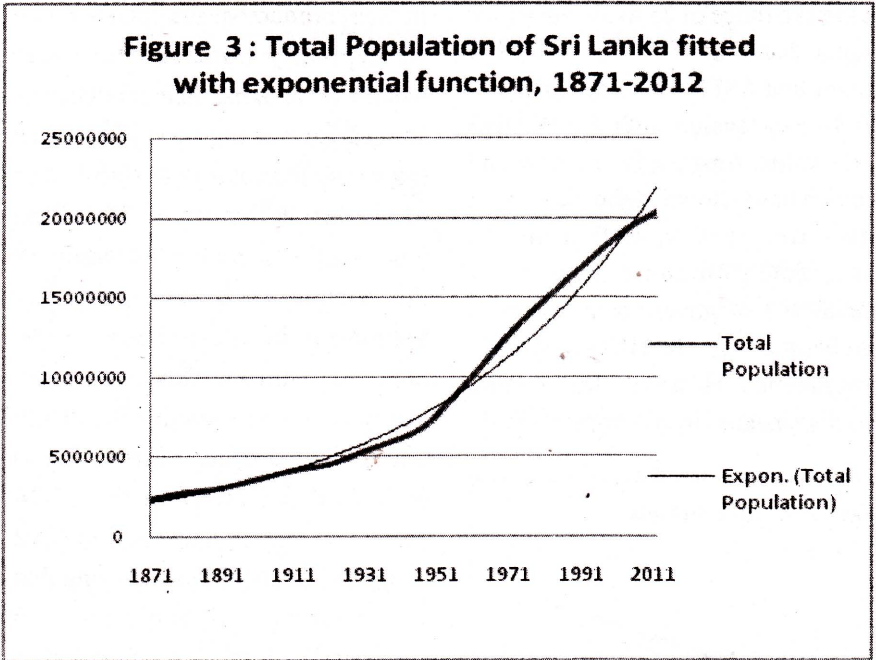
Factors Influencing Recent Fertility Increase

High fertility creates health risks for children and their mothers, interrupts human capital investment, hampers economic growth, and worsens environmental threats. Reducing poverty, raising living standards, and promoting the well-being of a large and growing population will create substantial strain on all natural resources, including land, forests, water, oceans and the atmosphere. In addition, more people mean more employment opportunities as well as more water, food and energy, clothing, housing and infrastructure, health and education etc. At the household level and individual level, high fertility does not simply mean a large number of births but also characteristically a high incidence of pregnancies at young ages, of un-planned and unwanted

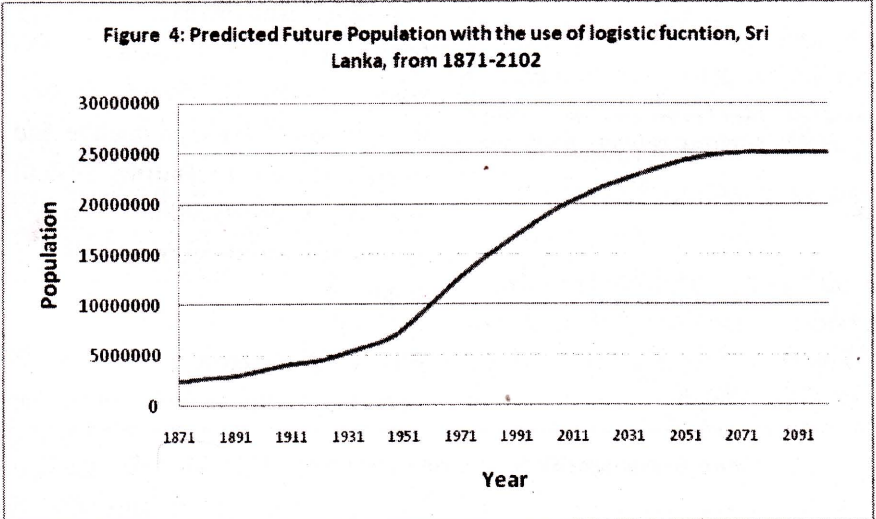


Source: Various Census Reports, Department of Census and Statistics, Sri Lanka

Source: <http://www.unescap.org/stat/data/statdb/DataExplorer.aspx>



Source: Author's calculations with the use of data obtained from Department of Census and Statistics



Source: Author's calculations with the use of data obtained from Department of Census and Statistics

pregnancies, and of closely-spaced pregnancies, all of which can influence household and individual well-being. In such cases, it is essential to improve access to reproductive health facilities including family planning. In this regard, empowering women and expanding women's education has been proved imperative. Sri Lanka is currently experiencing a rise in Total Fertility

Rate (TFR) but no accurate scientific elucidation has hitherto been given in order to demonstrate why such increase is observed after TFR arrived at the replacement level of fertility. The additional number of births generated by the upsurge of fertility in the recent years can have a significant impact on policy formulation with regard to education, health and employment in the future

years. Therefore, high fertility and population growth will still be a main challenge for Sri Lanka and thus it is essential to know how population dynamics influence the major development challenges of the 21st century, and how population dynamics are best integrated and addressed in the development agenda of the country. Sri Lanka is in the third² stage of the demographic transition where fertility is still declining or has already reached low levels of fertility and mortality, respectively.

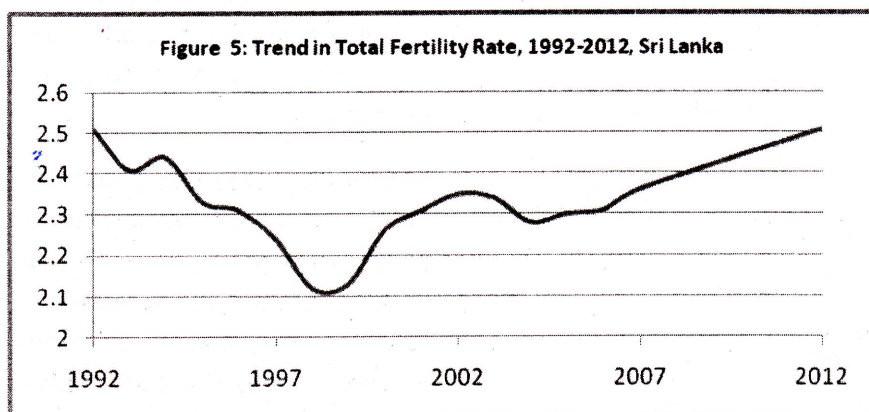
Sri Lanka has come a long way from the onset of the fertility transition to a stage where country's fertility and mortality levels have reached a low stationary level. In terms of fertility, this does not mean that Total Fertility Rate cruises on a straight line but fluctuate around the replacement level of fertility. However, some have misunderstood this aspect and made wrong conclusions by assuming this as a distressing event related to fertility. Those who do have at least little knowledge in Demography know that when fertility transition has started in a country by showing at least 10 percent decline of marital fertility during a decade, will never experience an increase of fertility again going back to the same plateau which was prevalent at the pre-transitional fertility regime. Therefore, these can be seen as some minor fluctuations of fertility that occur when people are adjusting to various socio-economic and political or disaster situations at different time periods. It is reasonable to expect that tsunami disaster and post-war situations may have led people who

were exposed to such situations to make adjustment to their fertility behaviour. This can be regarded only as a temporary behavioural pattern because this will weaken when people find that they have come to a normal situation. According to 2012 census data, we find that TFR has further increased to 2.51³ an increase of 6.4 percentage points from its previous level in 2006/07 (Figure 5).

in the age range of 25 to 39 were even higher than that of the SLDHS 1993 values and ASFR in the age group of 30-34 has leveled with the SLDHS 1987 value. Amazingly, most fecund women have shown higher fertility in the latter survey, indicating an unexpected outcome despite the prevalence of government and non-governmental fertility control programmes. However, this feature has disappeared in 2012 since ASFRs

in the reproductive age span because we typically observe that older women terminating their childbearing at an earlier than previous years which is a strong indicator of the third stage of the fertility transition. Therefore, it is essential to explore the reason for the change of women's fertility behaviour in comparison to the previous years as well as to scrutinize newly emerging reproductive health issues. It is also quite interesting to observe that fertility in the 15-24 years have slightly increased in 2012 compared to 2006/07 suggesting that childbearing is beginning to concentrate on the early part of the reproductive age span as well. However, as indicated earlier that there is a significant increase in teenage fertility too. In this context, these young women will desire adequate information about reproductive and health issues including sexual intercourse, contraception, sexually transmitted infections, pregnancy and childbirth.

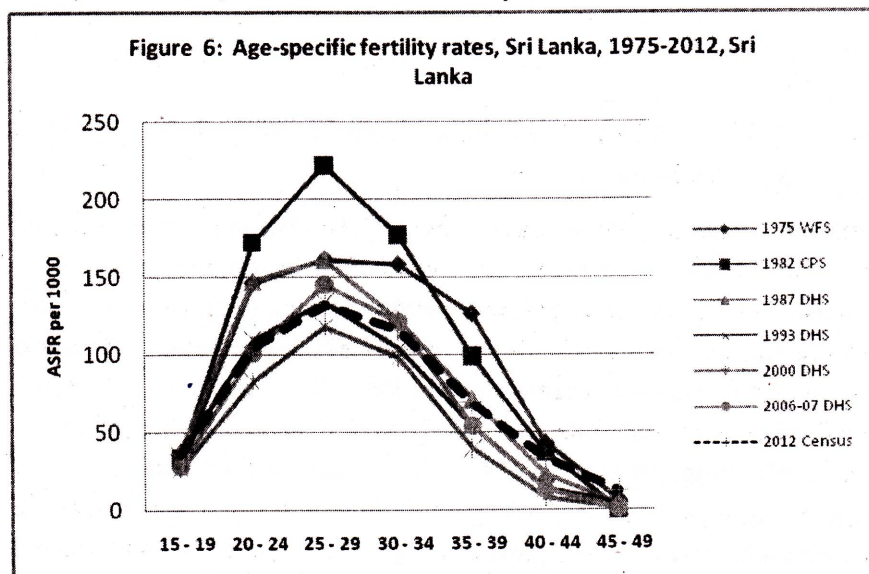
Typically, women above the age of 35 years or those who are in the



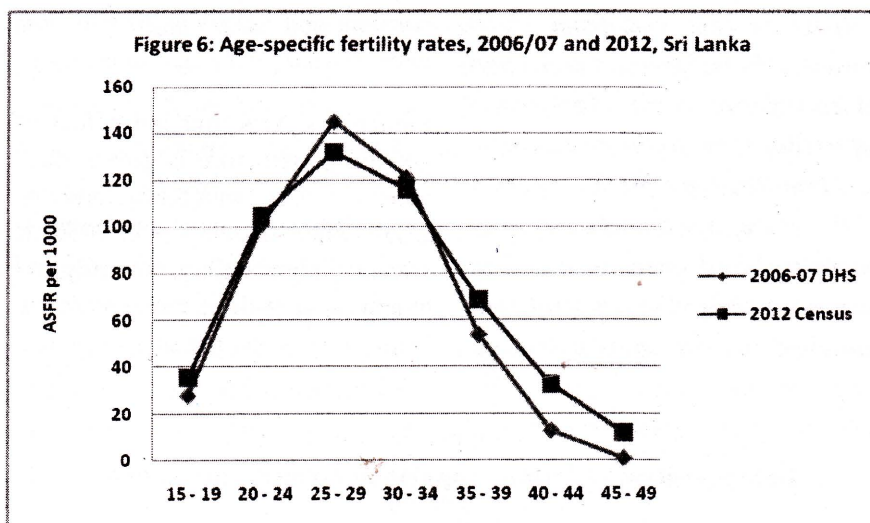
Source: Registrar General's Department, 2011; various reports from the Department of Census and Statistics; Author's calculations from 2012 Census data

In addition, however, we find that there is an increase of fertility among the older women in the reproductive age span compared to previous fertility pattern in the country (Dissanayake, 2014). Data demonstrates that age-specific fertility rates (ASFR) in the SLDH 2006/07 have gone up in all the age groups compared to the values obtained in the SLDHS 2000 (Figure 6) but surprisingly ages 35 years and above in 2012 showed a remarkable increase compared to the SLDHS 2006/07 period (Figure 6). Similarly, there is 20 percent increase in the teenage fertility between the two period considered.

in the ages 25-34 have recorded a considerable decline in 2012 as shown in Figure 5. This is a very unusual fertility behaviour by the older women



Source: Data obtained from Department of Census & Statistics; Author's calculations from 2012 Census data



Source: Data obtained from Department of Census & Statistics; Author's calculations from 2012 Census data

second part of their childbearing years are left out of discussions on contraceptive use (OlaOlorun, 2013). Most women in the latter part of the childbearing appear to perceive that they are at a minimum risk of conception because of infrequent sex, and perhaps they are infertile at those ages. However, these women are still sexually active and they are close to their menopausal stage so they continue to be at a risk of pregnancy although their fecundity declines as age increases. Those who have reached the age of 35 and achieved desired family size still need contraceptive information and services because age alone cannot be regarded as an effective contraception although these older women are less likely to get pregnant. Many have attempted to treat this category of women as a special subgroup of population for family planning (Beasley, 2010; Sherman et al., 2005; House and Ibrahim, 1999). Family Health Bureau of Sri Lanka (2012: 29) reported that 41 percent of maternal deaths were above the age of 35 years. It further revealed that maternal mortality ratio for 2015 would be 27

maternal deaths per 100,000 live births. This is still a tremendous achievement because of steep decline of MMR from 65 per 100,000 live births in 1995. Sri Lanka's performance can still be regarded as impressive for a developing nations' standard because it is still well ahead of most of the South Asian nations. The Millennium Development Goal (MDG) 5 on improving maternal health and MDG 5a intends to condense the maternal mortality ratio by three-quarters between 1990 and 2015, and MDG 5b aspires to accomplish universal access to reproductive health, including family planning (United Nations, 2013). It has been pointed out that the unmet need for family planning alone could slash the number of maternal deaths by almost a third. However, worldwide, an estimated 215 million women who would wish to delay or evade pregnancy seem to be having lack of access to safe and effective contraception (WHO, 2012). It is quite certain that providing skilled maternal care and offering family planning is central to averting maternal deaths.

Decomposition of Future Population Growth

Replacement is a critical factor in population projections because it equals the fertility level that, if maintained over time, produces zero population growth. Positive or negative deviations from replacement lead in the long run to persistent population growth or decline, respectively. High fertility is therefore a driver of population growth if average fertility remains above the replacement level for the duration of the projection. From a policy perspective it is important to note that high fertility can in turn be attributed to two distinct underlying causes. First, unwanted childbearing (defined as births that occur after a woman has reached her desired family size) is quite common in developing countries. The second cause is a high desired family size. Therefore, the future growth expected for any population is attributable to high fertility and population growth (Bongaarts 1994, Bongaarts and Bulatao 1999). However, in addition to high fertility and momentum from a young age structure, two other factors affect future population growth: (1) *declining mortality among adults* (mortality at younger ages is taken into account in replacement fertility), and (2) *migration*. These two factors are generally small in magnitude and of less interest to population policymakers. Even if fertility could immediately be brought to the replacement level with constant mortality and zero migration, population growth would continue in most populations. The reason for this,

is a young age structure, which is the result of high fertility, low mortality and rapid population growth in recent decades. The relative abundance of these young people results in a birth rate that is higher than the death rate even if fertility is at replacement. This age structure effect is called population momentum.

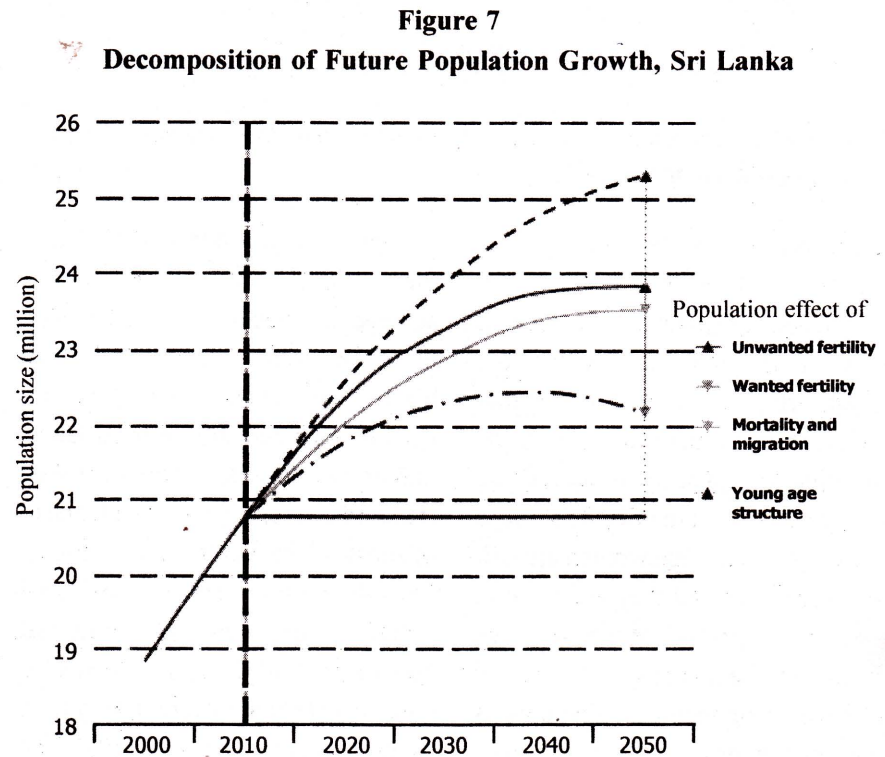
The contribution of each of these demographic factors to future population growth can be estimated with a series of hypothetical projections as shown by the United Nations Population Fund (UNFPA) which is readily available at the website <http://www.devinfolive.info/decomposition/>. In these projections, the influence of one factor is removed at each successive step. Three projections are involved (Table 1):

Note: The standard projection includes the contributions of all demographic factors. This is the medium variant projection of the United Nations. It includes effects of high fertility, mortality and migration as well as momentum; The wanted projection is identical to the standard projection but unwanted

fertility is removed from 2010 onward; The replacement projection is identical to the standard projection but fertility is set to the replacement level from 2010 onward. It is affected by the young age structure and by mortality and migration; The momentum projection sets fertility to replacement and holds mortality

constant and has no migration; it is only affected by the age structure.

Figure 7 shows that the effect of young age structure is greater than other effects and thus tend to produce 25.3 million population in 2050. If effects of high fertility, mortality and migration as well as momentum are included then Sri Lanka is expected



Source: Extracted from UNFPA: <http://www.devinfolive.info/decomposition/>

Table 1
Factors Affecting Future Population Growth

Projection Variant	Factors Affecting Future Population Growth
Standard	Young Age Structure, Changing Mortality and Migration, High Fertility (wanted and unwanted fertility)
Wanted	Young Age Structure, Changing Mortality and Migration, Fertility (wanted fertility)
Replacement	Young Age Structure, Changing Mortality and Migration
Momentum	Young Age Structure

Source: UNFPA: <http://www.devinfolive.info/decomposition/>

to observe 23.8 million population in 2050. When fertility is set to replacement level, then it is seen from Figure 8 that population will still grow to 23.5 million in 2050. With the inclusion of wanted fertility and removing unwanted fertility, population in the country will be expected to reach only 22.1 million by the middle of this century.

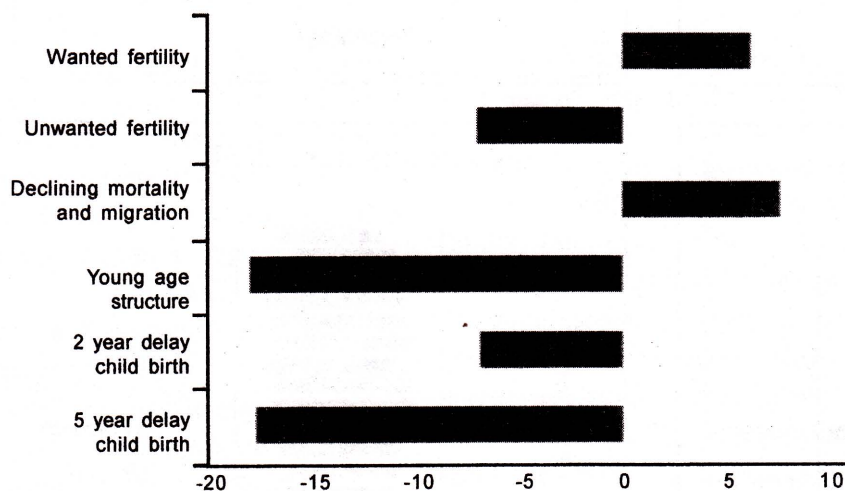
The separate impact of each growth factor can be estimated as the relative difference between the projection with

and without the factor. The results are summarized in Figure 8. The momentum from a young age structure contributes 21.9% to future population growth, and together with the effect of high fertility, 1.3%, they account for nearly all future growth. This suggests that future population of Sri Lanka will be mainly determined by the population growth momentum generated by its young age

growth associated with high fertility scenario. The expected outcome of the reduction in fertility is a momentary increase in the relative size of youth cohorts and ultimately a gradual shift of age structure towards elderly ages (Figure 9). These compositional changes can create new challenges as well as opportunities. Consequent decline in the number of dependents can provide

growth and human development. This progression is called demographic dividend. Demographic dividend has previously played a key role in the augment of the economies of Thailand, Hong Kong, Singapore, and South Korea, and Taiwan. Declining fertility enhanced their economic growth and development since their comparatively superior number of workers had less dependants to consume their income. Similarly, greater savings and investment rates were in turn generated, jointly with per capita output.

Figure 8
Decline in Population in 2050 Resulting from Removal of Components of Population Growth, Sri Lanka



Source: Extracted from UNFPA: <http://www.devinfo.org/info/decomposition/>

structures to a larger extent and high fertility arising from unwanted fertility to a lesser extent.

Age-structure Changes and Demographic Dividends

Although fertility decline observed in the past despite the prevalence of temporary upsurge in TFR at present is a welcome event. Sri Lanka will be facing with resultant compositional changes in the age structure of population that require a different type of policy response to a population

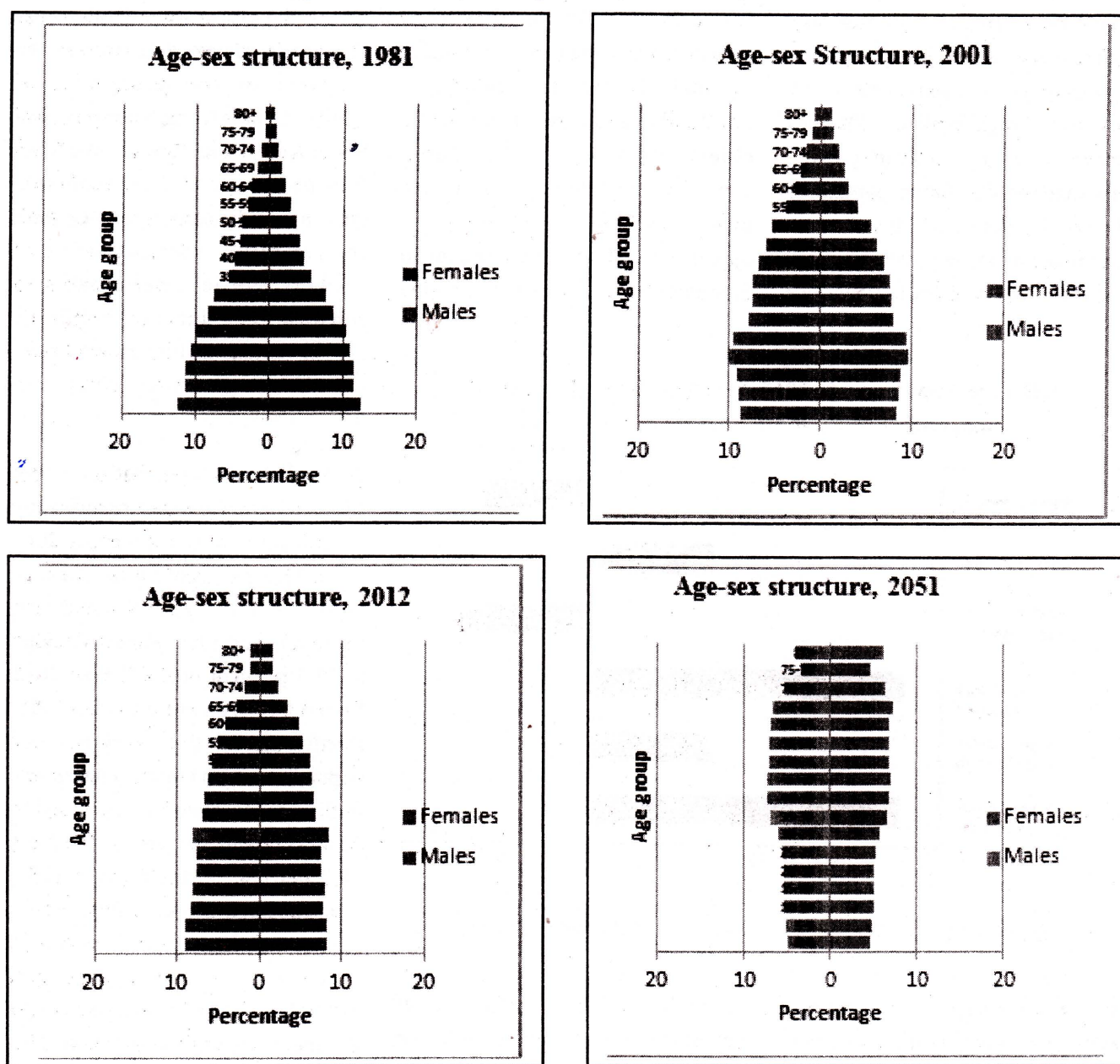
countries with a window of opportunity with higher capital/labour ratios that can help accelerate economic growth and development.

As fertility rates fall during the demographic transition, the age structure starts moving upward by creating a youth bulge in the labour force ages. If the right kinds of educational, health, and economic policies which can make the labour force productive are in place, a special window opens up for faster economic

Sri Lanka's child population (under 15 years) has decreased significantly to 25.2 per cent in the Census 2012 from 35.2 per cent in the Census 1981, while the elderly population (over 60 years) has almost doubled to 12.4 per cent in the Census 2012 from 6.6 per cent in the Census 1981. Furthermore, the working age population which is mainly prominent in the age structure has increased to 62.4 per cent in the Census 2012 from 58.2 per cent in the Census 1981. Consequently, the total dependency ratio, has declined to 60.3 per cent in the Census 2012 from 71.8 per cent in the Census 1981, mainly due to the decline in the child population. This shows that there are 5 working persons for 1 elderly person and 1.6 working persons for 1 dependent person (both child and elderly).

The demographic dividend which is a transitional time interval when the proportion of the population under 15 years falls below 30 per cent and the proportion of persons 65 years and older is below 15 per cent, usually it is said to accrue when per capita income rises on account of higher

Figure 9
Age-Sex Structure of Population, 1981-2051, Sri Lanka



Source: Drawn from data obtained from Department of Census and Statistics, Sri Lanka

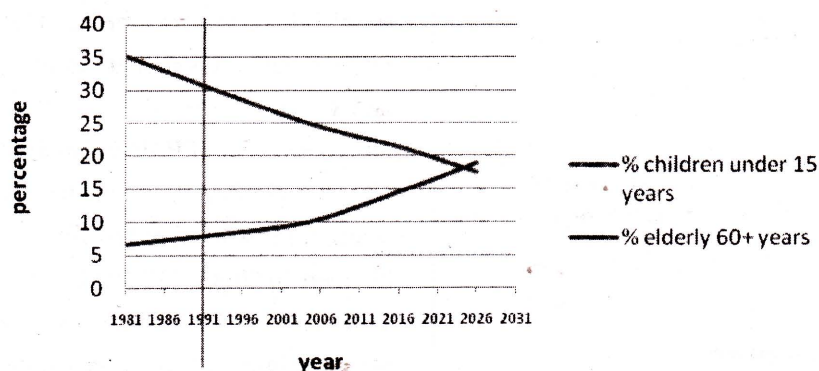
growth in the labour force compared to the growth in the population (Navaneetham and Dharmalingam, 2012). In the absence of a census in 1991, one could reasonably determine as shown in the Figure 10, that demographic dividend commenced in Sri Lanka in 1992 as percentage of the children under 15 years of age began to decline below 30 percent from 1992.

The first demographic dividend characteristically lasts for decades, but it is inherently transitory in nature. When population ageing begins to dominate demographic trends, the share of the population in the working ages will decline. At this moment, the first dividend will turn negative as population growth surpasses growth in the labour force. Ultimately, the share of the population in the working

ages may be no greater than before the dividend period began.

According to the trends in the age structure, Sri Lanka is currently experiencing the first demographic dividend with a large working age population which could raise total GDP, if productively employed. De Silva (2012) has indicated that the demographic dividend will last only

Figure 10: Commencement of the Demographic Dividend, Sri Lanka



Source: Author's calculations done for Population Situation Analysis, Sri Lanka (unpublished report of the UNFPA)

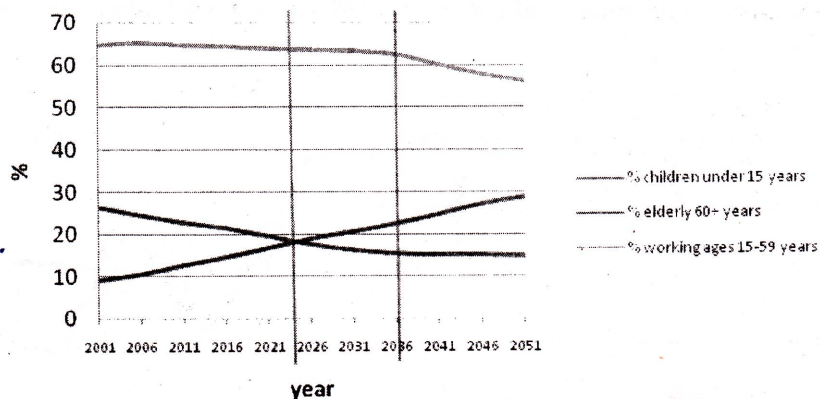
until 2017 but the present analysis shows that it will continue till 2037 as depicted in Figure 11. Although the percentages of children less than 15 years of age and elderly population aged 60+ years of age, respectively equilibrate in 2025, a noticeable decline of the percentage of working age population is only discernible from 2037 while percentage of children population tends to stabilize around 15 percent only after 2037. Furthermore, a clear decline of population could be seen only from 2037 while a more noticeable decrease in working age population is visible only after 2037 (Figure 11). All these evidence confirm that the duration of the first demographic dividend is 45 years from 1992 to 2037. This suggests that Sri Lanka is still left with 22 years more which is a considerable time period, if the country desires to benefit from this historically produced demographic bonus. The benefits of the demographic dividend which are available only for about another two decades not automatic, but policy dependent and hence the window of opportunity to reap the benefits of a

low dependency burden needs to be made use of productively.

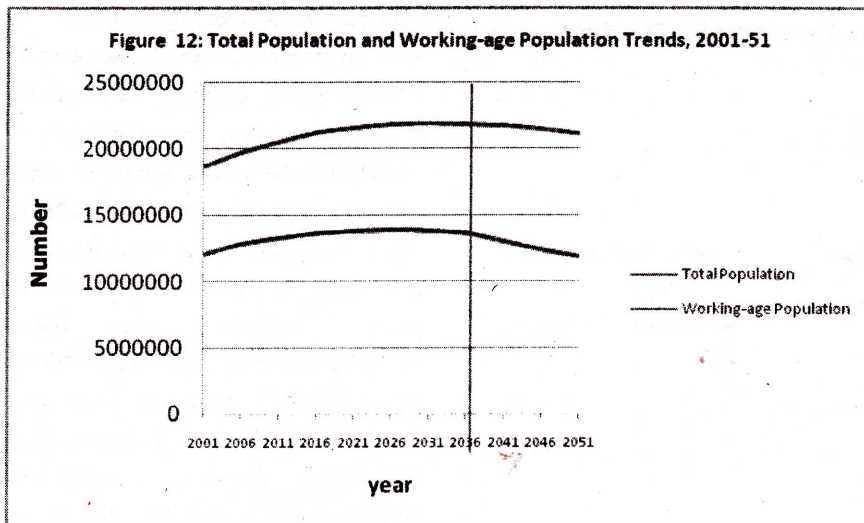
The potential for a “demographic dividend” remains strong in Sri Lanka, but requires that proper measures be put in place. Investments in youth, especially education and health will promote opportunities for developing a skilled and healthy labour force. This should include health programs which will address the full range of child, youth and adult needs in order to make the youth prepare to

contribute more significantly to economic growth. Sri Lanka should be able to ensure that their macroeconomic environment is stable, maintain a low unemployment rate by adopting strategies to absorb the rapidly growing workforce of educated and skilled labour, include greater female labour force participation, and implement policies to encourage high savings and investments which will produce favourable economic results and higher per capita income. Furthermore, investing in young people by promoting healthy lifestyles, and guaranteeing access to equitable education and employment openings, access to health services and social security coverage can be regarded as the best investment to improve the lives of future older generations. ILO global policy frameworks stress the Inter relationship between nature of employment and social protection: “the full economic and social growth potential of a society cannot be realized if people are not benefiting from a social protection floor and by the same token, social security

Figure 11: Percentage distribution of broad population groups, 2001 to 2051



Source: Author's calculations done for Population Situation Analysis, Sri Lanka (unpublished report of the UNFPA)



Source: Author's calculations done for Population Situation Analysis, Sri Lanka (unpublished report of the UNFPA)

schemes cannot be financed without a sound economic and employment base". When the ageing process is related to the second demographic dividend, economically, people often move into higher-paying jobs and countries experience higher per capita income and thus social and economic changes motivate people to accumulate greater personal wealth.

Low Fertility, Population Ageing and Second Demographic Dividend

The total fertility rate (TFR) is the average number of children that would be born to a woman by the

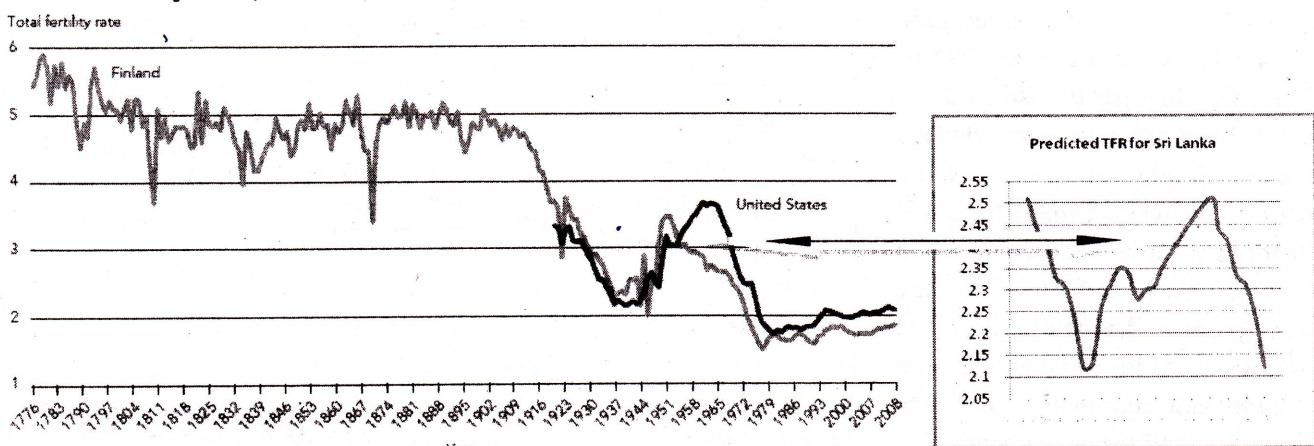
time she ended childbearing if she were to pass through all her childbearing years conforming to the age-specific fertility rates of a given year. The TFR is one of the most useful indicators of fertility because it gives the best picture of how many children women are currently having. Many who uses the TFR is unaware that this is a synthetic measure; no individual woman is very likely to pass through three decades conforming to the age-specific fertility rates of any single year. Therefore, year-to-year fluctuations in the TFR may reflect

changes in the timing of births rather than changes in the average number of children women bear. It also reflects the survival chances of girls and young women. It is essential to understand the TFR does not evolve on a straight line but oscillates when it reaches low level of fertility as can be seen in Figure 12 which shows TFR values for Finland and the United States. Figure 13 is good example how TFR has come closer to 2.1 (replacement level of fertility) and then increased to a higher level with the post-war II baby boom but it has not remained at a higher level but declined even below replacement level fertility.

It is a known fact all the fluctuations in TFR in any country are due to fertility adjustments by the population during the post transitional time periods. These adjustments can occur due to various factors such as conflict situations, natural disasters or neglect of contraceptive use/unmet need for family planning. By examining the fluctuations in TFR in Sri Lanka, we

Figure 13

Total Fertility Rate, Finland, 1776-2009 and United States, 1917-2008 and Predicted TFR for Sri Lanka



Source: http://www.prb.org/pdf11/prb-population-handbook-2011_fertility.pdf

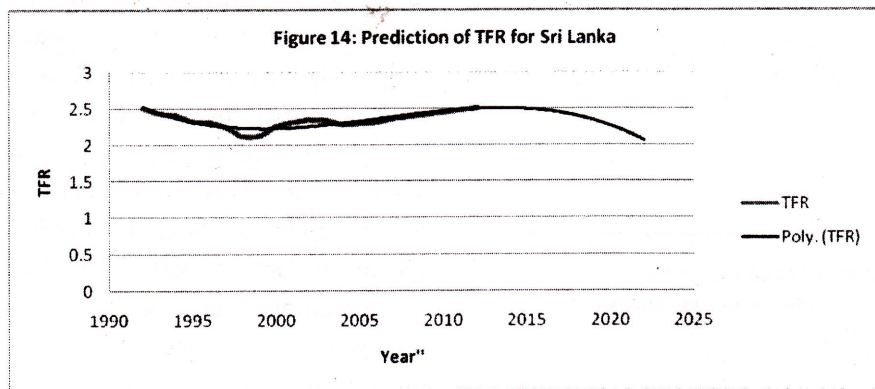
can reasonably predict that TFR will decline in the coming years by fitting 3rd order polynomial function as shown in Figure 14. Figure 13 shows that TFR is likely to reach replacement level of fertility in 2022. This prediction is also based on the resemblance of the TFR increase due to post-war baby-boom as shown in Figure 13.

The challenges associated with population ageing are not insuperable but they will require appraisal and restructuring of social welfare arrangements.

Mortality in Sri Lanka declined substantially over the latter half of the twentieth century and then well into the new millennium. Life expectancy

years while female life expectancy will be 82.5 years by 2026 (Gunasekera, 2008). Figure 16 illustrates that the gap between male and female life expectancies has been widening further over the years in favour of women. The total as well as average annual gain in life years was more than doubled for females. Therefore, men seem to be increasingly exposed to high risk mortality factors. Once fertility declines and sustains at below replacement level, increase in the longevity will have a greater impact on the process of population ageing.

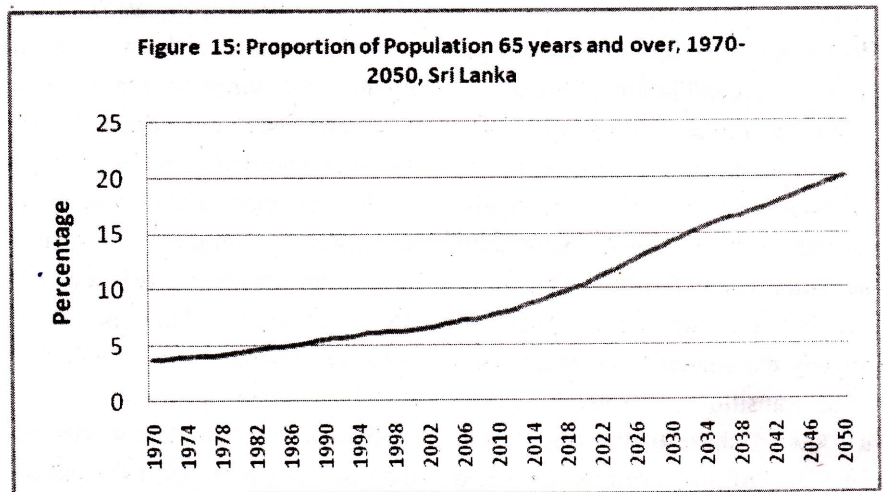
In addition, there is a strong association between the increase of the life expectancy and the decrease of communicable diseases and increase in non-communicable diseases due to the shift of age structure towards older age groups as a consequent, Figure 17 shows that percentage life years lost due to non-communicable diseases has increased during the recent years. It is quite important to note that deaths due to non-communicable diseases in 2012 accounted for 75% of total deaths in Sri Lanka⁴.



Source: Author's calculations with the use of data obtained from Registrar general's Department, Sri Lanka

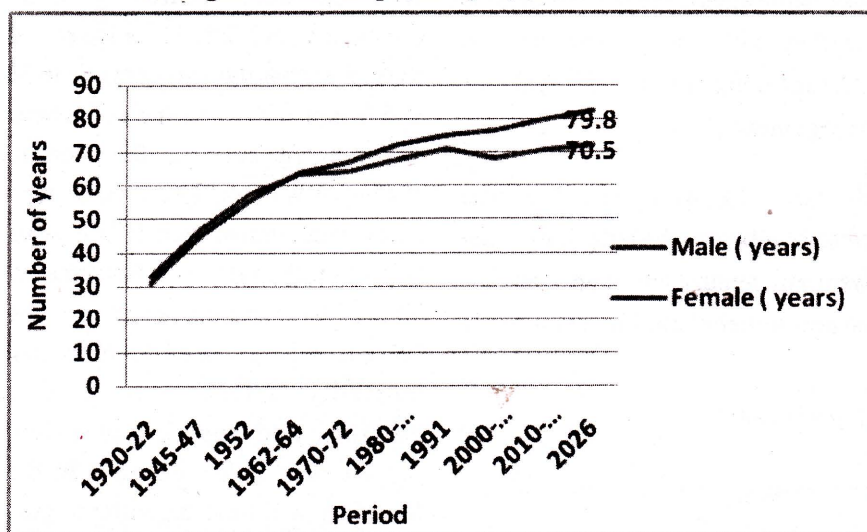
Increased longevity together with lower fertility leads to rapid population ageing. Figure 15 shows the changing nature of ageing in Sri Lanka over the years. It appears that ageing population will evolve in an exponential manner with low fertility and improved longevity of the elderly in the future. This phenomenon calls for concerns over income security, social protection, healthcare, and living conditions in old age as major social development priorities. Sri Lanka can be anticipated to arrive at a point where there is growing numbers of older people and a larger share of their populations above the age of 65, of which higher proportion will be women. Accordingly, population ageing is an issue that should be addressed by the country.

at birth for males and females were 32.7 and 30.7 years, respectively for the 1920-22 period. By 2012, those figures rose to 71.0 years for males and 77.2 years for females. The projected figures show that male life expectancy is expected to reach 72.3



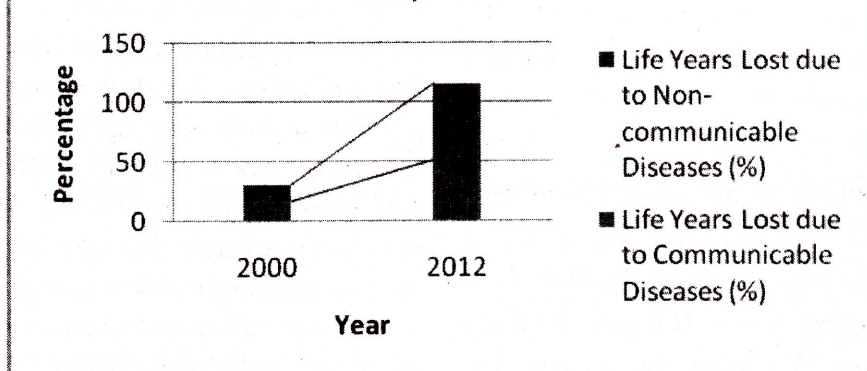
Source: <http://www.unescap.org/stat/data/statdb/DataExplorer.aspx>

Figure 16
Changes in Life Expectancy by Sex, 1921 to 2026



Source: Dissanayake, 2014

Figure 17: Percentage of Life years Lost Due to Communicable and Non-Communicable Diseases, 2000 & 2012, Sri Lanka



Source: <http://www.unescap.org/stat/data/statdb/DataExplorer.aspx>

Transformation in population age structure also creates a second demographic dividend that depends on how the accumulation of wealth is related to population ageing. First, there are compositional effects. Although Sri Lanka still has not reached its later stage of the fertility transition where fertility stabilizes at very low level, the countries that have already experienced the later stages of the transition to low fertility, show a growing share of the population consists of individuals who are nearing the completion or who have

completed their productive years. These individuals must have accumulated wealth in order to finance consumption for many of their remaining years. Second, there are behavioural effects. The increase in life expectancy and the associated increase in the duration of retirement lead to an upward shift in the age-profile of wealth. This takes place because as people comprehend they will live longer, they will be more motivated to accumulate wealth that they can use to support themselves in old age. As people's wealth

increases, it is reasonable to hypothesize that they are more likely to invest in the health and education of each of their children. With fewer children to care for, it is possible for parents to invest more resources in each child. Economists⁵ claim that the prospects of a longer life and an extended period of retirement, act as a powerful saving incentive in the absence of widespread social security and family support systems. Therefore, population ageing elevates the population share of the elderly who hold more assets than others, resulting in higher wealth accumulation and asset income. This would generate higher capital per worker, boosting labour productivity and resulting in greater output levels. Sri Lanka is likely to commence its second demographic dividend from 2037 since the country also would have achieved its later part of the low stationary fertility status by that time. However, it is important to note that the relationship between the demographic dividends and income growth is very much policy dependent. The second dividend comes into operation in part because prime age adults save more to provide for their retirement. Their ability or willingness to save, nevertheless, may be undermined by poorly developed financial markets or overly generous publicly funded pension programmes. These suggest that the changes in age structure define possibilities but, by themselves, do not decide the outcome.

Conclusion

Examination of the evolution of population showed us that the carrying capacity of the Sri Lankan population would be 25 million and

hence total population will stabilize at 25 million during the second half of this century. The analysis also suggests that the recent fertility increase was a result of the increase of fertility of the older women in the reproductive age span. Furthermore, the recent upsurge in the TFR will soon disappear and the TFR would reach its replacement level by 2022. Decomposition of the population growth in Sri Lanka showed that the future population of Sri Lanka will be mainly determined by the population growth momentum generated by its young age structure to a larger extent and high fertility arising from unwanted fertility to a lesser extent. This study further confirmed that the duration of the first demographic dividend is 45 years from 1992 to 2037. This implies that Sri Lanka is still left with 22 years more, if the country wishes to take advantage of this historically produced demographic bonus. Sri Lanka is expected to commence its second demographic dividend from 2037 since the country also would have achieved its later part of the low stationary fertility status by that time. Overall, this analysis suggests that the tendency for population growth in Sri Lanka to continue beyond the time that replacement-level fertility has been achieved because of the relatively high concentration of women in the childbearing years. Sri Lanka's population is growing although the rate of growth is declining because Momentum Factor (MF) is still 1.3. The MF is greater than 1 means that there is positive momentum in the system that will lead to population growth. Therefore, Sri Lanka will have still more women in their childbearing years in the future.

Consequently, recent fertility increase will extend the population growth momentum further. This can gradually extend the terminal year (beyond 2037) of the first demographic dividend too. Such change will be beneficial to the country's development if appropriate policies are in place.

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Footnotes

¹ Senior Professor of Demography, Department of Demography, University of Colombo, Sri Lanka; Visiting Professor, Faculty of Health and Social Sciences, Leeds Beckett University, United Kingdom; Adjunct Member, The Australian Population and Migration Research Center, University of Adelaide, Australia.

² Birth rate is falling and death rate falls more slowly.

³ In the absence of fertility data from the Department of Registrar General for the year 2012, the present author computed age-specific fertility rates for 2012 with the use of 2012 census data on children ever born tabulated by age of mother by using the method suggested by Arriaga (1983).

⁴ www.who.int/nmh/countries/lka_en.pdf

⁵ <http://www.prb.org/pdf13/africa-second-demographicdividend.pdf>

An introduction to the Census of Population and Housing

- June 2015

Introduction

It is observed that in human history rulers of different countries wanted to know the number of their citizens for several reasons. The main one was to know the number of citizens who were capable of paying State taxes. The next reason was that the king or ruler would want to know the number of the male population who could contribute to the labour force, and another reason was that ruler would want to know the number of valiant men who were fit for war activities. Therefore, number of females and children were not conducted in those censuses.

In the panorama of the human civilization, first censuses were conducted in countries like Egypt, Babylonia, China, Palestine and Rome. These censuses were by registering people in their cities. This method was adopted firstly by the Roman emperors in the 5th century. The Prophet Mohammed carrying out a census of Saudi Arabia was to keep written records of the entire Muslim population of his town in the 7th century. Thereafter news of a census was heard in the 18th century from Sweden in 1749. Thereafter Norway and Denmark had conducted census in 1760. United Kingdom too have conducted censuses in 1790. By the end of the 19th century Western countries used their census not only to estimate their population, but also

to look into other characteristics of the population as well.

After the World War II, the United Nations had taken steps to educate nations in the importance of a census and provided them with funds and technology. As a result of this, 78% of the world population had been counted out by census during the period from 1953 to 1964.

The census has been defined by the United Nation as,

The complete process of collecting, reception, assessment, processing, analysis, publication and dissemination of demographic and socio-economic information which relate to a population at a given moment in time, covering all the residents of a well-defined country or territory.

The Uses of a Modern Census

A census is essential to any country to study the size and demographic changes of the population. In the process of a census in this modern world, housing information is also being collected simultaneously since, this information is also essential for purpose of setting development measures and targets of a particular country.

The first census conducted in Sri Lanka was in 1871 before 143 years before under British Rule. It was the first census to have taken place in South Asian country. Thereafter until

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1931, every 10 years, a census was conducted in years ending with '1'. It was mainly aimed of revenue collection. British government, introduced a Plantation economy, with mostly with Indian labour and as a result of this venture, citizens of Indian origin were substantially introduced to the population of the country. Though it was planned to conduct census in 1941, it has to be postponed to 1946 due to the 2nd world war. Thereafter censuses were conducted out in 1953, 1963 and returned to the pattern early exercised in years ending with '1' by holding a census in 1971 followed by the 1981 census.

The census of 1991 was not conducted due to the prevailing civil unrest in the country. The next census took place in 2001 after 20 years, and it was limited to 18 districts out of 25 districts as most of the districts in North and East provinces were left out due to civil unrest. The latest census conducted in 2012 was the 14th one, and covered the entire country, which was an important outcome for the nation.

Activities Covered in a Census

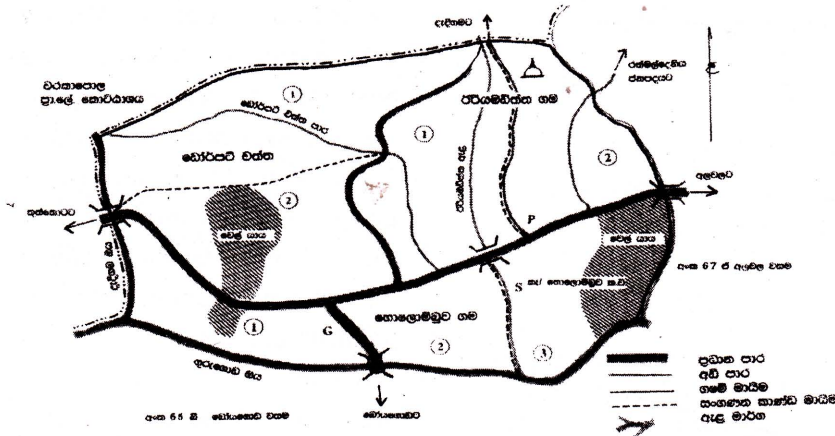
The conduct of a census is a very complicated activity and preparatory work spread over nearly 05 years'

time. There are 4 main stages in a census. The first stage is the mapping at the level of Gramasewa Divisions which are the smallest administrative units in the country.

as census date. Any births and deaths that took place before the mid night of 19th March, that was the census moment, were revised out in the

information collection, three types of building units which occupied by people were identified; they are housing units, collective living quarters (lodging hostels, prisons, elders homes orphanages or living places for children) and non-housing units (offices, shops, stores, and garage etc.) the census enumerators were instructed to visit these units and collect information by interviewing a responsible person living in the unit and record the answers in census schedules.

Sketch of a GN Division Divided as Census Blocks



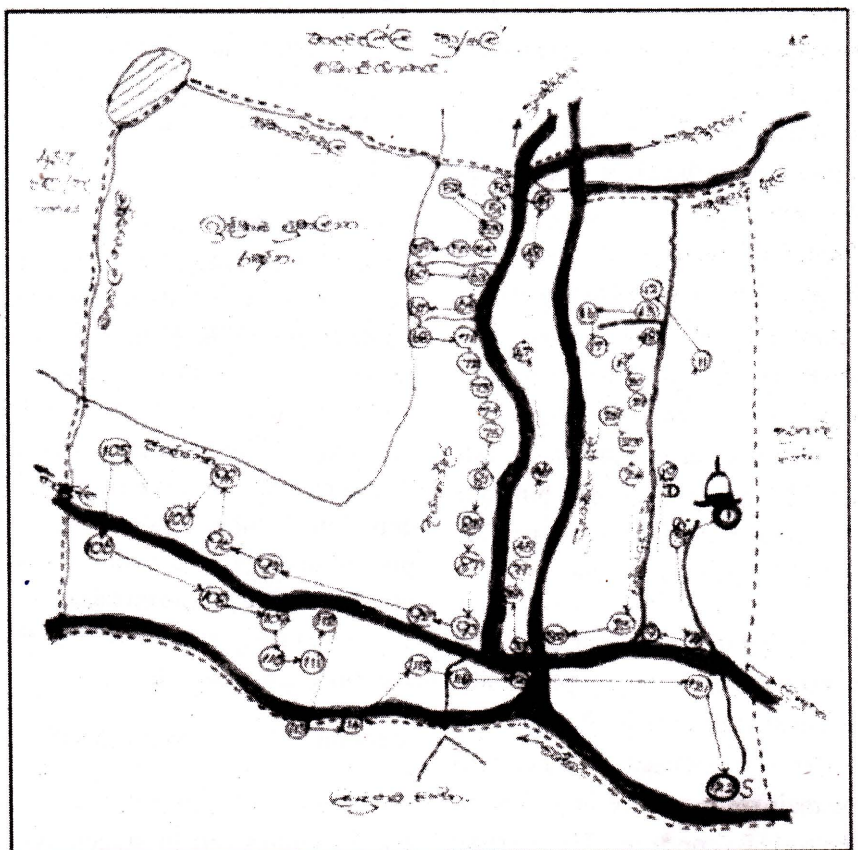
This activity was carried out by the Grama Niladharis attached to each division under the guidance and technical support of the mapping division of the Department of Census and Statistics. After this process, Grama Niladhari Divisions were sub divided into smaller areas which contained about 150 building units called Census Blocks considering main geographical factors in the area. For the 2012 census, this process was started in 2008 and was completed in 2010. The second stage of the census is the listing of building units by the Grama Niladharis. It is based on the prepared maps at the earlier stage. This process was completed in 2011.

revision round. The following illustration shows the time frame.

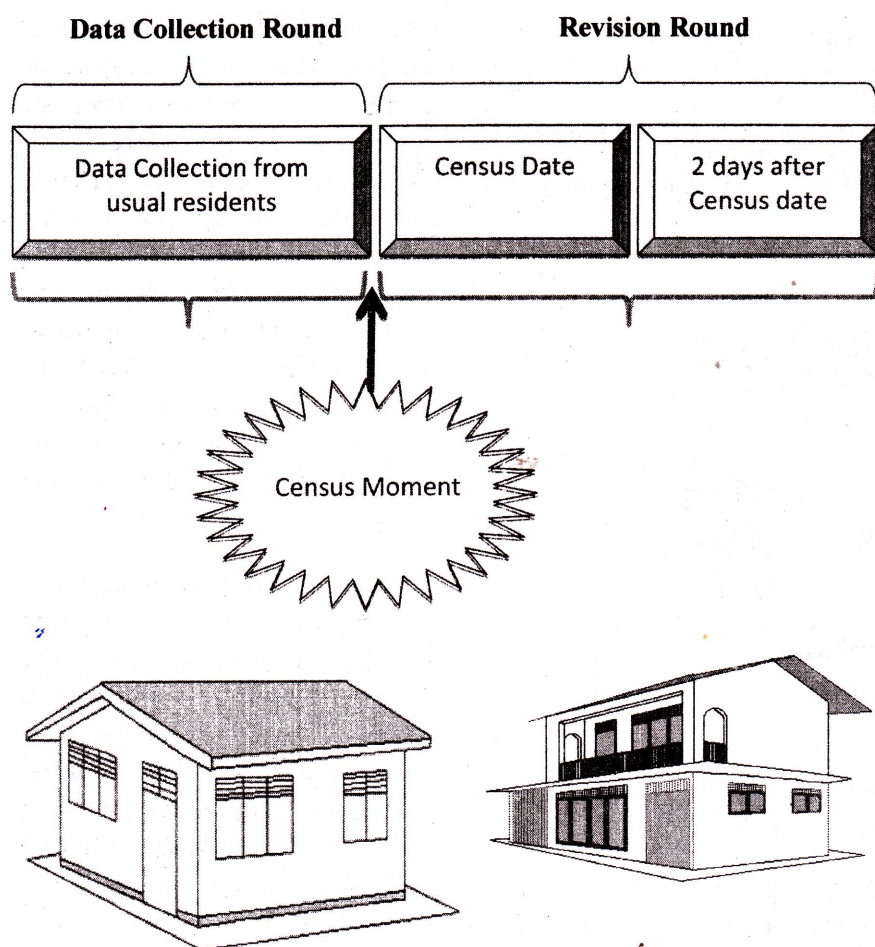
There is an important fact to be mentioned here. In the round of

Sometimes there may be occupied housing units with one or more households in one housing unit. The household could be one person household or multi person household. It depends on the cooking arrangement of the persons living in the unit. This situation should be kept in mind as census information is being perused.

Sketch of the Census Block



The next stage of the census is the counting out or enumerating stage. It has two rounds of activities, they are collecting information and revising the same. For the last census collecting of data took place between 27th February and 19th March 2012. The date 20th March 2012 was declared



The method de facto was applied in the censuses taken place in the period from 1871 to 2001. (Table 1) In these censuses, persons were counted out at mid night at the place where he or she met the census officers. Employees were granted with 1/2 day leave and requested to stay at their homes for the counting out. But nowadays this system is not practical because persons are not willing to stay at home and large number of staff should be deployed for outdoor enumeration and also the possibility of double counting will be high.

As we find usually in our cities and towns there are so many places like pavements, doorsteps of shops and shades of pillars used by night loiters for their resting place identified as “homeless” people. The census

officers used to identify such places with the help of the police and counted out persons they met there on the 19th of March from 10 pm to 12 mid night.

Due to these difficulties, therefore in the census conducted in 2012 was based on the method, de-jure or usual residence means the place where in a person lives more than 6 months or is plan to live for 06 months or more continually. Measures were also taken to minimize the double counting and omission. Publicity programs using printed and electronic media were used to educate people on this census by giving prior instructions to get the support of respondents.

Announcing of Census Results

The results of counting out of a census comes out in stages. As a

result of heavy volumes of data (one volume consist of about 80,000) and its lengthy process of verification make the result delay. Hence, the results come out, step by step as follows:

1. Immediately after collecting information, enumerators prepared a manual summary for the Census Block assigned to each enumerator. After that all the Census Bolcks summaries were collected by the Grama Niladhari and prepared a Grama Niladhari summary and hand over the GN summary to Divisional Secretaries. Then the statistical staff attached to DS divisions collected all the GN summaries and produce DS level summaries. Then these summaries were submitted to the District statistics branch to prepare District counts. Then the district counts are submitted to the Department of Census and Statistics to produce the National counts. The first report on Census of Population and Housing was produced in April 2012 based on these summaries.
2. Another two reports of census and housing consisting of information prepared at Divisional Secretaries level based on the enumerator summaries were published in October, 2012. (Table 1)
3. In order to provide with more information 5% of sample report of final census data was published in 2014 after the scanning and processing of final census data. The schedules belonged to the

sample were printed in a special colour and were scrutinized to verify its correctness before the complete processing.

4. A large number of final Tables prepared at national and district levels have been already released to departmental website (www.statistics.gov.lk).

5. A conference related to the launching of the key findings of census information was held with

the participation of 500 invites on December, 2014 and a publication also released in three languages in this occasion.

6. The final report of the census is now under preparation and is expected to be printed in, by July 2015.

It is the duty of citizens of the country to use these census reports as much as possible and these reports will help

the nation in many ways. They include the changes in in the demographic patterns of the population, its issues, regional distribution, and aging of the population. This helps to, take policy decisions to care elders, changes in the family units and its effects on the families and entire society together with the change of time. Sri Lanka population counted out at different census in different years is given below:

Table 1
Enumerated Population by Census Years, Inter Census Growth and Average Annual Growth Rate: 1871 - 2012

Census Date	Enumerated	Inter Census Growth		Average Annual Growth Rate (percent)
		Number	Percentage	
1871 March, 27	2,400,380	-	-	-
1881 February, 17	2,759,738	359,358	15.0	1.4
1891 February, 26	3,007,789	248,051	9.0	0.9
1901 March, 01	3,565,954	558,165	18.6	1.7
1911 March, 10	4,106,350	540,396	15.2	1.4
1921 March, 18	4,498,605	392,255	9.6	0.9
1931 February, 26	5,306,871	808,266	18.0	1.7
1946 March, 19	6,657,339	1,350,468	25.4	1.5
1953 March, 20	8,097,895	1,440,556	21.6	2.8
1963 July, 08	10,582,064	2,484,169	30.7	2.6
1971 October, 09	12,689,897	2,107,833	19.9	2.2
1981 March, 17	14,846,750	2,156,853	17.0	1.7
2001 July, 17	18,797,257	3,950,507	26.6	1.2
2012 March, 20	20,359,439	1,562,182	8.3	0.7

Note : 2001 Census was not conducted in Jaffna, Mannar, Vavuniya, Mullativu and Kilinochchi in North Province and Batticaloa and Trincomalee districts in the Eastern Province and therefore estimated value was used for 2001 year.

Gender Divisions of Ageing Population in Sri Lanka

- June 2015

1. Introduction

Ageing of population is a problem of entire world community. The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) reports that half of the world elderly population now lives in Asia and Pacific region. The trend of ageing in Sri Lankan society is also now following a pattern which has been experiencing in Japan as well in some European countries. There are well-planned methods of security for elders in developed countries. But in Sri Lanka, as a developing country, where a considerable portion of the population, is exceeding age of 60 years, is a big challenge to the whole nation. It is also observed that the labour force of the country is not comparatively improving itself matching with the increase of aged gender categories of the population. In Sri Lankan society caring elders is a responsibility as well as a duty of their siblings, and as a ratio nine persons look after one elder person as per the census done in 1981. Yet, the census done in 2012 reveals that the above figure, has come down to five persons. This means the number of dependent elders who are to be cared and protected by the labour force has been increasing over the last 31 years.

As per the Population and Housing census report for the year 2012, the elderly population of the country is 2.5 million, where 56 percent

comprise females. The same report shows among these elders 273,774 persons are over 80 years and out of them 60 percent represents females. According to the population projections calculated by Soma De Silva, projected population of the elders will reach up to 5 million by the year 2031 and the majority of them will be females.¹

2. Statistics Related to Female Elderly Population

The Census of Population and Housing (2012) found that the elderly females outnumber males by 289,271. According to the key findings of census 2012, sex ratio of elderly population is 79. This means among the elderly population there are 79 males per 100 females. So this pattern of gender divisions shows that the ageing will result in a decrease of the sex ratio as well. Due to the lengthening the lifespan of females majority of elders are females. Table 1 presents sex ratio of elderly population by Age group.

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Table 1
Sex ratio by age group 2012

Age group	Sex ratio
60 & over	79
60 - 64	86
65 - 69	81
70 - 74	79
75 - 79	70
80 & over	65

Source : Key findings of Census of Population 2012

According to the Table 2, Population census done in 1946 reported that the population of elders who were 60 or more years old, was 5.4 percent of the total and it has developed up to 12.4 percent in 2012 as per the census of the same year. Further, in 1946 percentage gap between male and female is reported as 0.4 however in 2012 that gap has widened to 1.4.

Table 2
Elderly population by age group and sex 1946-2012

Year	Total Population	Elderly Population	%	Elderly Population	
				Male (%)	Female (%)
1946	6,657,339	359,946	5.4	2.9	2.5
1963	10,582,064	786,927	7.4	3.3	4.2
1981	14,846,750	981,808	6.6	3.5	3.1
2012	20,359,439	2,520,573	12.4	5.5	6.9

Source : General Report 1981

3. Some Features of the Elderly Population

3.1 Widowhood

Data related to elderly population indicates that widowhood is also a significant fact. The data shows that one person out of 5 elders (20%) is a widow for a person over 60 years old. The following Graph - 01 explains that the number of female widows is greater than that of elder male widows. Table 3 shows that the number of female widow population is 86.3 percent of the entire elderly widow population. In addition the percentage of widow females in each age group has exceeded 80 percent.

3.2 Health Condition of Elders

The continuity of a good health condition of a person is much more important than his or her life span. One out of five elder persons who are in the group of age between 60 and 64 years may have one or more physical weaknesses, and for females it is more than for males. Which means the aging factor of the female quickens her physical unfit as well. The census 2012 reports also show that the vision, audibility and mobility of elders are major disabilities.

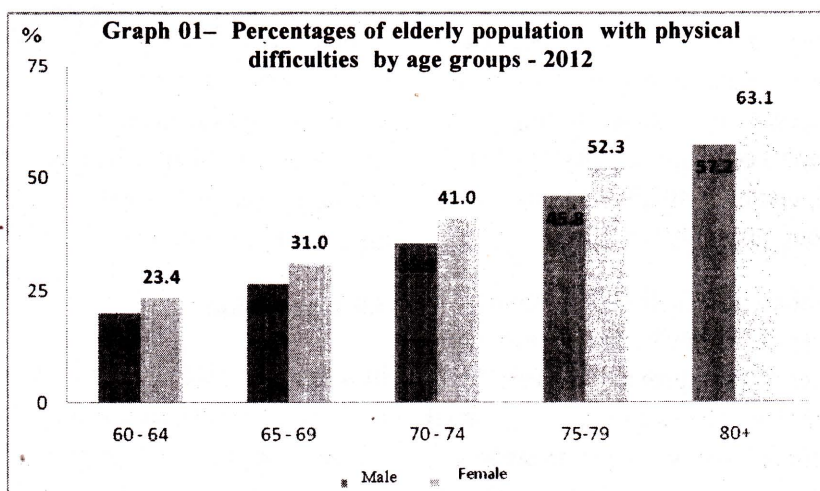
3.3 Economic Security for Elders

According to the Census 2012 data, 75 percent of elderly population did not engage in any economic activities. Out of the economically active elders almost 75 percent of elders are males. Total female representation in economic activities is 158,521 and among them 43 percent engaged in self employments and 38 percent engaged as paid employees.

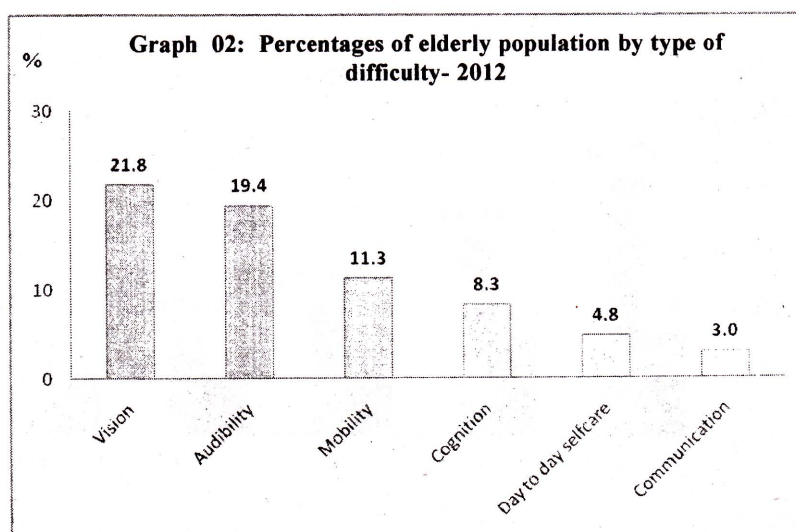
Table 3
Widowhood of elder population as per the gender divisions and age groups-2012

Age Group	Total Elder Population	Elder Widow Population	%	Elder Widow Population			
				Male	%	Female	%
60 - 64	917,910	117,393	12.8	12,794	10.9	104,599	89.1
65 - 69	633,289	116,367	18.4	13,506	11.6	102,861	88.4
70 - 74	412,414	101,471	24.6	13,178	13	88,293	87
75 - 79	283,186	89,363	31.6	12,802	14.3	76,561	85.7
80+	273,774	102,078	37.3	19,808	19.4	82,270	80.6
Total	2,520,573	526,672	20.9	72,088	13.7	454,584	86.3

Source: Census of Population and Housing 2012



Source: Census of Population and Housing 2012



Source: Census of Population and Housing 2012

Table 4
Elder Population engaged in Economic Activities – as per Gender Divisions and age Groups

Age group	Employees		Employers		Self Employed		Engaged in unpaid family work	
	Male	Female	Male	Female	Male	Female	Male	Female
60 - 64	89,291	34,198	9,084	1,481	147,722	37,507	7,920	15,471
65 - 69	40,863	15,016	4,591	981	78,262	18,646	5,278	6,788
70 - 74	15,479	5,312	2,209	524	36,578	7,654	3,013	2,626
75 - 79	5,707	2,091	1,043	377	14,869	3,013	1,336	1,138
80+	7,364	3,562	615	220	6,355	1,329	679	587
Total	158,704	60,179	17,542	3,583	283,786	68,149	18,226	26,610

Source: Census of Population and Housing 2012

The Graph 03 shows elder population who are not engaged in economic activities by sex. According to the graph 3 economically inactive female population is 402,300 among the age group 60 – 64years.

Graph 2 and Table 4 show among the females, widowhood and economic insecurity is higher than males. Elderly females, who suffer from financial difficulties, poverty, health problems, under nourishment, alcohol addiction by spouses, domestic affliction and

difficulty of living with their children and in laws, are under severe stress and pain. Further, increasing number of widows and financially unsecured female groups will be a heavy pressure on the entire labour force.

4.0 Conclusion

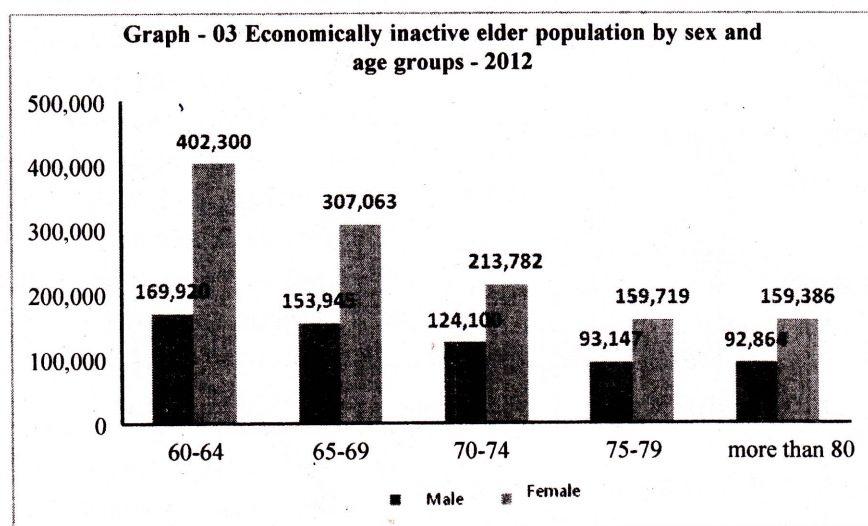
In a country, like Sri Lanka where female labour force participation is low, it is necessary to pave to improve their contribution by providing jobs with wages at their young age and

thereafter a suitable pension scheme must be introduced as social security. It is also recommended that camps or homes for elders, specially giving priorities to female elders should be set up. For this purpose the government and other non-governmental organizations must be encouraged. In order to uplift living standards of elders, medical facilities including drugs at subsidized rates and suitable transport facilities for elderly are important.

At present government provide a monthly allowance for most unprivileged adults. But majority of elders could not be benefitted by this kind of activity. Now, majority of healthy elderly population needs support to engage in any activity which can be more productive to them as well as the country. Government needs to pay special attention to serve them accordingly.

Footnote

¹ Elderly Population in Sri Lanka Problems and Expectations



Source: Census of Population and Housing 2012

External Migration in Sri Lanka

- June 2015

1. Introduction

Population migration in any society can be divided into two main categories. They are :

- i. Internal Migration,
- ii. External migration.

Internal migration is the movement by people from one district to another with the intention of settling in the new location leaving his birthplace. External migration is migration from one country to another. People within their lifetime migrate internally as well as externally for various purposes such as education, marriage and employment. Data compilation on these two categories of migration has been done using the 2012 Census of Population and Housing. In this census under the external migration, in addition to data related to people who have migrated from one country to another country for the purpose of permanently settling down, even the data relating to people who have gone abroad for a period exceeding 6 months also have been considered as externally migrated. Out of these two categories of migrations the focus of this article is on external migration.

2. External Migration: Reasons

Employment and education are the two main driving forces for external migration. Although not very significant, health and tour purposes are other factors that persuade people to migrate. Many socio-economic

issues have resulted due to external migration, especially migration for employment purposes. These issues have lead to extensive dialogue in the contemporary society and also a number of laws have been enacted to regulate migration for employment purposes during the past few years. Hence, this has become an appropriate subject for discussions.

3. Migration for Employment

Migration for employment purposes that is happening worldwide can be identified under four patterns. They are:

- i. South to North,
- ii. North to South,
- iii. South to South,
- iv. North to North.

Here South refers to under-developed countries whereas North denotes the developed countries. For employment purposes South to North has become the most popular route. Sri Lanka being a low middle income country falls under South. Due to the prevailing economic difficulties as well, ambition to earn more, are the main reasons for the growing tendency among Sri Lankans for migrating for employment purposes.

4. History of External Migration in Sri Lanka (after 1960s)

Sri Lanka's external migration history can be traced into 3 main eras. 1965 to 1976 was the first era. During this

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period there had been a significant brain-drain. After enactment of the Official Language Act the medium of teaching has been shifted from English to Sinhala. Due to the undue uncertainty created among higher strata of the society, after this transformation large number of professionals began to out-migrate.

The second era was from 1976 to 1985. With economic liberalization introduced in 1977, the Sri Lankan market was open to the world. This has given a boost for people to migrate seeking better employment opportunities. A more conducive out migration was further enhanced with the greater employment opportunities created in the Middle East countries following the oil price hike. This has provided opportunities for both skilled and unskilled male or female Sri Lankans to migrate to Middle Eastern countries seeking employment opportunities. A large number of jobs for house maids have been provided on contract basis. In this era the year 1983 was a very special year for the history of external migration in Sri Lanka as a huge number of people specially the Tamils had migrated to various countries as political refugees because of the riots occurred in this year.

The third era commenced in 1985 and we are now in this era. The most

significant development that took place during this period was the establishment of the Foreign Employment Bureau. During this period a large number of Sri Lankans started to migrate for employment purposes. Following this huge demand for foreign employments large number of foreign employment

agencies emerged. However, as there were no opportunities in the middle eastern countries for obtaining citizenship by being in employment in those countries during this period, people have shifted their preferences to migrate into countries where no such restrictions for citizenship was prevailing.

5. Migrant Populations According to the Country and Purpose for Migration

Table 1.1 given below displays countries that have attracted large number of migrants in 2011 as per data collected under the 2012 Population and Housing Census. According to these data 354,462

Table 1.1
Migrant Populations According to the Country and Purpose for Migration - 2012

Country	Purpose for migration									
	Total*	For Employment			For Education			Other		
		Total*	Male*	Female*	Total*	Male*	Female*	Total*	Male*	Female*
Total	604,540	513,527	306,368	207,159	42,095	27,101	14,994	48,918	20,993	27,925
South Korea	17,781	16,573	14,968	1,605	404	294	110	804	569	235
United Arab Emirates (Dubai, Abudhabi)	70,232	63,780	41,321	22,459	1,683	992	691	4,769	2,012	2,757
Saudi Arabia (Riyadh)	118,857	110,709	62,884	47,825	1,708	992	716	6,440	3,009	3,431
Oman (Muscat)	10,113	8,921	4,850	4,071	303	173	130	889	319	570
Jordan	19,848	18,646	4,138	14,508	272	123	149	930	312	618
Kuwait	86,128	81,269	27,827	53,442	985	496	489	3,874	1,457	2,417
Lebanon	10,961	10,312	2,116	8,196	152	73	79	497	179	318
Cyprus	8,998	8,356	2,294	6,062	298	217	81	344	116	228
Qatar (Doha)	78,206	72,537	61,919	10,618	1,309	891	418	4,360	2,476	1,884
Bahrain	8,987	8,031	3,302	4,729	225	129	96	731	213	518
Australia	17,980	7,727	5,306	2,421	6,668	4,260	2,408	3,585	1,340	2,245
United States of America	10,909	5,210	3,813	1,397	3,881	2,505	1,376	1,818	717	1,101
United Kingdom	21,564	8,679	6,368	2,311	9,395	6,684	2,711	3,490	1,371	2,119
Italy	44,938	37,847	26,280	11,567	1,885	1,063	822	5,206	2,045	3,161
Others	79,038	54,930	38,982	15,948	12,927	8,209	4,718	11,181	4,858	6,323

Source: Census of Population & Housing, 2012* All these figures have been taken as reported from the Census of Population & Housing, 2012.

(58.6%) migrants were males and females were only 250,078 (41.4%). Accordingly it was a male-dominant migration.

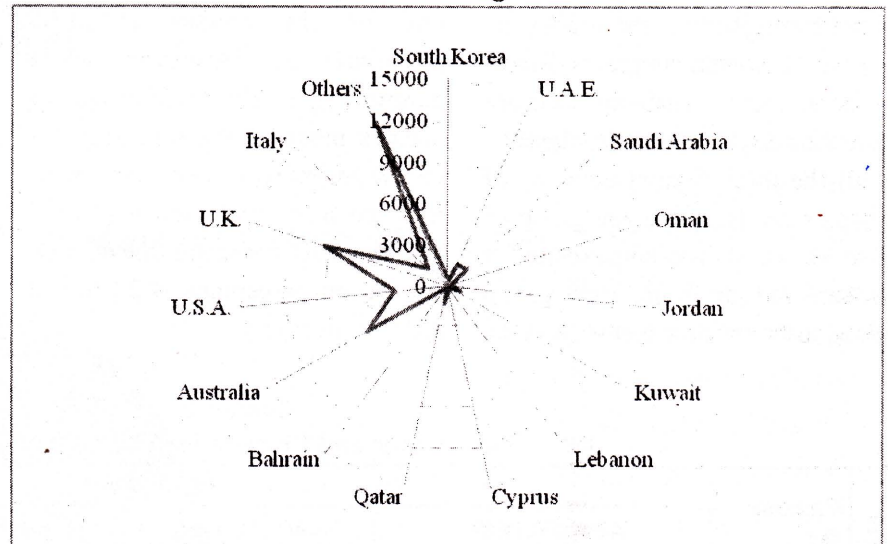
Figure 1.1 depicts the countries and the number of people who have migrated for different reasons and employment accounts for 84.9% of total emigrants. This shows that the vast majority of Sri Lankans are migrating mainly for employment purposes. 59.7% or the majority of these emigrants are males, whilst only 40.3% represents females. Men have surpassed women in migrating to all the countries excepting for few countries such as Kuwait, Jordan, Lebanon and Cyprus. Out of all migrants about 74.5% or nearly 3/4th of them have migrated to Middle-Eastern countries. Only 25.5% of Sri Lankan labour has migrated to other countries. Of them the majority have migrated to Italy and South Korea.

According to the data given in Figure 1.1, only 7% of the total migrants

have migrated for educational purposes. Majority of migrants for educational purposes represent males. It was 64.4% of the total number migrated for educational purposes. Females represent only 35.6%. According to the Figure 1.2 given below only 16% of the total number migrated for educational purposes

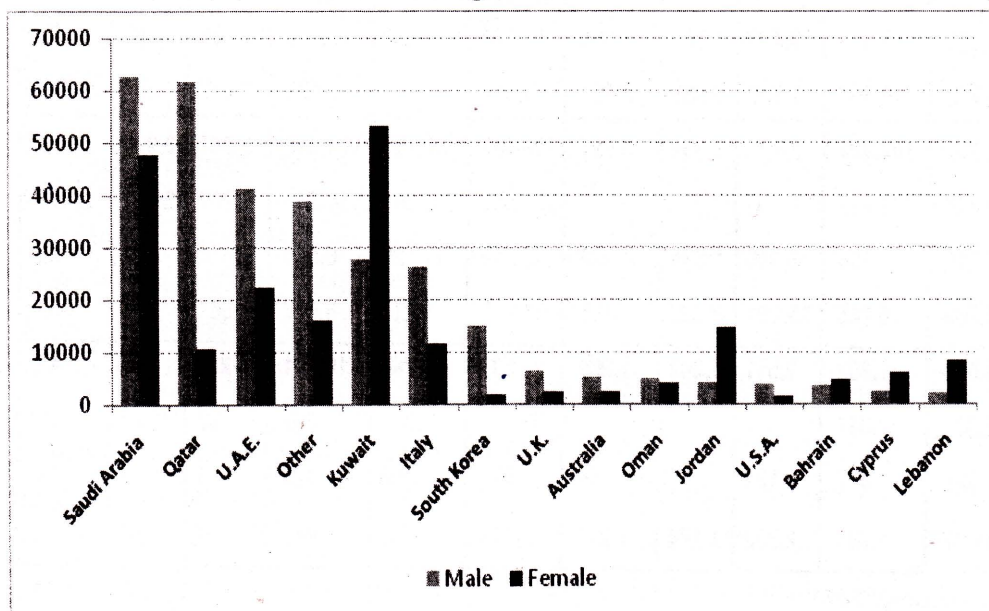
have selected Middle-Eastern countries for that purpose. The choice of the balance 84 % of migrants for educational purposes had been American and European countries. The reason for this preference can be attributed to the fact that the educational facilities available in these countries are more advance and in

Figure 1.2 Migration for Educational Purposes According to Countries Migrated - 2012



Source: Census of Population & Housing, 2012

Figure 1.1 Number who migrated, with the country and the sex of the migrants - 2012



Source: Census of Population & Housing, 2012

abundance and also the opportunities available in these countries for obtaining citizenship.

Table 1.1 above also indicates that only 8.1% of the total number of migrants has migrated for other purposes. Majority of them are females and represents 57.1 % of the number who migrated for other purposes. Male representation under this category is 42.9%. Other purposes for migrations consist of, for receiving medical

treatments, marriage, to join the children who have already migrated and for pleasure tours.

According to the Table 1.2, 71.6 % of emigrants are from the rural sector, 23.2% represent urban sector and only 5.2% represent estate sector. In relation to urban and estate sectors, Sri Lanka's rural sector has a higher population. As such, its migrant proportion is also very high. In both rural and urban sectors the number of male emigrants is more than the number of women emigrants. But in the estate sector female migrants are more than double the male migrants. In all the three sectors majority of migrants are from the age group of 18 to 59. All of them come under Sri Lankans labour force. Next group belong to the children below 18 years.

They can be considered as migrated because their parents have migrated.

Figure 1.3 classifies migrants for employment purposes according to the sectors. According to this classification 74.2% of migrants for employment purposes had been from the rural sector, 20.5% from urban sector and 5.3% from estates sector. Rural sector represents nearly 3/4th of the total number. High Poverty levels prevailing in the rural sector had been one of the causes for this phenomenon. However when comparing to the population of sectors most of the migrants for employment purpose had been reported from estate sector (3.0%). In urban and rural sectors the migrant population percentage is 2.8% and 2.4% respectively.

According to the Figure 1.4 the vast majority of the migrants for educational purposes are also from the rural sector. However in this case the difference between the rural and urban sectors is just marginal. Migrants from estates sector for this purpose had been significantly low. It was only 1.6%. The relatively low population in the estate sector and the prevailing abject poverty would have been the contributory factors for this low performance. Anyhow when comparing to the population of sectors the majority of the migrants for educational purpose had been reported from urban sector (0.5%). The other two sectors share 0.1% migrants for each on this purpose.

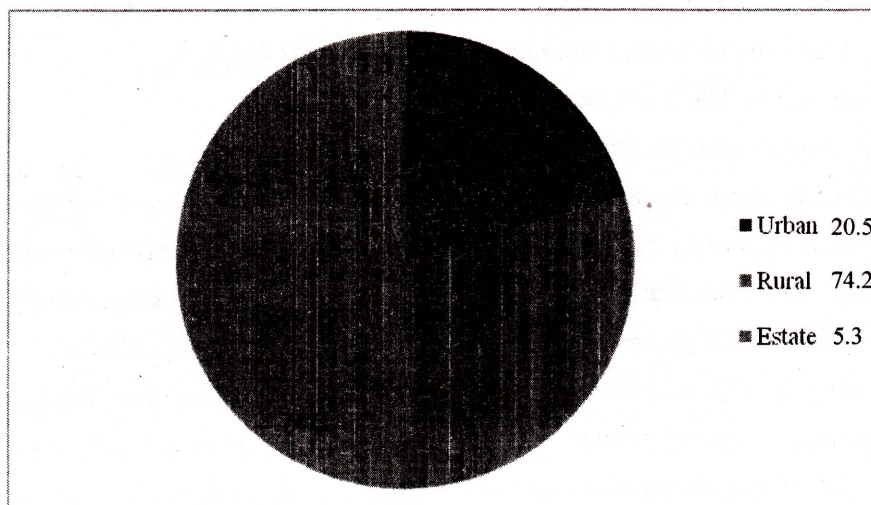
Table 1.2
Sectors, Age and Purpose for Migration - 2012

Sector	Purpose for Migration	Age and Sex											
		All age groups			Below 18 years			Between 18-59 years			60 years & above		
		Total*	Male*	Female*	Total*	Male*	Female*	Total*	Male*	Female*	Total*	Male*	Female*
Urban	Total	140,384	94,429	45,955	8,216	4,555	3,661	128,476	87,705	40,771	3,692	2,169	1,523
	Employment	105,071	75,575	29,496	-	-	-	102,880	74,078	28,802	2,191	1,497	694
	Education	19,639	12,576	7,063	2,430	1,266	1,164	17,124	11,255	5,869	85	55	30
	Others	15,674	6,278	9,396	5,786	3,289	2,497	8,472	2,372	6,100	1,416	617	799
Rural	Total	432,880	249,959	182,921	18,491	9,856	8,635	408,447	237,131	171,316	5,942	2,972	2,970
	Employment	381,064	222,442	158,622	-	-	-	376,857	220,291	156,566	4,207	2,151	2,056
	Education	21,803	14,249	7,554	3,010	1,571	1,439	18,719	12,626	6,093	74	52	22
	Others	30,013	13,268	16,745	15,481	8,285	7,196	12,871	4,214	8,657	1,661	769	892
Estate	Total	31,276	10,074	21,202	2,511	1,242	1,269	28,537	8,746	19,791	228	86	142
	Employment	27,392	8,351	19,041	-	-	-	27,329	8,327	19,002	63	24	39
	Education	653	276	377	122	68	54	530	208	322	1	-	1
	Others	3,231	1,447	1,784	2,389	1,174	1,215	678	211	467	164	62	102

Source: Census of Population & Housing, 2012

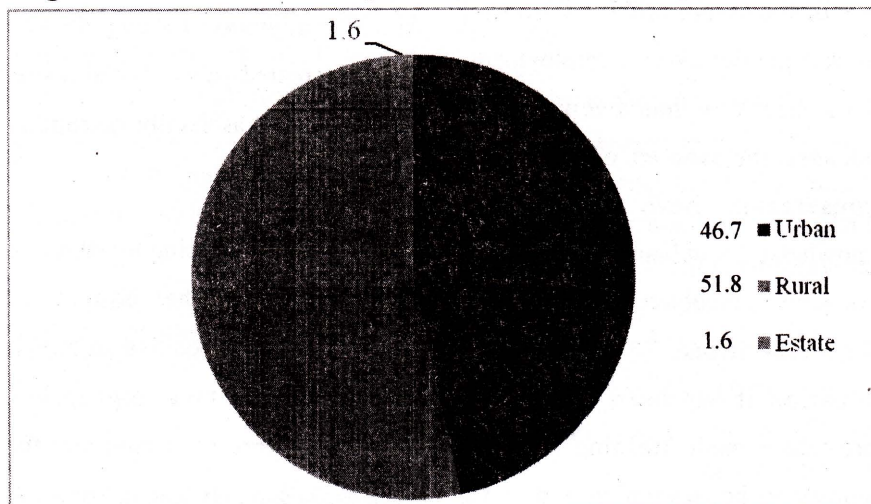
* All these figures have been taken as reported from the Census of Population & Housing, 2012.

Figure 1.3
Migration for Employment Classified According to Sector - 2012



Source: Census of Population & Housing, 2012

Figure 1.4
Migration for Education Purposes Classified According to Sector-2012



Source: Census of Population & Housing, 2012

6. Impacts of Migration

Migration for various purposes in Sri Lanka has caused both positive and negative impacts to the society. Remittances received annually from migrants who have gone for employment have provided significant support to our national economy. This also has been an important source of employment for Sri Lankans. But on the other hand the people's enthusiasm

for migration has caused many other problems. Today migration has been so attractive and some people resort to even improper and illegal means to achieve their ambitions risking even their lives and also damaging the country's image internationally. According to Sri Lanka's Immigration and Emigration Laws illegal migrants can be arrested, fined and imprisoned and punished, otherwise. They are also

vulnerable and may become victims under of human trafficking by fraudulent dealers. To meet the illegal costs for this improper migration they obtain risky loans at exorbitant rates and on unbecoming conditions. To arrest this situation government attention is now being given to improve laws relating to Immigration and Emigration and also to conduct awareness programs to educate the society on these matters.

Even migration through proper channels also can create various socio-economic problems. Due to the migration of both parents various complications and complex social problems have arisen relating to security of children and their socialization. Especially migration of mothers leaving very young children behind has been a major factor in this regard. Children of migrated parents are vulnerable to drug addiction, sexual abuses and mental degradation. Although the foreign exchange earned by these migrants is a boost for our national economy, migration of parents for earning such foreign exchange has created disastrous situation for the future generation. Therefore, this situation needs to be reconsidered. To regulate the migration of mothers having very young children, special rules and regulations have now been framed and these are now being implemented and monitored by appointing special

officials at Divisional Secretariat levels. According to these new laws, mothers having children below 5 years are not allowed to migrate for employment purposes. Even mothers with children above 5 years can migrate only after providing satisfactory proof that arrangements have been made for ensuring security and protection of such children. Due to these restrictions, the number of housemaids migrated in 2013 has reduced by 18.6% (Central Bank Report, 2013).

Mother is the focal point for keeping all the members of a family together. When this focal point is lost by migration of mothers, such families tend to disintegrate. When such complications arise within a family the prosperity expected by migrating for employment will not materialize. Due to this situation even the marriage bondages are likely to scatter. Even a father's migration, although not so acute as of mother's, might create such complications within a family. Especially a father's migration may affect son's socialization and personalities build up processes adversely. In order to maintain a healthy mentality of the children the parents should maintain an exemplary family life.

The maximum age limit for women migration for employment purposes

has been fixed as 50 years. Minimum age differs according to the country. It is 25 years for Saudi Arabia and 23 years for Middle East Countries and 21 years for other countries. However if health reports are satisfactory even women exceeding 50 year age limit may obtain visas. Age limits have been regulated in this manner to protect the young girls migrating for employment purposes. Migrant women workers to Middle Eastern countries are complaining that they face severe hardships and harassments and ill-treatments in these countries. This is one of the severe problems relevant to women migration for employment. This situation has been caused because the women migrating as housemaids have no enough knowledge about handling electronic equipment and about the language of those countries. To address this situation it has been decided to provide a basic training to these women in housekeeping and using latest household electronic equipment that housemaids have to use. Now it has been made compulsory to satisfactorily complete these basic training courses for house maids and housemaid assistants who migrate for the first time. Further in 2013 the Foreign Employment Bureau has introduced an Insurance scheme, to ensure benefits to them and their family members. In addition there are also welfare schemes under

"Rataviruvo" and "Rata Rakavarana Seva" welfare programs (Central Bank Report 2013).

7. Conclusion

However, it has been found that most of these migrants are seeking foreign employment ignoring the availability of employment opportunities locally. This has become a problem. This has created labour shortage locally. Now a situation has arisen where we import labour for Sri Lanka's requirement while we export our labour to foreign countries, even for unskilled work. And also migration for employment purpose created some crucial social problems such as family corruption and child abuse.

Now there is a growing tendency to go abroad for higher education. Although this is a positive attitude it is necessary to take appropriate measures to prevent or minimize the brain drain that may lead us someday in future. Otherwise it will affect Sri Lanka's future developments adversely.

References:

- Central Bank Report, 2013: Central Bank of Sri Lanka.*
- Census of Population and Housing, 2012: Department of Census and Statistics, Sri Lanka.*

Some Demographic Characteristics of the Colombo Metropolis

- June 2015

According to the 2012 Census of Population and Housing, the Colombo Municipal area (Colombo Metropolis) has a total population of 561,314, comprising 281,458 males and 279,856 females.

Out of the total population of the Colombo District, about 24.2 percent are residents in the Colombo Municipal area. That represents about 15 percent of the total urban population. The total land area of the Colombo municipality area is 37.3 square kilometers and includes two divisional secretariat areas, i.e. Colombo and Thimbirigasyaya. The Colombo Divisional Secretariat has 35

Gramaseva divisions and the Thimbirigasyaya Divisional Secretariat has 20 Gramaseva divisions. Among all the municipalities of the island, the highest population is reported in the Colombo Municipal area. Similarly, the Colombo Divisional Secretariat has the highest population among all the DS divisions. Colombo Municipal area comprises 5 electorates. For administrative purposes, the Municipal area has been divided into 47 Wards and 15 postal divisions.

Table 1 shows the total population and population density of the Colombo Metropolis during the census years. It shows that the total population had

been increasing steadily. However, the basis of counting was changed in the 2012 Census and 'only those who are normally resident within the area' were enumerated. As a result, the population in 2012 shows a decrease of about 100,000 compared to 2001. The trend in population density corresponds with that of the total population.

Osantha Ramani Wijegunasinghe

Statistical Officer
Department of Census
and Statistics

As at present (year 2012), out of the total population of the Colombo District (2,324,349) approximately one fourth (24.2%) is resident in Colombo Municipal area. The population in the Colombo Municipal area a percentage of that in the Colombo District has gradually increased up to 1963 but since then it shows a decline due to the development of other areas in Colombo. In 1953 and 1963, that ratio had been almost twice of that at the preceding census year (1946).

The Distribution of Population by Age and Gender

Figure 2 clearly displays that the percentage of the infants below 1 year are comparatively lower than those of the other age Groups. The age bracket of 1-4 years too shows a lower percentage. The highest percentage of the population is reported by the age bracket of 20 – 24. The location of a large number of educational institutions within the Colombo Metropolis can be considered as the contributory factor for the peak in the young population.

The Distribution of Population by Main Age Groups

The population in any region or country can be easily categorized in

Figure 1
The Map of Colombo Metropolis

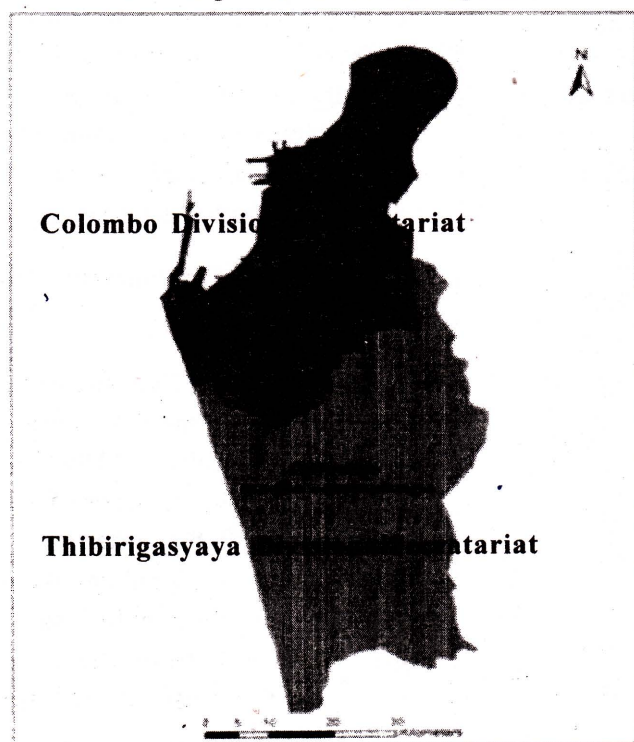


Table 1
Total population and population density of the Colombo Metropolis during the census years (1871 – 2012)

Census Year	Population	Area (sq. k.m.)	Population Density (no of persons per sq.k.m)
1871	95,843	24.47	3,917
1881	110,502	24.47	4,516
1891	126,825	24.47	5,183
1901	154,691	25.90	5,973
1911	211,274	30.92	6,833
1921	244,163	33.51	7,287
1931	284,155	33.67	8,439
1946	362,074	34.39	10,529
1953	426,127	34.65	12,298
1963	511,644	34.70	14,745
1971	562,160	37.29	15,075
1981	587,647	37.29	15,759
2001	647,100	37.29	15,407
2012	561,314	37.29	13,364

Table 2
Population of the Colombo Municipal area during the census years As a ratio of Total population of the Colombo District (1871 – 2012)

Census Year	Population of the Colombo District ('000)	Population of the Colombo Metropolis	Population of the Colombo Metropolis as a % of the Population of the Colombo District
1871	430	95,843	22.3
1881	506.5	110,502	21.8
1891	578.9	126,825	21.9
1901	690.8	154,691	22.4
1911	826.8	211,274	25.6
1921	923.1	244,163	26.5
1931	1,081.2	284,155	26.3
1946	1,420.3	362,074	25.5
1953	953.7	426,127	44.7
1963	1,248.6	511,644	41.0
1971	1,498.4	562,160	37.5
1981	1,699.2	587,647	34.6
2001	2,251.3	647,100	28.7
2012	2,324.3	561,314	24.2

to three distinctive main age groups; i. e. young (age 0 – 14 years), working age (15 – 59 years), old age (60 years and above). When the population in the Colombo Metropolis is categorized accordingly, the ratio of young population (age 0 – 14 years) has declined by 6.1 percent from 1981 to 2001, before showing a modest 1 percent increase in year 2012. The percentage of working age population has declined in 2012 compared to 1981 and 2001, while that of the old age population shows a substantial (3.5%) increase due to ageing.

The Sex Ratio

The sex ratio displays the male – female composition of the total population. It is expressed as the number of males per 100 females in a population. According to Table 4, the sex ratio in the Colombo Metropolis has gradually increased from 1871 to 1946 but since 1953 it shows a declining trend. It indicates that the difference between total males and females in numbers has reduced gradually. In 2012, the sex ratio is 100.6 which mean that the number of males and females are almost equal within the Colombo Metropolis.

The Distribution of Population by Ethnicity

According to 2012 census data, Sinhalese represent the highest ethnic percentage in the Colombo Metropolis while the Indian Tamils represent the lowest percentage. Sri Lankan Tamils (29.8%) and Sri Lankan Moor (29.5%) have more or less equal percentages. Table 5 gives an analysis of data in the most recent three census years.

Figure 2
The percentage Distribution of the Total Population of the Colombo Metropolis by Age Groups and Gender (2012)

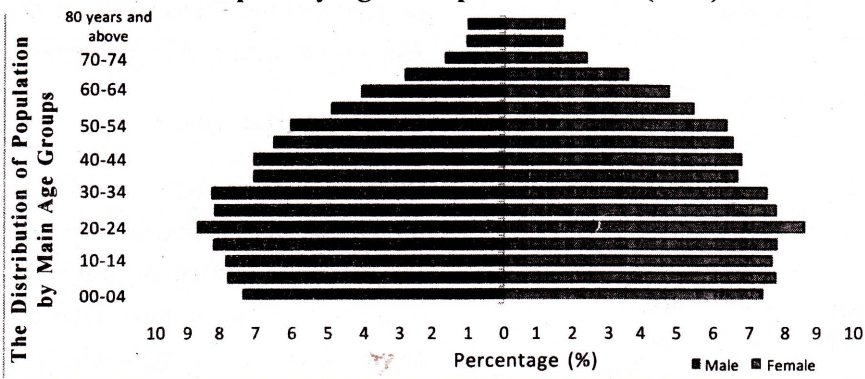


Table 3
The percentage Distribution of Total Population of Colombo Metropolis by main

Age group	1981	2001	2012
0-14	28.3	22.2	23.1
15-59	65.4	69	64.6
60+	6.3	8.8	12.3
Total Population (%)	100.0	100.0	100.0
Total Population (No.)	587,647	647,100	561,314

Table 4
Total Population by Gender and Sex Ratio in Census Years (1871 – 2012)

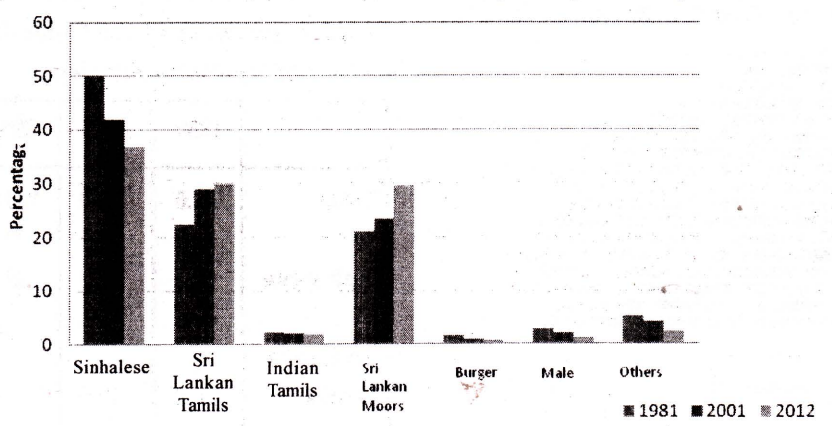
Census Year	Total Population enumerated		Sex ratio (%)
	male	female	
1871	53,850	41,993	128.2
1881	62,225	48,277	128.9
1891	71,684	55,141	130.0
1901	91,638	63,053	145.3
1911	129,675	81,599	158.9
1921	149,595	94,568	158.2
1931	176,736	107,419	164.5
1946	229,493	132,581	175.1
1953	258,878	167,249	154.8
1963	296,346	215,298	137.6
1971	317,335	245,085	129.5
1981	327,213	260,434	125.6
2001	346,366	300,734	115.2
2012	281,458	279,856	100.6

Table 5
The Percentage Distribution of Total Population of the Colombo Metropolis by Ethnicity

	1981	2001	2012
Total	100.0	100.0	100.0
Sinhalese	50.1	41.9	36.7
Sri Lanka Tamils	22.2	28.9	29.8
Indian Tamils	2.0	1.9	1.7
Sri Lanka Moors	20.8	23.3	29.5
Burgher	1.3	0.7	0.5
Malay	2.6	1.9	1.0
Other	1.0	1.4	0.7

It can be seen that the percentage of Sinhalese in the Colombo Metropolis has gradually declined between 1981 and 2012. That fact is further amplified in Figure 3. Similarly, Indian Tamils and 'other' ethnic groups too have recorded declines. But, the percentage shares of the Sri Lankan Moors and Sri Lankan Tamils have both increased. Between the census years of 1981 and 2012, the population of Sri Lankan Moors in the Colombo Metropolis has increased by 8.7% while that of the Sri Lankan Tamils has increased by 7.6%.

Figure 3 : The percentage distribution of total population of the Colombo Metropolis by ethnicity



The Distribution of Population by Religion

When the total population of the Colombo Metropolis is categorized according to their respective religious faiths, it could be seen that even though the Buddhists represented the highest percentages in census years of 1981 and 2001, by 2012 that place is replaced by the followers of Islam. Between 1981 and 2012, the percentage of Buddhists has declined substantially (approximately by 12%). The ratio of Roman Catholics too has followed a similar trend. The highlight is the relative increase of Islamic followers. Between 1981 and 2012 such increase is 7.2%. Similarly, the percentage of Hindus too has increased by 5.8 % within these 30 years.

The definition of literacy used in the Census is the “ability to read, understand and write at least one language”. Based on this definition, the literacy ratio or the percentage of people who can read, understand and write at least one language in the Colombo Metropolis is 96.7 percent. The literacy rate has gained a substantial increase Sri (4.9%) from

2001 to 2012. As revealed in the 2012 census, the literacy rates of males and females were 97.6 percent and 95.6 percent respectively.

When the respective literacy rates of males and females in census year 2012 are compared with those of

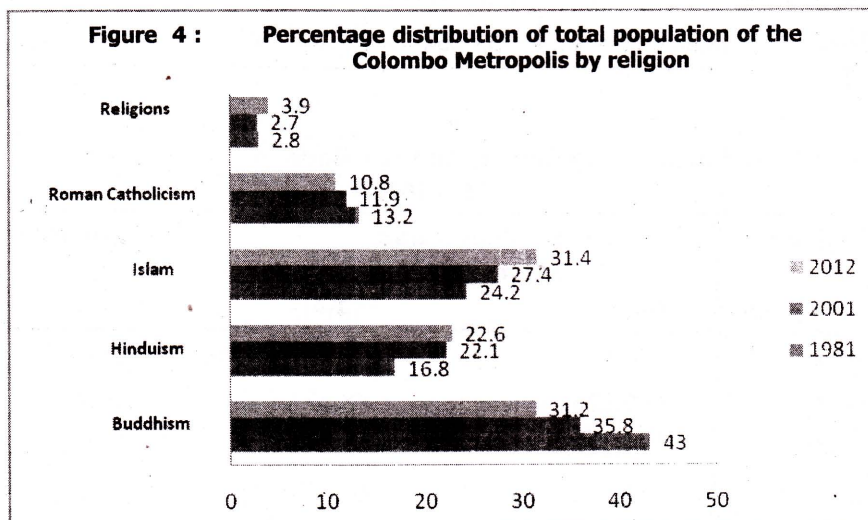
2001, it can be seen that the literacy rate of the males has increased by 4.8 percent and the literacy rate of the females has increased by 5.3 percent.

Literacy by Language

When the respective literacy rates in the three languages; Sinhala, Tamil and English are analysed separately, it could be seen that all those rates are above 50 percent. The highest literacy rate (68.5%) is in Sinhala while the lowest (51.7%) is in English.

Among the population in Colombo Metropolis, the literacy rates for all three languages is comparatively higher among males but the literacy rates in Tamil are more or less equal among males and females.

Figure 4 : Percentage distribution of total population of the Colombo Metropolis by religion



**Table 6
Literacy of the Population of Colombo Metropolis in at least one Language**

Literacy rate	1981	2001	2012
Colombo Metropolis	92.82	91.8	96.7
Male	94.77	92.8	97.6
Female	90.25	90.6	95.9
Total Population	587,647	647,100	561,314

Table 7
Literacy of the Population in Colombo Metropolis by Language

	Sinhala	Tamil	English
Total Population	68.5	63.3	51.7
Male	71.2	63.4	53.2
Female	65.7	63.2	50.3

Literacy in any One Language by Ethnicity

When the comparative literacy rates of the different ethnic groups are considered using data of the 2012 census, it could be seen that the highest literacy rate (97.7%) is among the Sinhalese. Sri Lankan Tamils have a literacy rate of 96.3 percent while those of the Indian Tamils and the Sri Lankan Moors are equal (95.9%). The 'other' category which include minor ethnic groups such as Burgher, Malay, Sri Lankan Chetti, Indian and others have a literacy rate of 97.1 percent.

Literacy in Sinhala, Tamil and English by Ethnicity

In the Colombo Metropolis, the highest literacy rate (98%) in Sinhala language is among the Sinhalese while the lowest literacy rates in Tamil and English are also reported by the same ethnic group.

This data reveals that all ethnic groups have been successful in obtaining highest literacy rates in their respective mother tongues. The highest literacy in English language is among the 'other' group which comprises several minorities. Their literacy rates in Sinhala and Tamil show similar values.

Sri Lankan Tamil, Indian Tamil and Sri Lankan Moor ethnic groups have equal literacy rates in Sinhala and English.

Population of Colombo Metropolis by Level of Education

In the Colombo Metropolis, the population of those above 5 years in age is 519,532 which comprises 260,390 males and 259,142 females.

When the percentage distribution of the population above 5 years is analysed by the level of education, those who have received secondary education (Grade 6 to 10) represent the highest share and among them the majority are males. Those who have never attended school are 3.9 percent of the population and among them the percentage of females (4.7%) is comparatively higher than that of the males (3.0%). The number of school children in Grade 1 is 8,865 and that represents 1.7% of the total population in the Colombo Metropolis.

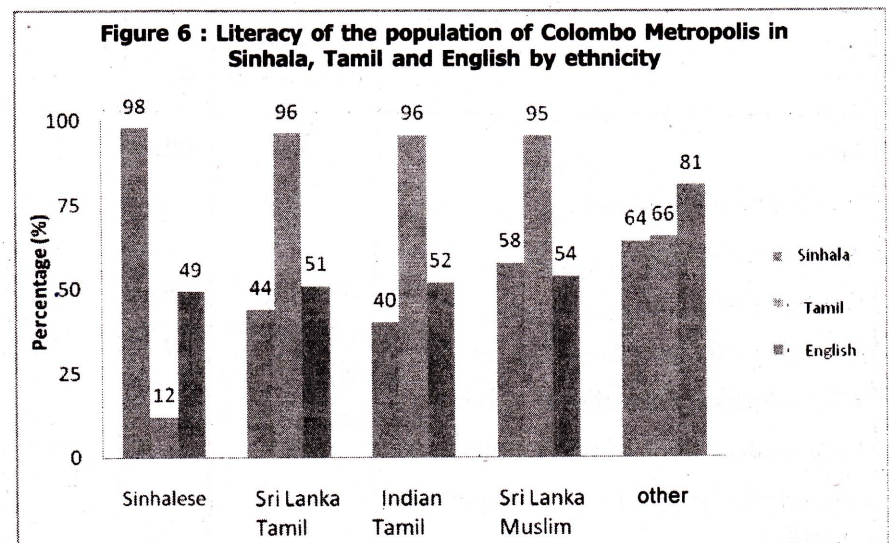
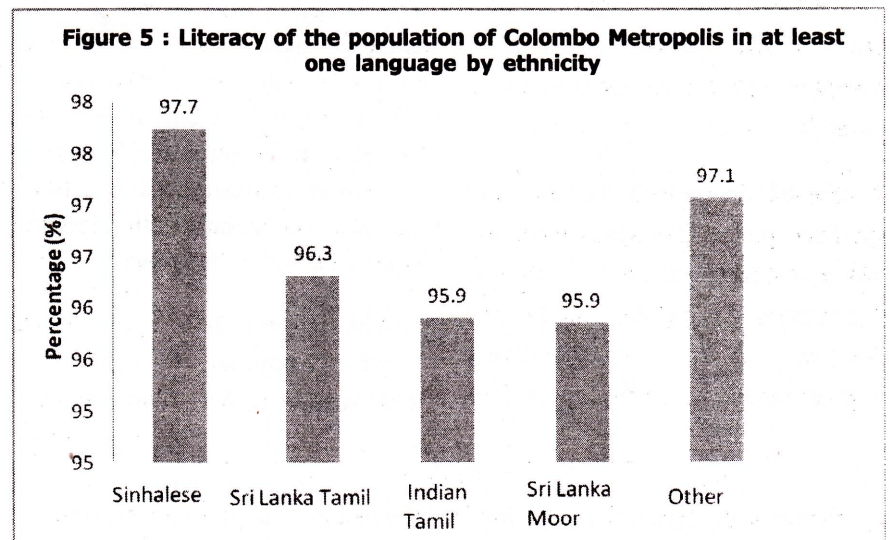
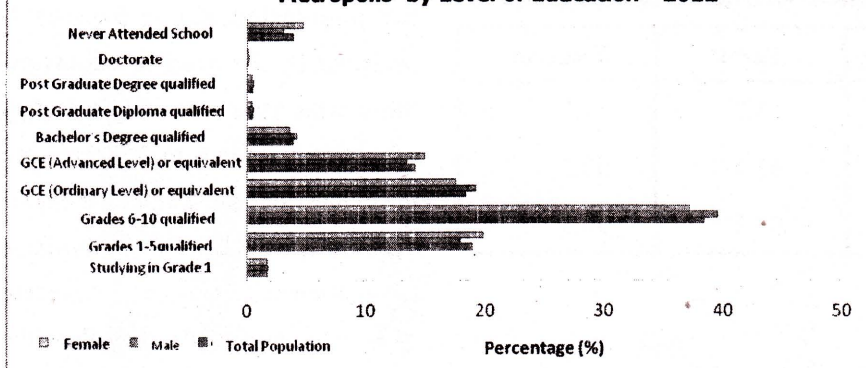


Figure 7 : Percentage distribution of the population of Colombo Metropolis by Level of Education - 2012



People with GCE (Advanced Level) or an equivalent qualification is 14.1 percent of the total population and within that the ratio of the females (14.9%) is comparatively higher than that of the males (13.4%). In the Grade 1-5 qualified category too, the ratio of the females (19.8%) is comparatively higher than that of the males (17.9%).

People with bachelor's degree or post graduate qualifications are 4.9 percent of the total population of the Colombo Metropolis. Among them the ratio of the males (5.4%) is comparatively higher than that of the females (4.4%).

Economically Active Population

The population of 'above 15 years of age' can be sub-divided into two categories; those who are 'economically active' and those who are 'usually not economically active'. The category 'usually economically active' population comprises employed and unemployed people. The category of those who are 'usually not economically active' comprises fulltime students, those engaged in household duties, retirees, aged, disabled or deformed people.

To collect these data on the 'above 15 years' population, information relating to the activity or activities that

they were involved in during the 12 months (52 weeks) immediately preceding the date of the census was obtained at the Census of Population and Housing -2012.

Accordingly, the 'above 15 years' population in the Colombo Metropolis was 431,543 persons and out of that 214,510 (49.7%) were 'usually economically active' while 217,033 were 'usually not economically active'. Thus, in the Colombo Metropolis, the majority of the people in the working age groups were usually not economically active.

The majority (73.1%) of those who were not economically active were females. Comparatively higher involvement of the females in household duties can be considered as the contributory factor for this phenomenon.

Unemployed Population

The rate of employment in the Colombo Metropolis was 95.3 percent. When the unemployed population in the Colombo Metropolis is further analysed by age groups and gender, it can be seen that the majority of such persons are in the 20 - 24 age bracket. Unemployment in the age groups of 15 -19 and 25 - 29 was 25.5 percent and 15.2 percent respectively. The unemployment ratio is gradually decreasing with the ascendance of the age Groups. The number of employed males (151,031) was higher than that of the females (53,310). The number of unemployed people in the Colombo Metropolis was 10,169 and their percentage was 4.7%. The unemployment among females (6.7%) was higher than that of the males (4.0%).

**Table 8
Percentage distribution of the Population of Colombo Metropolis
by Level of Education**

	Total Population	Male	Female
Total	100.0	100.0	100.0
Never attended school	3.9	3.0	4.7
Attending Grade 1	1.7	1.7	1.7
Grades 1 -5 passed	18.8	17.9	19.8
Grades 6-10 passed	38.3	39.5	37.1
GCE (Ordinary Level) or equivalent	18.3	19.1	17.5
GCE (Advanced Level) or equivalent	14.1	13.4	14.9
Bachelor's degree or postgraduate qualified	4.9	5.4	4.4

Table 9
Economically Active and Economically Not Active Population of the Colombo Metropolis by Gender

Gender	Economically Active Population						Economically Not Active Population	
	Colombo Metropolis		Employed		Unemployed			
	No	%	No	%	No	%	No	%
Total	214,510	100.0	204,341	95.3	10,169	4.7	217,033	100.0
Male	157,397	73.4	151,031	96.0	6,366	4.0	58,289	26.9
Female	57,113	26.6	53,310	93.3	3,803	6.7	158,744	73.1

Table 10
Percentage Distribution of the Unemployed Population of the Colombo Metropolis by Age Group and Gender

Age (years)	Colombo Metropolis	Male	Female
Total	100.0	100.0	100.0
15-19	25.5	27.6	21.9
20-24	31.8	32.3	31.0
25-29	15.2	15.0	15.5
30-34	8.0	8.0	8.1
35-39	4.7	4.6	4.9
40-44	3.9	3.6	4.3
45-49	3.2	2.7	4.0
50-54	2.2	2.0	2.6
55-59	1.9	1.6	2.5
60-64	1.4	1.1	1.9
65-69	1.0	0.7	1.5
70-74	0.6	0.4	0.8
75-79	0.3	0.2	0.5
80-84	0.2	0.1	0.3
85 and above	0.1	0.1	0.1

Unemployed Population by Level of Education

The highest percentage of unemployed population (40.9%) in the Colombo Metropolis is among those who studied up to Grades 6 - 10. Among them too, the

unemployment of the males (45.6%) is comparatively higher than that of the females (33.1%) That is due to every male person is willing to do a job but most of the females tend to marry or no need or no chance to do a job. The educational levels of 'GCE

(Ordinary Level) or equivalent' and 'GCE (Advanced Level) or equivalent' were also associated with comparatively higher unemployment levels. Respectively they were 26.7 percent and 20.3 percent. When the educational levels of 'GCE (Advanced Level) or equivalent' and 'Bachelor's Degree or higher qualifications' are considered, it could be seen that the unemployment among the females was comparatively higher.

Marital Status

At the 2012 Census of Population and Housing, information relating to their respective marital status was obtained from all categories of people. Such information were tabulated under seven categories; never married, married (registered), married (customary), widowed, divorced, separated (legally) and separated (not legally). The current situation of the marital status is deduced from such information.

Accordingly, the highest percentage (47.8%) of the population of Colombo Metropolis was in the 'married (registered)' category, while the next highest (47.2%) was the 'never married' category. Thus, these two categories represent 95% of the total population of the Colombo Metropolis and the balance is shared by the other five categories. Among those five, the highest percentage (2.7%) was in the 'widowed' category.

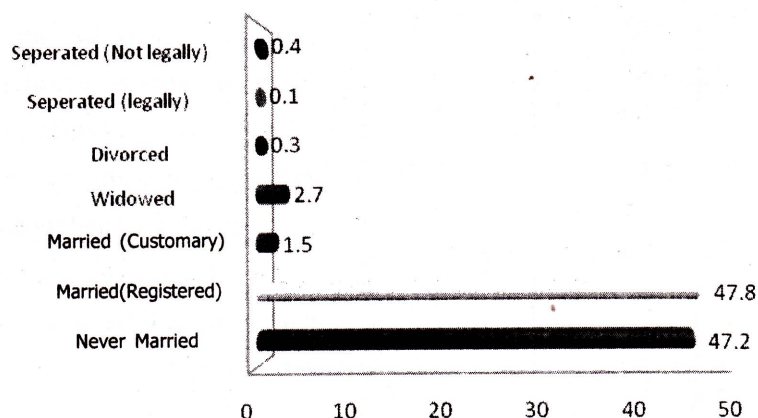
Table 11
Percentage Distribution of the Unemployed Population of Colombo Metropolis by Level of Education and Gender

Level of Education	Colombo Metropolis	Male	Female
Total	100.0	100.0	100.0
Grades 1 -5 passed	5.7	5.5	6.1
Grades 6-10 passed	40.9	45.6	33.1
GCE (O Level) or equivalent	26.7	27.3	25.8
GCE (A Level) or equivalent	20.3	16.8	26.1
Bachelor's degree or post graduate qualified	5.1	3.9	7.2
Never attended school	1.3	1.0	1.7

age groups. Accordingly it could be seen that the highest percentage of the 'never married' people were in the 0 – 14 age bracket. The second highest percentage (38.9%) was in the 15 – 29 age bracket. In other words, 88.2% of the 'never married' people in the Colombo Metropolis were below 29 years of age. The high concentration of schools, universities and private educational institutions located within the Colombo Metropolis has attracted a large population of resident students to the city and has contributed to increase the unmarried young population.

The highest percentage (36.6%) of 'married (registered)' persons were in the age group of '30 –44'. The age groups of '15-29', '45-59' and 'above 60' reported 'married (registered)' percentages of 13.4, 30.9 and 19.1 respectively. The reduction of 'married (registered)' percentage in the 'above 60' age category has to be explained in relation to two factors. Firstly, after the death of their respective spouses the surviving partners get transferred to the 'widowed' category. Secondly, some internal migration is taking place from the city to the village. The high concentration of public and private institutions in the Colombo city attracts those employees to reside within the city limits thus boosting the relative population in those age Groups. It is possible that some of those people turn back to their respective old abodes in the villages to spend their retirement, thus causing a shrinking effect on the percentage of population in the 'above 60' age Groups.

Figure 8 : Marital Status of the Population of Colombo Metropolis



When the marital status of the population of Colombo Metropolis was analysed by gender it could be seen that the majority of males (50.8%) were 'never married' and those who were married (registered) were 46.4 percent. Contrastingly, the majority of females were in the 'married (registered)' category. The percentage of females who were 'never married' was 43.6. At the same time, it was unique that the percentage

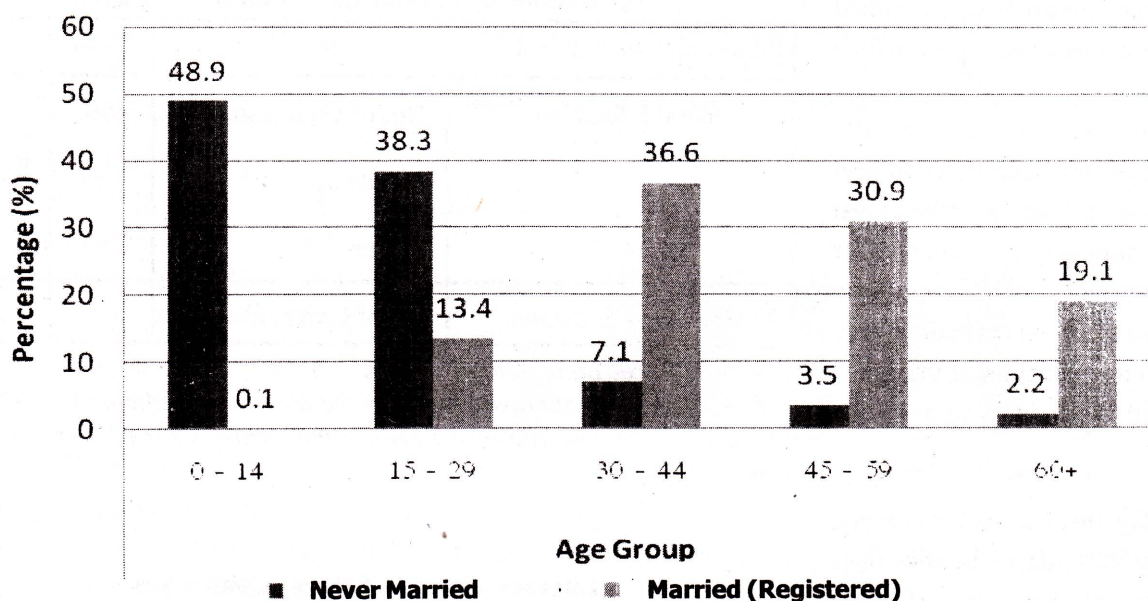
of 'widowed' females was 4.8 percent while the corresponding figure for males was 0.7 percent. Certainly, the married women outlive their spouses.

Since the two 'married (registered)' and the 'never married' categories jointly represent 95% of the total population of the Colombo Metropolis, only those two categories were selected for further analysis by

Table 12
Percentage Distribution of the Marital Status of the Population in Colombo Metropolis by Gender

	Never married	Married (registered)	Married (customary)	Widowed	Divorced	Separated (legally)	Separated (not legally)
Colombo Metropolis	47.2	47.8	1.5	2.7	0.3	0.1	0.4
Male	50.8	46.4	1.5	0.7	0.2	0.1	0.3
Female	43.6	49.1	1.5	4.8	0.4	0.2	0.5

Figure 9 : Percentage Distribution of the 'never married' and 'married (registered)' population by age groups



Conclusion

The density of population is increased in Colombo Metropolis during the Census years although the percentage of population in Colombo Metropolis out of the population in Colombo district has gone down. Sex ratio is 100.6 and that indicates the number of male and female in Colombo Metropolis is equal. The highest number of people in 20-24 age group

and growth of aged above 60 years people has grown up in Colombo Metropolis. The people of Sinhala, Sri Lanka Tamil and Sri Lanka Moor are the main ethnicities in this area. However when compared with other census years the number of Sinhala population is low in the year 2012 in Colombo Metropolis while Sri Lanka Tamil and Sri Lanka Muslim population have recorded higher values. By religions Islamists

represent the highest percentage in Colombo Metropolis.

Language literacy is excellent and highest literacy has recorded by Sinhala population in this area. On the view of educational level most of the people have passed up to grade 6-10.

In Colombo Metropolis, 'usually not economically active' population is higher than the 'usually economically active' population

Trends in Higher Education of Sri Lanka - June 2015

1. Introduction

In any society of the world, social structure, economic development, political situation and cultural richness are directly and indirectly linked to the levels of education and literacy. In Sri Lanka, there is evidence to indicate that there had been some form of formal education in existence for more than two thousand years. Historically, Sri Lanka's education was centered on Buddhist monasteries (piriven) and teacher-lineages (gurukula). However, inequalities in the opportunities for education had also been prevalent. Later, with the arrival of the Catholic missionaries, number of educational institutions were established and those institutions were helpful in the reduction of the above mentioned inequalities to a certain extent.

As at today, institutions for primary, secondary and tertiary education have been established in all the administrative districts. Universal right for education had been secured by the constitution while the 'Universal Children's Charter' too accepts the right of all children for education. Accordingly, the opportunities for education have been expanded by the Government of Sri Lanka as depicted in Table 1.1 below:

Due to the opportunities provided for primary, secondary and tertiary education, Sri Lanka has been successful in maintaining the literacy rate of the country at a higher level.

The definition for literacy in Sri Lanka is "the ability of a person to read, understand and write in his/her mother tongue". The data on literacy rates of Sri Lanka as revealed by the censuses between 1881 – 2012 is tabulated below in Table 1.2 :-

According to Table 1.2, the literacy rate which was 17.4 percent in 1881,

Gayani Jayatissa

Statistical Officer
Department of Census
and Statistics

has increased to 57.8 percent by 1946. This trend has been sustained further and by 2012 it has reached 95.7 percent. The key feature in this

Table 1.1
Institutions of Formal Education in Sri Lanka

Educational Institutions		Number	
(a) General Education	No. of Govt. schools	9,905	} 10,737
	Private schools*	98	
	Piriven	734	
(b) University Education	No. of Universities		15

Source: Central Bank, Annual Report – 2013

* Private schools approved by the government and schools for differently abled children (excluding international schools registered under the Companies Act)

Table 1.2
Literacy Rates in Several Census years

Census year	Literacy %			% difference between male and female literacy rates
	Both sexes	Male	Female	
1881	17.4	29.8	3.1	26.7
1891	21.7	36.1	5.3	30.8
1901	26.4	42.0	8.5	33.5
1911	31.0	47.2	12.5	34.7
1921	39.9	56.3	21.2	35.1
1946	57.8	70.1	43.8	26.3
1953	65.4	75.9	53.6	22.3
1963	77.1	85.8	67.5	18.3
1971	78.5	85.6	70.9	14.7
1981	87.2	91.1	83.2	7.9
2012	95.7	96.9	94.6	2.3

Source: 1981 Census report and 2012 Census of Population and Housing

pattern is its uninterrupted growth. When the gender differences in the literacy rates are considered, in 1881, it had been 26.7 percent to the disadvantage of females. This gap has further widened up to 1921 but thereafter it has declined steadily to reach a remarkably low level of 2.3 percent in 2012 (Figure 1.1). The higher level of literacy at present among males as well as females is a result of providing gender equality in opportunities for education. The level of education among females has improved rapidly since 1946. Accordingly, it is clear that the free education has made a direct positive impact on the literacy rate of Sri Lanka. Thus, as at today, Sri Lanka has high rate of literacy among the other countries except Maldives in the SAARC region. Ex: Maldives 98.4, India 62.8, Bangladesh 57.7, Nepal 57.4, Pakistan 54.9, Bhutan 52.8. (www.unicef.org)

This high level of literacy in Sri Lanka is indicative of the development of education at various levels. This report attempts to discuss these trends- particularly in tertiary education of Sri

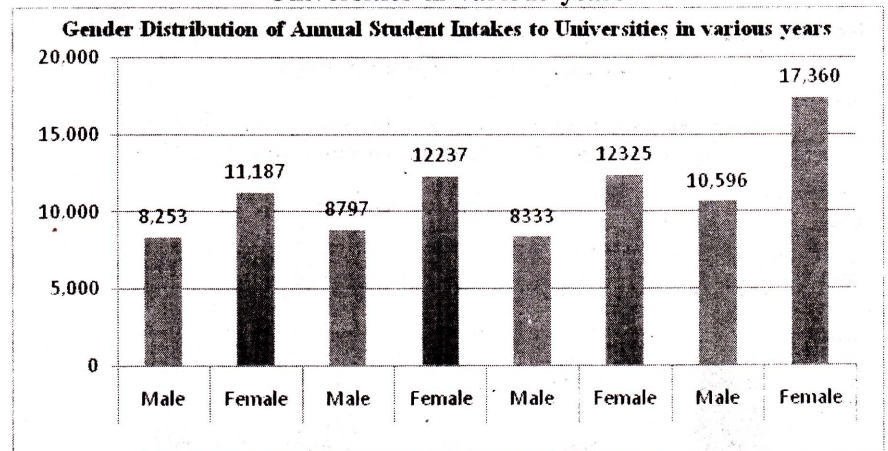
Lanka according to the 14th Census Information.

2. University Education in Sri Lanka

Compared with the past, opportunities for tertiary education in Sri Lanka have expanded considerably. After facing the GCE Advanced Level examination opportunities are open in State universities, private universities, foreign universities, technical colleges, and various other private higher educational institutions.

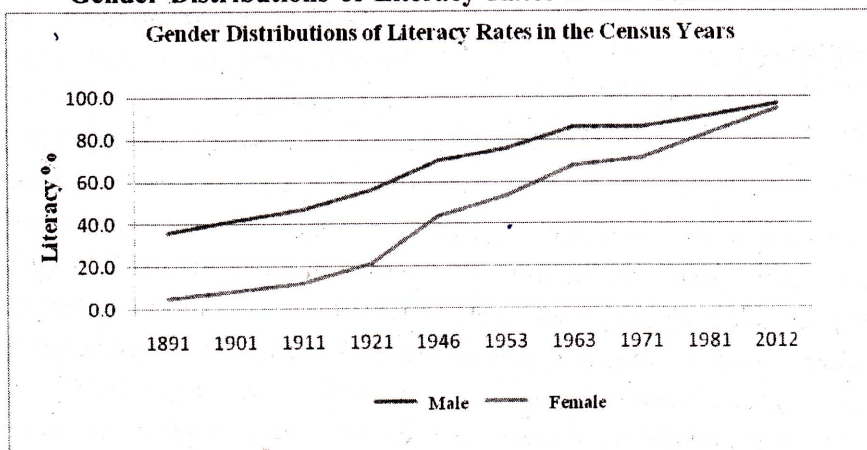
The predominant institutions of tertiary education are the State-run 14 universities and the Open University of Sri Lanka. In addition there are university affiliated institutions such as; the Institute of Indigenous Medicine, Gampaha Wickramaarachchi Ayurvedic Institute, University of Colombo School of Computing and Swami Vipulananda Institute. The data on annual admissions to those universities in various years are shown below:

Figure 1.2
The Gender Distribution of Annual Student Intakes to Universities in various years



Source: Department of Management Information Systems, University Grants Commission (extracted from Statistical Abstract - 2013)

Figure 1.1
Gender Distributions of Literacy Rates in the Census Years



Source: 1981 Census report and 2012 Census of population and housing

According to Figure 1.2, it can be seen that the annual number of university admissions is on an increasing trend. At the same time, a pattern of female student admissions exceeding those of the male students can also be seen. This is attributed to the fact that, male students – even those qualified to enter universities – are increasingly opting for employment and professional educations while their female counterparts are increasingly pursuing higher education. One of the

reasons for this is the lack of matching employment opportunities, and males specifically look for non-traditional employment in the private sector such as marketing, finance and IT (UNDP, NHDR 2014).

In university admissions - the total no of females have surpassed that of the males, and except in the engineering and medicine fields, in other fields they have exceeded their male counterparts - Figure 1.3 below shows the number of student admissions to a selected few faculties of the universities for Academic year 2011/2012.

generation resort to complete their higher education through private universities affiliated to foreign universities. At the same time it should be mentioned that State universities have now expanded and modernized their respective syllabuses and introduced new courses of study such as Allied Health Science, Photography, Videography, Tourism and etc. Opportunities have also been provided to follow external courses leading to a degree. People who are either employed or otherwise occupied in education or domestic affairs benefit from these external

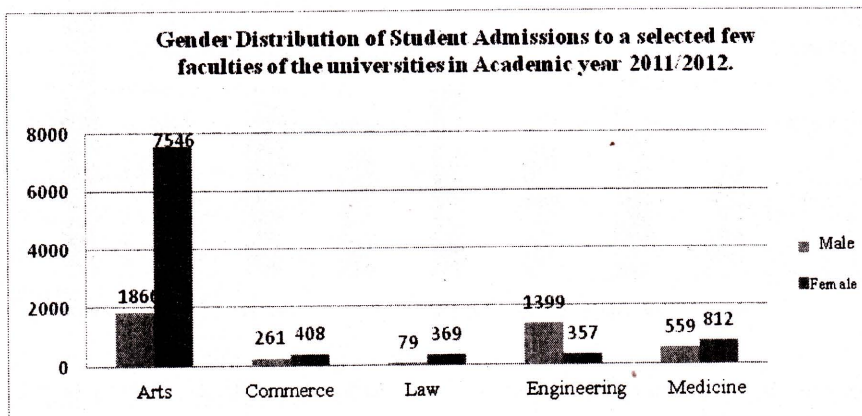
(ICASL), the National School of Business Management (NSBM), Sri Lanka International Buddhist Academy (SIBA) and the Colombo International Nautical and Engineering College (CINEC) were approved to confer selected Bachelor's Degrees. (Central Bank of Sri Lanka, Annual Report - 2013).

Table 1.4 reveals the levels of higher education received by people in respective age groups of above 15 years. Accordingly it can be seen that the total number of graduates in all age groups is 383,855. That figure is an equivalent of 2.5 percent of the population in those age groups. Post graduate Diploma holders are 0.5 percent of the relevant total population. Postgraduate degree holders are 0.2 percent. These facts reveal that the number of graduates is a very small figure compared to the relevant total population.

Another pattern that can be identified is the fact that after obtaining the first degree, most graduates do not pursue higher education further. The reasons attributed for this pattern could be the high cost, occupational involvements, first degree being sufficient for finding jobs and in certain instances the disillusionment and disappointment due to getting fitted with situations perceived as not appropriate with the education received. It can be assumed that those in the age above 35 are more oriented towards higher education since postgraduate qualifications are being considered as a useful or necessary condition for career advancement in most situations.

Figure 1.3

Student Admissions in Academic year 2011/2012 to a selected few of the faculties of the universities



Source: Department of Management Information Systems, University Grants Commission (extracted from Statistical Abstract, 2013)

According to Figure 1.3, however, female students have a relatively higher concentration in the Arts faculties. Unlike most of the other fields of study, Arts courses of study are not exactly job-oriented and hence the probability of facing difficulties in finding economically gainful employment is also an issue. Table 1.3; give figures to the total uptake by individual universities.

In addition to the State universities, some of the youths in the current

degree courses. It provided opportunities for those who wish to continue with higher education after completion of the advanced level exam.

According to 2013 Annual Report of the Central Bank, the Ministry of Higher Education has approved the degree awarding capacity to several new higher education institutes in 2013. Accordingly, the Institute of Chartered Accountants of Sri Lanka

Table 1.3
Gender Distribution of Number of University Admissions 2009 – 2012

University	Year											
	2008/2009			2009/2010			2010/2011			2011/2012		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
All universities	19,440	8,253	11,187	21,034	8,797	12,237	20,658	8,333	12,325	27,956	10,596	17,360
Colombo	2,315	855	1,460	2,259	792	1,467	2,202	735	1,467	2,769	868	1,901
Peradeniya	2,696	1,277	1,419	2,711	1,225	1,486	2,716	1,212	1,504	3,372	1,406	1,966
Sri Jayawardenapura	2,515	1,074	1,441	2,558	991	1,567	2,581	978	1,603	3,362	1,243	2,119
Kelaniya	2,481	862	1,619	2,395	874	1,521	2,283	753	1,530	2,888	865	2,023
Moratuwa	1,206	886	320	1,261	889	372	1,379	930	449	1,831	1,194	637
Jaffna	1,423	545	878	1,641	636	1,005	1,581	577	1,004	2,626	983	1,643
Ruhuna	1,995	874	1,121	1,942	892	1,050	2,008	887	1,121	2,583	1,002	1,581
Eastern	908	383	525	1,271	540	731	1,040	412	628	1,711	616	1,095
South-Eastern	559	210	349	836	330	506	816	280	536	1,580	558	1,022
Rajarata	1,369	513	856	1,340	516	824	1,316	477	839	1,773	594	1,179
Sabaragamuwa	844	310	534	1,091	446	645	1,040	442	598	1,188	449	739
Wayamba	669	288	381	781	319	462	722	307	415	1,084	443	641
Aesthetic Studies	-	-	-	394	103	291	408	110	298	534	139	395
Uva-Wellassa	460	176	284	554	244	310	566	233	333	655	236	419

Source: Department of Management Information Systems, University Grants Commission
(extracted from Statistical Abstract, 2013)

Table 1.4
Level of Higher Education Among Those Above 15 years of Age – 2012

Level of Education	Total	Age Group (years)						
		15-24	25-34	35-44	45-54	55-59	60-64	65 and above
Sri Lanka								
Degree	383,855	25,803	152,031	93,534	49,583	18,775	16,995	27,134
Postgraduate Diploma	71,136	2,543	15,851	19,477	16,446	6,153	4,632	6,034
Postgraduate Degree	37,959	618	8,657	11,410	8,714	2,963	2,369	3,228
Doctorate	6,613	56	955	1,536	1,610	616	594	1,246
Male								
Degree	176,632	10,323	59,181	43,436	26,110	10,684	10,009	16,889
Postgraduate Diploma	33,902	1,073	6,878	8,962	7,968	3,086	2,313	3,622
Postgraduate Degree	21,555	256	4,150	6,471	5,221	1,835	1,397	2,225
Doctorate	4,290	29	479	946	1,071	420	432	913
Female								
Degree	207,223	15,480	92,850	50,098	23,473	8,091	6,986	10,245
Postgraduate Diploma	37,234	1,470	8,973	10,515	8,478	3,067	2,319	2,412
Postgraduate Degree	16,404	362	4,507	4,939	3,493	1,128	972	1,003
Doctorate	2,323	27	476	590	539	196	162	333

Source: 2012 Census of Population and Housing

As the 14th Census figures a sector analysis of the postgraduate education in all age groups according to their residential sector reveals that the highest number of diploma or post graduate degree holders come from the rural sector while the majority of doctorate holders are in the urban sector. Comparatively, the number of graduates or postgraduate qualification holders in the estate sector is at a very low level. Figure 1.4 reveals this fact:

Figure 1.4 Distribution of degree and above education qualified persons by sector.

Distribution of degree and above Education Qualified Persons by Sector

Source: 2012 Census of Population and Housing

As shown in Table 1.5 in the age categories of above 15 years, only 0.5, percent is pursuing higher education. This level is below the

percentage levels in urban and rural sectors as well as the national average. Table 1.6 illustrates this fact. The reasons attributed for this lower level in the estate sector are the comparatively lower levels of education of the parents, lower facilities for education (very few type AB and AC schools to pursue Advanced level), difficulty of finding employment in the estates and may be marriage at comparatively young ages.

Table 1.5
Sector Analysis of the Level of Higher Education Among Those above 15 years of Age – 2012

Level of Education	Total	Age Group (years)						
		15-24	25-34	35-44	45-54	55-59	60-64	65 and above
Urban	178,358	11,710	56,073	43,114	28,405	10,996	9,875	18,185
Bachelor's Degree	134,321	10,375	46,456	31,182	18,662	7,523	6,969	13,154
Post graduate Diploma	24,074	1,037	5,509	6,373	5,167	1,881	1,561	2,546
Post graduate Degree	16,641	276	3,702	4,816	3,784	1,267	1,034	1,762
Doctorate	3,322	22	406	743	792	325	311	723
Rural	318,012	16,948	119,944	82,107	47,564	17,402	14,649	19,398
Bachelor's Degree	247,394	15,147	104,527	61,889	30,709	11,191	9,988	13,943
Post graduate Diploma	46,289	1,442	10,009	12,904	11,166	4,240	3,055	3,473
Post graduate Degree	21,110	325	4,875	6,541	4,892	1,688	1,328	1,461
Doctorate	3,219	34	533	773	797	283	278	521
Estate	3,193	362	1,477	736	384	109	66	59
Bachelor's Degree	2,140	281	1,048	463	212	61	38	37
Post graduate Diploma	773	64	333	200	113	32	16	15
Post graduate Degree	208	17	80	53	38	8	7	5
Doctorate	72	-	16	20	21	8	5	2

Source: 2012 Census of Population and Housing

Table 1.6
The Levels of Higher Education of Above 15 years, Age Categories by Sector

Sector	Population with age above 15 years.	No. with First degree and / or higher educational qualifications	
		Number	%
Urban	2,843,630	178,358	6.3
Rural	11,753,182	318,012	2.7
Estate	630,961	3193	0.5

Source: 2012 Census of Population and Housing

3. Vocational Education

For those who do not qualify for university education leading to graduate and postgraduate levels, opportunities have been provided to follow various courses of study at the technical and vocational education and training schools. The distinction of these courses is their job orientation (for public and private sectors and for local and overseas employment). Former technical colleges have been converted to "College of Technology" covering the nine provinces. Table 1.7 presents the annual numbers of student intakes by such technical and vocational education and training schools.

According to Table 1.7, the student intake for the academic year 2012 shows a substantial increase when compared with that in 2007/08. Also we can see the demand is gone down after the academic year 2008/09 and

again gone up after academic year 2009/10. The increase within 5 years is 5,747 students and it shows that there is an increasing demand from the eligible students to select courses in technical and vocational education and training schools. At the same time, institutions such as Vocational Training Authority, National Apprenticeship and Technical Training Authority and German Technical Training School provide opportunities for students after they sit for the GCE Advanced Level Examination. The 2013 Annual report of the Central Bank of Sri Lanka shows that there were 519 public institutions and 562 private and NGO institutions providing 1,601 accredited courses in technical and vocational education in the country at end 2013. (Central Bank, Annual Report – 2013). As at today, those with qualifications acquired from any of these institutions receives preference in the job market.

Accordingly, it can be seen that in the tertiary education, there is an increasing preference for technical education. For those who do not qualify to enter universities, this is a good alternative opportunity.

At the same time, the number of students who travel abroad for higher education is also on the increase. In year 2012, a total of 42,095 students – 27,101 males and 14,994 females – have travelled abroad for education.

4. Conclusion

Thus considering the current trends and opportunities in Sri Lanka's higher education, it could be said that further expansion of those opportunities is the need of the hour. Particularly, those who discontinue formal education after primary and secondary levels - should be guided

Contd. on page 47

Table 1.7
Annual Student Intakes by the Technical and Vocational Education and Training Schools

Item	2007/08	2008/09	2009/10	2011	2012
Total no. of institutions	38	38	38	38	38
No. of technical colleges	-	-	9	9	9
No. of vocational schools	38	38	29	29	29
Student intakes by the courses of study	2007/08	2008/09	2009/10	2011	2012
Total	13,958	22,804	15,822	17,210	19,705
Higher National Diploma	-	-	644	883	808
National Diploma	64	494	164	184	231
National Certificate	9837	13,967	9,629	8,925	9,001
National Vocational Qualifications (professional)	3060	5,740	3,088	3,183	6,162
Other	997	2,603	2,297	4,035	6,503

Source: Statistical Abstract, 2013

Economic Functions of Government

- June 2015

Can you just imagine a country where there were no welfare programs to support low income people, no laws to enforce business contracts, no Courts to appeal against somebody else forcefully using your property, and sellers charging arbitrary prices for goods and services they sell and you yourself can print money to pay for them? Such an economy would look and feel very different and would collapse in a very short time. In order to ensure economy and society functioning smoothly, there are many things that the government has to look after.

In this article we will focus on six economic functions of government with examples where necessary.

Regulate Legal and Social Framework

Imagine somebody makes inroads to your house and garden and there was nothing that could legally be done about it? You do not have any document to prove that property is yours! Luckily the government helps ensure that private property rights are enforceable through a Court system. This function ensures that you have certain rights and protections when you purchase a home or other asset. This also helps keep all people accountable when doing business together. In the absence of a legal framework commercial and business contracts cannot be sustained.

Maintain competition

Can you imagine how the price would be if you had only one telephone or internet service provider? It is up to the government to enforce anti-monopoly laws or enhance the competition among producers. This ensures many producers can compete each other and offer better quality products to consumers at reasonably lower prices. Price is always above the marginal cost of product in monopolistic and oligopolistic markets. More certainly, this could happen in any market other than the perfect competition. This means a part of the consumer surplus is exploited and unfairly enjoyed by the supplier when markets are not competitive. Therefore, government intervention is required to make markets more competitive.

Correcting Externalities

Externalities are effects of production or consumption decisions of one party that can affect another party that had no say over decisions in the first place. An example is factory pollution. A factory may produce a great product that is needed in the economy such as milk food, palm oil, or LP gas. In making that product the factory may create a lot of pollution or waste that can cause health concerns for people in nearby areas. In this case, the government can step in and can tax or set regulations to help ensure air pollution and waste disposals are kept at acceptable levels.

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Externalities can be positive or negative and may be related to production activities, consumption activities, or both.

An externality arises when the effect of one economic agent on another is not taken into account by the price mechanism. Therefore, externalities are a situation of market failure. When an externality exists, the market price does not reflect the true marginal costs or marginal benefits associated with the goods and services. An economy might not achieve a pareto optimum in the presence of externalities, because individuals acting in their own self interest will not have incentives to maximize total surplus.

An externality can exist due to the fact that the property rights are not well defined. Contractual arrangements can sometimes be used to overcome what otherwise would be an externality problem. If the water pollution is a common problem created by all the firms in the same industry, these firms may pool their resources and agree to a joint project to control the pollution. Each firm will pay part of the cost, and the affected community will share the benefits. Private firms would not do so unless they were compelled to do so. That is where government intervention is required in terms of enforcing rules and regulations.

Contractual arrangements sometimes fail. Some parties to the agreement may seek to hold out for a better deal, and the agreement may collapse. In other cases it is simply too costly to contact and deal with all the affected people. A factory, for instance, might find it impossible to negotiate directly with each affected citizen to decrease pollution.

When externalities are present, government has to take policy action to correct, or internalize, externalities. Government can tax on the firms generating negative externality and provide subsidies to affected parties.

Goods having positive externality in consumption such as education, healthcare are known as “welfare goods”. Though welfare goods are likely to be supplied by private sector, they are under produced in the sense that market determined supply is below the socially optimal level. Government intervention, very often through subsidies, is required to encourage private sector suppliers or to bridge the short supply under government welfare services.

Provide Public Goods and Services

Most economic arguments for government intervention are based on the idea that the marketplace cannot provide public goods such as public health and welfare programs, roads, street lights, research and development, national defence, and a clean environment which have been labeled as public goods.

Public goods have two distinct characteristics. They are “non-excludability” and “non-rival in consumption.” Non-excludability means that non-payers cannot be excluded from the benefits of the goods or service. For example, if an entrepreneur stages a fireworks show, people can watch the show from their windows or backyards free of charge. Because the entrepreneur cannot charge a fee or cannot prevent them from consumption, the fireworks show may go unproduced, even if demand for the show seems strong. This example shows so called free-rider problem associated with public goods. Even if people perceive the fireworks show is worth 100 rupees to each person, perhaps only few people will pay 100 rupees to the producer. Each person will seek to “free ride” by allowing others to pay, and then watch the show free, from the backyard. Unless the free-rider problem is solved, valuable goods and services that people otherwise would be willing to pay for will remain unproduced forever.

The second aspect of public goods is “non-rival in consumption”. This means one could consume the goods or service at zero marginal cost to the producer. One party’s consumption will not prevent another party from consumption. Nonetheless, non-excludability is usually considered the more important of the two characteristics of public goods. If the goods are excludable, private sector suppliers will try to serve as many customers as possible, charging lower prices under zero marginal cost.

One of the best examples of a public good is national defence. To the extent one person is defended from foreign attack or invasions, the other people in that area are also likely defended. This makes it impossible to charge a price from people for defence, which means that national defence undergoes the classic free-rider problem. Almost all economists unanimously agree that the only way to provide a sufficient level of defence is to have government do it and fund with tax collections.

As long as non-excludability can be managed, private sector will undertake to provide public-goods. For instance, although many people believe TV and Radio signals are public goods, cable television services can limit their transmissions only to the subscribers. In other words, the supplier can exclude non-payers. Both throughout history and today, private roads have been financed by tolls charged to road users. Other goods often seen as public goods, such as fire extinguishing services, are frequently sold through the private sector on a fee basis. In some cases, potentially public goods are funded by advertisements, as done by many web sites, TV and radio channels.

Some verities of public goods also can be effectively tied to purchases of private goods, hereby making the entire package more like a private good. For instance, shopping malls provide customers with a variety of services such as free lighting, air conditioning, fire protection services,

benches, restrooms, wash rooms, children parks, and parking areas. Charging directly for each of these services would be troublesome and impractical. Therefore, the shopping mall finances such public goods through receipts from the sale of private goods in the mall. In this case the public and private goods are said to have been "tied" together.

Some problems associated with public goods can be solved by defining individual property rights in relation to the economic resource concerned. Cleaning up a polluted lake, for instance, involves a free-rider problem if no one owns the lake. If there is an owner, however, that person can charge prices to fishermen, boatmen, recreational users who benefit from the lake. For example "Hummanaya" a pure public good located at Kudawella, has now been taken over by "Pradeshia Sabha" where they charge an entrance fee with which they can finance cost of keeping environment clean.

However, the imperfections of market mechanism to provide public-goods must be weighed against the imperfections of government solutions. Sometimes, Government might respond to poorly informed voters, and have weak incentives to serve consumers. More importantly, politicians may tend to provide "public goods" in a manner to serve their own interests rather than the interests of the public. In some cases, Government might create a problem of "forced riders" by compelling

persons to support projects they do not desire. If that were the case, private means of providing public-goods would be more efficient than governmental solutions.

Re-distribution of Income

The distribution of income is a central issue in political economy. The extent to which government should re-distribute income from those with more income to those with less, is a normative question. The answer depends on the social values of that society. The term "income distribution" is a statistical concept. Indeed, no one person is distributing income. Instead, the income distribution occurs due to people's decisions about work, savings and investment as they interact through markets subject to the prevailing tax system.

In a free market economy, it is natural to observe inequalities or gaps in income distribution among social classes. The government can use a progressive tax system coupled with a well targeted social safety net to help re-distribution of income in a more socially accepted manner.

Government can provide services such as housing assistance, free healthcare, free education, unemployment dole, food stamp programs, subsidies to those in need so that all individuals have opportunities to improve their standard of living. Economic growth alone will not guarantee social welfare unless distributional equality is assured.

Stabilizing the Economy

Economic stability refers to absence of excessive fluctuations in the macro economy. An economy with fairly constant output growth and low level of unemployment and stable inflation would be considered economically stable. An economy with frequent recessions, very high or variable inflation, unemployment, balance of payment problems or frequent financial crises would be considered economically unstable.

Macro-economic stability can be measured by following variables :-

- **Low and stable inflation** indicates healthy demand and supply conditions in the market place. On contrary, high or unstable inflation hinders growth. High inflation alters the value of long term business contracts. Volatile inflation increases uncertainty in the market place, increasing risk premiums embodied in the interest rates.
- **Low long-term interest rates** reflect stable future inflation expectations. While current inflation rates are reasonably low, high long-term rates imply higher inflation to come in the future. Keeping these rates low implies that the economy is stable and is likely to remain so.

- **Low level of unemployment** closer to the level of natural unemployment which comprises structural and frictional unemployment.
- **Low national debt to GDP ratio** indicates that the government will have the flexibility to use its tax revenue to meet domestic needs instead of paying foreign debts. Additionally, a low national debt permits expansionary fiscal policy in times of crisis.

- **Low budget deficits and balance of payment deficits** prevent growth in the national debt and keep national currency away from depreciation.
- **Currency stability** allows importers and exporters to develop long-term business plans and it reduces foreign investors' exchange-rate risk.

Individuals acting for own interest, are not concerned about macro-economic stability of the country. For example, trade unions demanding for higher salaries will not worry about

resulting future inflation owing to wage spiral.

Government can use three types of policies to maintain macro-economic stability. They are monetary policies, fiscal policies and supply side policies. The monetary policy framework is to deliver low and stable inflation enabling the Central Bank to respond to development finance needs of the country. The fiscal policy framework is to deliver sound public finances over the medium term in order to regulate the aggregate demand of the economy. Supply side policies are intended to improve output.

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for vocation-oriented practical education. If such education should cater to providing human resources to the manufacturing sector more rather than to the services sector the overall economy would benefit by productively employing those skills.

Since the majority of the students – after completion of the secondary education - do not pursue higher education, designing of educational policies and methodologies appropriate to them is a social and economic requirement. It would contribute to reduce unemployment and to unearth the skills and proficiencies through education for empowerment of the individuals and

for social development. The contribution that it would generate for the economy would not be small. Innovation and new product development, creation of a business community and expansion of production capacities would be some of the benefits that would accrue to the domestic economic development.

The increased opportunities of acquiring bachelor level qualifications in diverse fields are expected to bridge the wide gap between industry requirements and qualifications of job aspirants. In the current context of the global economy, it would also be important to make local labour eligible for the international market. The fact that the current higher education is

not essentially linked with or leading to 'higher' jobs (mis match), is one factor that discourages higher education. Therefore it is opportune to pay attention to that fact too.

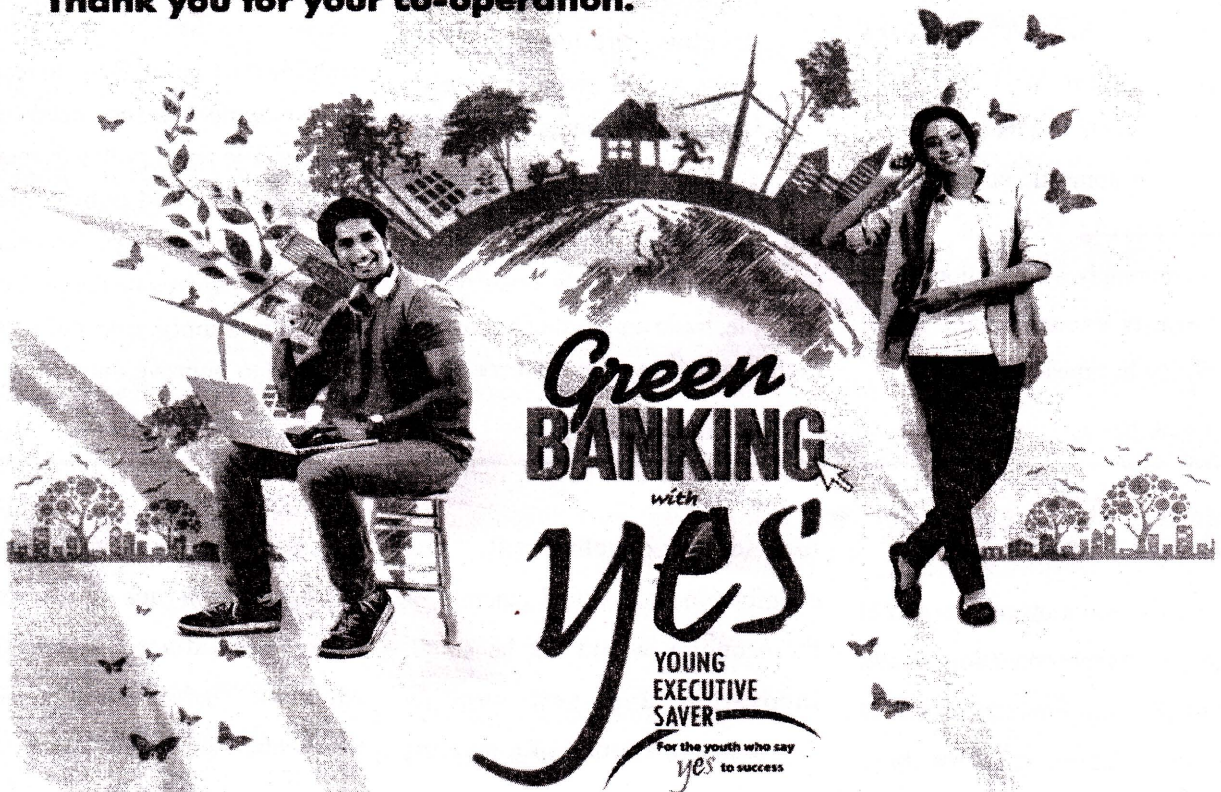
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