

Book Review

Nimal Sanderatne and Sharmini de Alwis, *The Demographic Transition in Sri Lanka: A Socio-Economic Analysis*, Ravaya Publishers, Maharagama, pp.149.

“Demographics show that we are entering a battle between young and old. I call it the ‘Age War.’ The young want to hang onto their money to grow their families, businesses, and wealth. The old want the tax and investment dollars of the young to sustain their old age.”

~ Robert Kiyosaki, (American businessman and the author of ‘Rich Dad, Poor Dad’)

Introduction

Since the end of the conflict a decade ago, Sri Lanka has been avidly planning its new growth strategy. Successive governments have focused on the creation of an inclusive growth process, i.e. a process which encompasses raising the pace of growth and enlarging the size of the economy, while leveling the playing field for investment and increasing productive employment opportunities. However, in the midst of this growth strategy lies a dire need to review the current contribution and future of one of the country’s key assets, i.e. its human capital base. As the economy grapples with several issues, particularly those pertaining to the labor market and the welfare state, the book *The Demographic Transition in Sri Lanka: A Socio-Economic Analysis* comes as a timely review of Sri Lanka’s demographic history, the successes and failures that the economy has experienced over the past century, current demographic challenges, and several apt policy propositions to capitalize upon the available opportunities while attempting to overcome the upcoming challenges.

The authors, Dr. Nimal Sanderatne and Sharmini de Alwis are veteran researchers with extensive academic and policy experience across a myriad of subjects in socioeconomic development. Both the authors have penned several excellent articles, books and other research publications in their areas of interest, thereby creating a sense of expectation in the reader’s mind. Readers should expect this monograph to be an explicit depiction of their prowess in not only the subject of demography but also other related socioeconomic aspects.

The Book

The book opens with a synopsis promising to discuss each of the outlined aspects as individual chapters. The authors skillfully take the reader through Sri Lanka’s transition through the three key demographic changes that took place over the last century, the reasons preceding and driving each stage of the transition and the contemporary implications of these changes, i.e. slow growth of the population till 2062 and the reversal of the dependency ratio from one which was largely driven by children to one which is largely driven by adults over the age of 60 years. The authors end the chapter with a summary of the implications of the declining numbers of

children, the rapid momentum of ageing in the country and other key demographic developments, such as population migration to the Middle East and the occurrence of natural disasters and the internal conflict. Each of these accounts are also followed by potential policy propositions to tactfully overcome associated challenges.

A notable aspect of the book is the authors' collation of several key references relating to the ancient era and the beginning of civilization in Sri Lanka. Hence, the analysis begins from descriptions of demographic patterns as far as the 3rd century B.C. followed by the Polonnaruwa period, Portuguese and Dutch periods and concluding with the Early British period. The chapter is interspersed with several useful population estimates relating to each of these periods and concludes with data from the first orderly and scientific census, i.e. the Census of Population, 1871.

The authors then proceed to provide detailed discussions of the key factors that contributed to Sri Lanka's transition through the three key phases of demographic transition. Sri Lanka had stagnated in the first phase of the demographic transition for over seven decades largely due to the lack of robust medical services to cope with serious diseases and other grave health concerns that were brought in by the plantation workers from South India in the early twentieth century. Eventually the country was able to put an end to this trend with the introduction of the Donoughmore Constitution followed by independence which enabled a renewed focus on improving health, education and other key amenities.

The second phase, the authors note, began with the sharp decline in mortality over a single year i.e. 1946-47 followed by the 'population explosion' between 1950 and 1980 wherein Sri Lanka's population doubled from 7.7 million to 14.7 million. While attributing this to the substantial improvements in health infrastructure, the authors also highlight the challenges that this brought about. This included the increased burden on the fiscal and external sectors, the influx of labor stemming from the doubling of the population and the subsequent mismatch between employment expectations and the offerings of the job market leading to the insurgency of 1971, and, the negative impact on household savings from the increased dependency ratio resulting from half of the country's population comprising persons below the age of 20. The authors corroborate their analysis of the implications of this stage of the demographic transition with the seminal work of Snodgrass (1966) and Meegema (1986).

The authors use statistics to explain Sri Lanka's transition to the third phase of the demographic transition where the rate of population growth fell below 1 per cent during the period 2002 – 2012. It is interesting to note that the improvements in medical infrastructure in post-independence Sri Lanka has been a double-edged sword, i.e. it has contributed to a decline in mortality (including child mortality) while causing a decline in fertility as well. The authors also duly recognize the changes in perception and attitudes associated with the educational attainment of women and the increasing need to educate children leading to a trend in favour of smaller families. Despite this, the authors do note the presence of an atypical uptick in fertility over the past decade and owe this to reduction in the age of marriage, reduced usage of irreversible contraceptive methods and easing of the unemployment situation leading to better standards of living at a younger age and thereby earlier marriage. The authors

also briefly touch upon another issue that has recently emerged in several fora, especially those of a political nature, that fertility rates among the Sinhalese is low in comparison to that of other communities in the country.

An entire chapter focuses on projections of the population and the labor force till 2062, based on the projections of de Silva and de Silva (2015) and the authors' own calculations based on these projections. While population growth is expected to remain below 1 per cent in the future and to stagnate in the latter years of the period under consideration, the unexpected surge in fertility that was previously discussed will ensure that neither the population nor the labour force experiences any decline. Based on de Silva and de Silva's (2015) projections, the authors highlight three key issues: the increase in absolute numbers will continue to be significant; based on their own calculations using de Silva and de Silva's (2015) projections the authors reiterate that under the assumption of constant labour force participation rates, while the rate of growth of population is likely to be slightly higher than the growth of the labor force during the period 2017-2032, the converse will be true in the ensuing period, due to the recent uptick in fertility and, reversal in the dependency composition away from children and towards an ageing population. While policymakers tend to worry about a shrinking or stagnating labor force, the authors provide some relief by suggesting that the labor force is likely to expand in the future due to the recent spurt in fertility.

For long, the socioeconomic consequences of an ageing population has been a popular discussion topic in several policy circles across a multitude of fora. Expansive discussion, analysis and statistics are presented in a chapter about the current status and coverage of pension schemes and retirement benefit schemes, the impact of rising life expectancy, the implications of an increase in retirement age from the current 55 years to 65 years and the adequacy of retirement benefits. Needless to say, this information would be of immense use and relevance to policymakers considering that the issues associated with pension schemes and retirement benefits are of a multifaceted nature and have consequences of both a fiscal and social nature. The second half of the chapter focuses on the challenges associated with elderly care; the authors have touched upon a range of issues from prevalence of non-communicable diseases to geriatric care to elderly homes. As in the first half, the authors have scrutinized the issue very meticulously and comprehensively.

A chapter is dedicated to a review of the trends and reasons underpinning migration into and out of Sri Lanka, and the consequences of these patterns. At the outset, the authors clearly summarize the key migration patterns in the late 19th century and in the 20th century. This period was characterized by the inflow of Indian labour into Sri Lanka, followed by an exodus of the Burgher population upon independence. The authors note the exodus of the Burgher population post-independence and the 1960s and 70s being characterized by 'brain drain' alongside the oil boom of the 1970s which led to a large volume of labour seeking employment in the Middle East. The ethnic violence of 1983 and the subsequent civil conflict also resulted in substantial emigration of Tamils over the decades till the end of the conflict in 2009. In addition, there is specific mention of Sri Lanka's heavy reliance on foreign worker remittances as a key instrument in the financing of the trade deficit. The authors rightfully highlight the social costs associated with the foreign out-migration of workers. Having

provided some historical context to the migration patterns of early dwellers, the ensuing discussion highlights significant differences in population density across the country and the substantial variation in the spatial distribution of economic activity. The chapter also briefly touches upon the topic of urbanization and some limited historical analysis of urbanization trends in Sri Lanka. However, the chapter does not recognize issues that arose from the Ceylon Citizenship Act No. 18 of 1948 and the several ensuing Acts and political agreements such as the Nehru-Kotelawala Pact, the Sirima(vo)-Shastri Pact and the Sirimavo-Gandhi Pact. This tends to create a lacuna considering that these Acts and Pacts led to the sizable Indian population in Sri Lanka being granted citizenship or being repatriated to India or remaining in the forlorn predicament of 'statelessness.' Also, while there is a reference to the 'brain drain' of the 1960s and 1970s, a reminder of the reasons underpinning this trend would have been apposite, i.e. the strict socialist policies introduced by the government such as nationalization programs of private businesses, limitation of land ownership, financial regulations and high personal income taxes (Karunaratne, 2012).

Needless to say, the impact of the Tsunami and the three decade internal conflict had a substantially negative impact on the Sri Lankan economy. Considering the associated damage and death tolls brought about by these two events, any text on the demographic patterns of Sri Lanka would be rather incomplete without mention of these. While the authors have collected some vital statistics related to the death toll and damage caused by the tsunami, the dearth of statistics in the succeeding section is notable.

Having clearly defined the much talked about 'demographic dividend' and its benefits the authors delve into the harsh reality of Sri Lanka having missed the most attractive phase of the demographic dividend, i.e. 2001 to 2012. In addition to the war, several policy issues such as insufficient foreign direct investment, rigid and expensive labour which have had negative bearing on the country's growth process have been stressed in this context as well. While underscoring the potential to improve qualitative education and health outcomes as a result of the reduction in demand in the future arising from lower fertility, the authors also reiterate the implications and challenges associated with an ageing population, in terms of elderly care, social security schemes, and the fiscal burden of retirement benefits due to the longevity of the elderly. Considering that these policy issues have been repetitively highlighted across several policy documents, policy fora and researches, the authors could have reviewed more novel, forward-looking and contemporary policy measures. One such measure which had caught the attention of many was the opening up of the domestic labour market to foreign workers, i.e. the 'moving of brains' which was recently proposed by Ricardo Hausmann of the Harvard University's Center for International Department rather than the 'moving of know-how into brains.' A brief recounting of such successful and effective strategies alongside some review of international experiences that could be customised to the Sri Lankan context would have proven to be very insightful for readers.

The authors end the monograph with a roundup of the key points mentioned above and the way forward with regard to the shrinking labour force and the ageing population. They also emphasize that the manner in which these policy challenges are

tackled will have a bearing on the progress of the country's socioeconomic development.

On the whole, the book is an excellent compendium. It is well-rounded in that it contains references to much of the pioneering work that has been conducted on Sri Lanka such as that of Brohier (1955), Perera and Perniola (1955), Snodgrass (1966) and Meegama (1986), among others. Hence readers are able to benefit from the approximations and estimates for periods preceding the first census in 1871. While there are several books that have touched upon contemporary demographic trends and issues in Sri Lanka, this book stands out in having provided a thorough and detailed description of the socioeconomic developments, challenges and policy measures from the beginning of the 20th century and thereafter. This includes descriptions of issues that were faced by 'Ceylon' prior to independence and how these were tackled by the introduction of the Donoughmore constitution and the obtaining of universal franchise followed by descriptions pertaining to 'Sri Lanka.' The authors have been thorough in their research and have provided a 'one-stop shop' of information which provides a historical background and context to the several contemporary issues that have been exhaustively analysed and researched. In addition to having several precedent references, the authors have also not hesitated to quote the abundant research conducted by the much acclaimed and revered demographer, Prof. W. Indralal de Silva in several instances. Prof. de Silva's projections have served as a foundation for qualitative and quantitative analysis by the authors who have also carried out their own calculations based on this data enabling the reader to gain better and new expositions of these datasets.

While the content is thought-provoking, the book falls short in some minor aspects. Firstly, the lack of any illustration(s) using the quintessential 'population pyramid' and 'population map' or 'demographic map' is rather surprising considering the authors' grasp and experience pertaining to the subject of demography; on some fronts, this may be disappointing to readers as well. There is an abundance of statistics presented as not only tables but also within the main text. As readers progress through the narration, more often than not, one tends to get lost in these isolated 'seas' of numbers. The authors could have considered presenting some of this data as bar charts or graphs just to break the monotony of the continuous flow of text and tables. Further, such graphical illustrations may be easier to recall by readers and may present more useful and interesting insight. The authors have also painstakingly compiled and computed several data sets which have been crammed into a statistical appendix comprising 15 tables and 3 charts. Some of these charts and tables could have been referenced in the main text, thereby lending them some value and the charts may have helped break the monotony of the text, as mentioned previously. Further, as the contents page does not contain a list of the tables and charts that are available, these extremely useful and insightful data sets may go unnoticed. In addition, considering the multi-faceted and intricate nature of the subject of 'demography' wherein each issue is interlinked to several others, there is substantial overlapping of analysis across various issues. While this may be inevitable to some extent, certain such repetitive discussions may have been streamlined and made available in specific chapters in a focused and elaborate manner rather than providing it in an interspersed manner, with different degrees of detail across several chapters. A rather minor peeve is the manner in which the book is presented in terms of fonts and formatting. The quotations at the

beginning of each chapter are not appropriately formatted and thereby fail to provide the intended effect. The font size and the manner in which tables have been formatted (running into pages) are also rather unappealing to the eye and are detrimental to the overall allure of the publication.

Conclusion

Needless to say, Dr. Nimal Sanderatne and Sharmini de Alwis have, yet again taken immense efforts to provide an expansive and exhaustive account of the subject in question, i.e. the demographic transition in Sri Lanka that has spanned over several centuries and extends into the end of the 21st century. As mentioned previously, the book is a 'one-stop shop' for anyone who is specifically interested in knowing about demographic trends, patterns, issues and policy propositions pertaining to Sri Lanka. I believe that the eloquent, precise, concise and thorough nature of the book will ensure its purpose as a leading piece of reference among students and policy practitioners while it can easily serve as a '101' book for those who are embarking on a study of this subject or simply for the common man to understand one of the key contemporary and evolving issues in the Sri Lankan economy.

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