Trends in population, labour force and health in Sri Lanka

Workshop on the World Bank’s Study of Ageing

February 27, 2005
Hilton Residencies
Colombo 2
Outline

Available studies/data
Demographic trends
Labour force trends
Health trends and costs
Agenda for research
Outline

Available studies/data
Demographic trends
Labour force trends
Health trends and costs
Agenda for research
Available studies/data: Demography

Available studies/data

Gaps
- No recent life tables - critical to know life expectancy/mortality rates in elderly cohorts
- Fertility drivers - long-term path of TFR?
- Care giving patterns/household dynamics
Available studies/data: Labour force

Available studies/data
- CSD Labour Force Surveys (Quarterly)
- CB Socio-economic/Consumer Finance Surveys 1996/7, 2003/4

Gaps
- Cross-sectional data - no panel data on work and training patterns over life-time
- No adequate population survey of pensions/EPF participation/rights/asset dynamics
Available studies/data: Health

Available studies/data

- CB Socio-economic/Consumer Finance Surveys 1996/7, 2003/4

Gaps

- Salience of Barker Hypothesis - Impact of foetal under-nutrition on adult morbidity (South Asian specifics)
- Socioeconomic differentials in mortality/morbidity of elderly
- Objectively measured morbidity over time
- Morbidity compression at end of life
Outline

Available studies/data

Demographic trends

Labour force trends

Health trends and costs

Agenda for research
Demographic Trends

- Critical driver is fertility
  - Uncertainty about future trends

- Replacement level fertility reached by 1994/95
  - 1.96 (DHS 2000. Projections: 1.3-1.9 by 2050
  - Continuum with South India

- Total population to peak at <21-24 mn (2050)

- Elderly ratio (>65 years)
  - 1990: 5.4%; 2000: 7.0%; 2030: 17.0%
  - Females - 60% and increasing with age

- Declining household size
  - 6.0 -> 4.2
Outline

Available studies/data
Demographic trends
Labour force trends
Health trends and costs
Agenda for research
Labour Force Trends

- Population aged 18-65 years - 66%
- Labour force participation rates increasing in 1980-90s:
  - More for women, but large gender disparity exists
  - Increase in full-time work, but many self-employed
  - Decline in part-time work: 9% (1993) - > 7% (2002)
- Sri Lankans retiring later
  - Average age of retirement for men - 67 years
  - Rising average number of years worked & as proportion of life-span
Sri Lankans are working longer

Average years worked

<table>
<thead>
<tr>
<th>Year</th>
<th>Average</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Female labour force participation rising

Female Labour Force Participation Rates


in absence of policy?

- Raising retirement is key policy shift in advanced economies - not funding
  - Faces counter-pressures of falling retirement ages/withdrawal from labour force

- Sri Lanka
  - No public debate on issue of extending working lives
  - Rarely discussed in pensions “reforms”
  - No research on need for flexible options for women & elderly, and on willingness to work
Outline

Available studies/data
Demographic trends
Labour force trends
Health trends and costs
Agenda for research
Health Trends

- Increase in self-reported morbidity
  - Consistent with longitudinal data from other countries
  - But actual morbidity is declining

- Increase in age-specific use of medical services driven by behavioural change
  - 1-3% per annum, particularly in elderly

- Inadequate information on:
  - Numbers of frail elderly requiring support
  - Prevalence of disability
  - Lifestyle contribution to increasing prevalence in SL of chronic disease (atherosclerosis, diabetes, hypertension), & amenability to therapeutic intervention
Health care costs

  - OECD-compatible health expenditure accounts (HPP, 2001)
  - HPP actuarial cost model (NIA/WB/MOH funded, 2003)
  - MHP Team econometric model (Jaica funded)

- **Key drivers of total health spending**
  - Secular increase in medical care seeking (++)
  - Ageing (+)
  - Productivity in public sector (-)
  - Strengthening of public sector dominance (-)

- ** uncertainties**
  - No data on compression of hospitalisation at end of life
  - Weak understanding of public sector productivity trends
  - Coverage of LTC/nursing home expenditures weak in SLNHA
Cost drivers, Sri Lanka 2001-2021

Changes in NHIE as % GDP from baseline level in 2001

Source: Cost projections from MOH PHRD and Harvard NIA studies
Sri Lanka health spending (%GDP)

Source: MOH/IPS Health Policy Programme
Outline

Available studies/data
Demographic trends
Labour force trends
Health trends and costs
Agenda for research
Research Agenda: Demography

- Critical need to update life tables, with attention to elderly
  - Desk analysis of existing census/registration data

- Long-term fertility/migration trends
  - Secondary review of international trends in very low-fertility countries/SE Asia
  - For analysis and awareness raising
Research Agenda: Labour

- **Dynamics of labour force participation**
  - What is driving increasing years in work?
  - What is driving/constraining employment of women/elderly
  - Constraints in supply of part-time work
  - In-depth studies/surveys
  - Expansion of existing CSD LFS (cf: Hong Kong)

- **National longitudinal population survey**
  - Track changing labour force participation, savings & coverage by pension schemes
Research Agenda: Health

- Prevalence of morbidity/disability & linkage to household settings/behaviour
  - Field surveys using ADSL-type measures/RAND Bangladesh/Jamaica type instruments
- Salience of Barker Hypothesis to Sri Lanka
  - High-level interest in MOH
  - Desk reviews/Epidemiological studies to establish evidence and assess relevance
- Lifestyle-related chronic disease
  - Desk-review of literature on cost-effectiveness of behaviour change versus medical intervention in SL
  - Epidemiological studies to establish role of life-style in SL
  - Clinical trials to assess cost-effectiveness of new medical therapies in Sri Lankan populations (e.g. statins for hyperlipideamia)
Research Agenda: Health costs

- Compression of health care costs in last year of life
  - Population and hospital based surveys to assess extent

- Public sector productivity trends
  - Repeat of 1991 and 1997 surveys of public sector productivity focusing on dynamics and drivers (high level of MOH interest in 2005 survey)

- Regular updating of MOH actuarial cost projection model