

**THE EFFECTS OF AGE STRUCTURE ON ECONOMIC GROWTH:  
A STUDY IN SRI LANKA (1970-2020)**

The age structure and its effects on the economy are one of the major concerns of both developed and developing countries in the world to get the maximum contribution from every person to the economy toward economic growth and economic development because humans are the resources with skills, knowledge, and special capabilities, and they are the resources driving and handling all other resources on the earth to fulfill human wants and needs. The purpose of this study is to determine how people of various ages affect Sri Lanka's economic growth from 1970 to 2020. Data for this study were collected from the online databases of the Central Bank of Sri Lanka, World Bank, and United Nations. The study considered gross domestic product as the dependent variable, as well as the youth population, prime-working-age population, middle-aged population, aged population, investment, inflation rate, and general government final consumption expenditure as the independent variables. And Views: 10 econometrics programs were used by the researcher to analyze the data. Both Augmented-Dickey Fuller and Phillips Perron unit root tests were done on the variables to check the stationarity of the variables. Johansen Cointegration Test was employed to identify the long-run relationship, and the Vector Error Correction Model was used to find out the short-run relationship and long-run adjustment. Further, the Granger Causality Test and diagnostic tests have also been considered for the study. According to the results of the Johansen Cointegration Test, the prime working-age population (25–49) does not affect economic growth in the long run, the youth population (15–24) has a significantly positive effect on economic growth, and both the middle-aged population (50–64) and the aged population (65 and above) have a significantly negative effect on the economy. Based on the results of the VEC model, there is no short-run relationship between the age structure variables and economic growth. Therefore, this study suggests that the reforms and policies undertaken by the government should prioritize increasing productivity from the various age cohorts and expanding government expenditures on human capital.

**Keywords:** Age structure, Economic growth, Youth population, Prime-working aged population

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