

Table 4: Results of Multicollinearity

Variable	Coefficient variance	Variance Inflation Factor (VIF)
ΔElder Population	0.424014	1.003585
ΔSavings	0.015336	1.025142

Results of Table 4 indicates that, variance inflation factor (VIF) values for independent variables are not greater than 10 which represents the absence of multicollinearity. This means that there is no high correlation between elder population and savings. Hence, the both variables can be added together in the regression model.

Conclusion

The results of the study depicted that there is a significant relationship between growth of ageing population and economic growth in Sri Lanka. Therefore, the popular theoretical proposition of “there will be a decreasing growth with ageing population” become true in Sri Lankan context under the period of study. Hence, appropriate policies should have to establish now in order to build competitive and productive labour force in future. In the future there will be a demand for older aged workers and government want to take necessary actions to restructure health and pension incentives, retraining opportunities and flexible adjustment of working hours to utilize it in order to maintain economic growth. Strengthening the existing counseling programmes is essential in order to enrich the mental health of the elders. Further, research is needed to investigate the expectations of aging population such as consumption behavior, pattern of savings, and expectation of working after retirement which may lead to implementation of sound economic and social policies on behalf of the aging population.

References

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