

The Relationship Between Economic Growth and Population Growth; in Demographical and Economical Aspects.

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This study examined the relationship between the population growth and economic growth of Sri Lanka using theoretical and empirical evidences. Per-capita income is an important factor which figure out the Economic condition of a country. Gamble (2004) has cited that ‘The remarkable success of weston economies in the past 200 years is therefor associated with strong population growth, yet population growth is problematic if it outpaces increases in productivity’. Recently, Sri Lanka is facing a population ageing problem. United Nations population fund has estimated, the population who elder than 60 years will be 29.4% in 2025 in Sri Lanka. Currently it is 11.2%.That creates Socio-economic problems in Sri Lanka. There is no any contribution of 60< age group to Gross Domestic Production (GDP) in Sri Lanka. The famous Malthus’s theory said that the power of population is indefinitely greater than the power in the earth to produce subsistence for man (Malthus, 1970). But there are also consider as the consumer of the economy. That effect to increase the proportion of consumers comparatively to the labor force. The study aims to examine the relationship between GDP growth and population growth in Sri Lanka according to the theoretical background and practical situation. There is a high increase in GDP, but there is no any parallel increase in population growth. This directly opposes Malthus theory. The GDP of Sri Lanka is increasing. But no any increasing pattern in population growth as much as GDP. But economists have said that higher increase in GDP comparatively with population in a country is a bad signal for financial crisis in the future. They have come up with the example of UK (United Kingdom). Sri Lanka is also has similar situation now. The per-capita income may be high whenever the labor force is decreasing. Because strong population of a country can consume as well as make production to increase the level of the economy. But there is no any short term solution to increase the country population without considering about the immigration. So, here it can be clearly seen that it’s good to increase the population growth rate in our country with the clear image of the future of Sri Lankan Economy.

Keywords: Malthus theory; population aging; population growth, GDP growth