

Economic Development in Post-War Sri Lanka - Management Challenges and Rewarding Tasks

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ABSTRACT. Sri Lankan economy would be improved to a great extent with the restoration of peace in the island and the rapid improvement in the tourism industry predicted by ADB lead economist Narhari Rao the Colombo stock market is also performing well, he said. The notable reduction in inflation from 20% to 2% followed by the Central Bank's decision to bring down interest rates, will contribute immensely towards economic development which is the right move. In the 70s, Sri Lanka was more developed than Malaysia and Singapore. Sri Lanka Should concentrate Education, Research development, Export manufactured goods, Health, Transports, Planned and implementation, Agriculture, foreign investment, Small medium scale industries, alternate energy, Construction and security. Singapore is an inspiration to Sri Lanka and other developing countries in terms of economic development, political stability, and good governance. In terms of fiscal and monetary policy, government expenditure to GDP ratio is about 10% with a budget surplus. The Central Bank of Sri Lanka's equivalent is the Monetary Authority of Singapore which is considered among the 10 most sophisticated financial markets. The money supply is endogenous (from within) and exchange rate policy curtails imported inflation. Singapore also has political stability and quality of governance is needed for the economy to grow. Singapore is managing a plural society, rule of law to maintain good governance. As a country with new born peace, Sri Lanka has key lessons to learn from Singapore. Sri Lanka is getting ready for the post war era in earnest. As the expenditure on the war begins to decline, the need to divert attention to development of the north and east ensues. Physically, politically and psychically rebuilding a country after nearly two generations of war is no easy feat. Doing it in the middle of a global recession won't be swift or predictable. It will involve that noisily rabble called civil society.

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