ISBN 978- 955-4563- 71- 1

A Reviewof Inclusive Growth Policies in Sri Lanka

G.M. Henegedara,
Department of Economics, University of Kelaniya

Abstract

As a new development concept, inclusive growth strategies are implemented by many countries so as to balance the development along with sustainable wealth creation and inclusion of all segments of the society as the shareholders of development. The concept refers both pace and pattern of growth in view of long term sustainability, broad based across sectors and inclusion of large portion of labour force.The successivegovernments of Sri Lanka were also followed this concept and implemented various programs so as to assure growth with equity and equality of opportunities along with liberal and protection policies. Therefore, the main objective of the paper is to review whether the inclusive growth oriented policies implemented in Sri Lanka since independence were successful in ascertaining broad based sustainable development through increasing economic growth and sharing growth through employment opportunities sustainably. Thus the analysis was based on reviewing variousgrowth approaches followed during three policy regimes i.e. inward looking, outward looking and Mahinda Chintana since independence. It also assessed the effects of inclusive growth policies and approaches on changing living standards of people and assuring inclusive development in the rural agricultural sectors. The methodology of the paper was based on quantitative analysis that derived from the secondary sources of information published by the Central Bank of Sri Lanka, Department of Census and Statistics, and the Ministry of economic development. The studyconsists of four sections i.e. need for inclusive growth, approaches to inclusive growth, the effect of inclusive growth policies and policy implications. The analysis revealed thatthe effectsof inclusive growth approaches followed since 1950s were effective in improving social infrastructure and reducing rural poverty in Sri Lanka significantly. But inclusiveness for employments, market creation and ultimate objective of gaining sustainable economic prosperity is still beyond the expectations due to some bindings affected as the constraints.

Key Words:inclusive growth, sustainable development poverty and inequalities

Introduction

As a multifaceted concept, inclusive growth provides diverse definitions as it described in many policy analysis. Thus though it was defined as broad based growth, shared growth and pro-poor growth (DFID, 2004, COGD, 2008 and ADB, 2009), broadlyit views as combined effort ofachieving thesethree ideas together. Thus the concept focuses on both pace and pattern of growth, emphasizing long term sustainable rapid growth, broad based across sectors and inclusive of the large part of the country's labour force. This definition shows a direct link between micro and macro determinates of growth and captures structural transformation for economic diversification and competition (Ianchovichina, Elena and Lundstrom, Susana 2009).Both pace and pattern of growth are crucial for achieving sustainable growth rate and poverty reduction. This idea was empirically proved with findings in the growth report: strategies for sustained growth and inclusive development published by the Commission on Growth and Development of the World Bank (2008). The report shows that inclusiveness is a concept which consisted of equity, equality of opportunity and protection in market and employment transitions that required for any successful growth strategy. Other notable feature of inclusive growth is it is a longer term perspective that focused on productive employment rather than on direct income redistribution. Thus the difference between pro poor growth and inclusive growth is clear. Pro poor approaches intended in improving welfare of the disadvantage groups while inclusive growth intends to enhance opportunities for the majority of labour force including

ISBN 978- 955-4563- 71- 1

poor and middle class similarly. Financial inclusion or access to financial services were also recognized as the important aspects of inclusive growth approaches According to evaluation report published by IGP group of World Bank in 2015,though700 million people have gained access to formal financial services in the past few years, still 2 billion remain excluded. Therefore financial inclusion—access by poor families and microenterprises to financial services—has been an objective of the World Bank Group for a long time,

The literature reviews on the concept of inclusive growth (IG) indicates that having high sustainable growth rate over long period is a required factor for reducing poverty. Nonetheless, high growth rates and poverty reduction can be realized only when source of growth are expanding and increasing the share of labor force more efficient manner. Some other important facts derived from literature are; IG focuses not only on productive employment growth but also on the productivity growth; IG is fueled by market driven sources of growth and the role of the government limits to facilitating and regulating functions (Deininger and Squire 1998, Dollar and Kraay 2002, Bourguignon 2003 and Kraay 2004).

In view of the conceptual base, empirical evidence and the policy framework of inclusive growthapproaches, it is worthwhile to understand how economic growth policies implemented in Sri Lanka were able to reach inclusive growth path in coherent and sustainable manner. Like most developing and developed countries, all the successive governments in Sri Lanka which were in power since independence (1948) were followed broad based and pro poor growth strategies as the means of rural agricultural development, poverty eradication, income redistribution, area development and community empowerment. The impact of these programs was very effective in reaching higher standard of socio economic status particularly in terms of literacy rate, mortality rates, life expectancy and human development indicators. Nonetheless it was unable to maintain a higher GDP growth rate for the long run with sector wise transition that required for stable development. The average growth pace for the past 50 years from 1948-2000 was around 4.2 percent per year though it increased substantially after 2004 and onwards above 5 percent per annum. At the same time, gross national product, per capita income and human development indices were improved substantially while decreasing the poverty ratio from 43 percent in 1983 to 7.2 percent in 2012(Central Bank, of Sri Lanka, 2012).

Considering enormous service rendered by Senior Professor Prema Podimanike at the University of Kelaniya in teaching economics for more than 30 years for undergraduate and post graduate students, the article intended to resect Prof. Podimenike by reviewing inclusive growth approaches followed in Sri Lanka and its effects on growth and development in Sri Lanka.Thus the main objective of the paper is to assess the growth path of Sri Lankan economy along with various inclusive growth approaches followed in the past and their impact and implications on broad based development in Sri Lanka.The methodology of the paper was based on quantitative analysis that based on time series data analysis. The entire paper was based on secondary sources of information that published by the various institutions such as World Bank, Central Bank of Sri LankaandtheDepartment of Census and Statistics, Sri Lanka.

Thepaper consists of five sections. The section one describes the background information in relation to conceptual base andneed for inclusive growth. The section two reviews present statusof Sri Lankan economy and the section three describes policies and

ISBN 978- 955-4563- 71- 1

programsimplemented by the Sri Lankan government as pro poor, wealth creation, employment generation and community empowering approaches. The section four presents the impact and implications of inclusive growth approaches on growth and equity measures in Sri Lanka i.e. GDP, poverty indices, labour force participation and income inequality etc. The last section presents concluding remarks and policy recommendations.

Present Status of Sri Lankan Economyand Need for Inclusive Growth

According to World Bank's classifications of world economies (2008), SriLanka belongs to the category of lower middle income countries that have the annual GNP per capita income at US $ 2836 in 2012. Population of the country is nearly 2.3billion and the majority (72per cent) people live in rural areas. The country maintains 5.4per cent medium growth rate during the past 12 years even under the pressure of global economic crisis. The economy has shifted from agriculture to industrial and service sectors in the past six decades. Thus the share of theGDP from agriculture has declined from 46,3per cent in 1950 to 11.1 per cent in2012 whilethe share of GDP from industrial and service sectors have increased respectively from 19.6 and 36.9 per cent to 30 and 58 per cent during the respective period. Though the relative share of the agricultural sector has declined over the years, the sector is still important as the main source of employments by contributing 35 per cent of labour force utilization (Central bank of Sri Lanka, 2011).The main feature of the agriculture sector is its dualistic nature that consists of plantation crops and food crops sectors (Snodgrass, 1966). Thus crops such as tea, rubber and coconut are cultivated in plantation sector and paddy, vegetables and other field crops are cultivated in food crops sector. The industrial and service sectors are becoming dynamic sectors in the economy under global trade opportunities for generating foreign exchange and employments through international market. Table 1 shows performance of key economic indicators of the economy for 1978-2014 period.

ISBN 978- 955-4563- 71- 1

Table: 1. Macro-Economic Performance of Sri Lanka (1978-2012)

Indicator	(1) 1978	(2) 1998	(3) 2002	(4) 2014
National Income(US$ MN) GNP Growth rate (Rs) GDP Per capita (US$) GNP Per capita (US$) **GDP sectoral composition**. Agriculture Industry Service Population Growth rate	2733 8.2 US$ 176 US$ 172 32.3 18.4 44.4 1.8	15761 4.6 US$ 879 US$ 865 21 27.5 51.4 1.1	16532 4.0 US$ 872 US$ 858 20 26 53.6 1.4	74944 7.5 US$ 3625 US$ 3536 10.1 32.3 57.6 0.9
Other Economic Indicators (As % of GDP) Unemployment rate Investment National savings Government Debt Current account deficit	14.7 (1978/79) 19.9% 15.3% 72.6 -2.4	9.2 22.2 19.1 90.8 -2.4	9.1 21.3 19.7 105.3 -4.4	4.3 29.7 27.0 98 2.7
Socio Economic Indicators Birth Rate Death Rate Literacy Rate HDI Life expectancy Poverty Ratio Gini coefficient	28.5 6.6 86.2 0.653 (1980) 69 - 0.43	18.2 6.2 91.8 0.706 (1990) - 28.8(1995/96) 0.46(1986/87)	19.1 5.8 90.7 0.747(2000) 74 22.7 046 (2003/04)	16.9 6.2 92.5 0.750 74 6.7 0.48
Exchange rate $/Rs Consumer price index	15.15 227.8	94.00 2284.9	98.00 3176	130.56 5022

Source: Central Bank of Sri Lanka.

Nonetheless, the economy has faced some constraints that linked with inefficiency, price distortions and asymmetric information etc. Consequently, poverty, malnutrition, low productivity, low income, social unrest and political instability were arisen as the constraints ofinclusive growth. Therefore successive governments that came to power after 1970 followed various policy adjustments through protective and liberal policy measures. It includeswelfare and income distributary programs such as free education, free health services, rice and input subsidies, poverty eradication, rural infrastructure development and micro finance programs. Though these programs hadmade a significant impact on improving quality of life standards, reducing poverty level and inequalities, long term sustainable development that required employing majority of labor force effectivelyassuring the higher standards of living is yet to be achieved. Similarly, outcome of rural and agricultural development policies that envisaged since 1948 for rural infrastructure development were not so effective in overcoming uncertainties faced by small producers though it has some effect on improvinglivelihood, food security and income distribution of rural communities.

As an emerging economy Sri Lanka needs a broad based development policy that addresses rapid sustainable growth and pattern of growth which could provide opportunities for many excluded from the growth process. Thus the policy should be focused on improving the productive capacity of individuals and creating a conductive business environment for employments. Such a broad policy objective could be achieved only through proper strategy

ISBN 978- 955-4563- 71- 1

and operational mechanism. If the policy implementation is bounded by the constraints, it is the task of the any government to identify the obstacles and avoid them. Like many other countries Sri Lanka also faces such obstacles particularly in relation with lackof infrastructure facilities i.e. economic, social and financial infrastructure (Central Bank of Sri Lanka,2010), Though the former governmentpaid special attention for developing economic, social and financial infrastructure through executing its main policy framework of the MahindaChintana (2006-2016), still a substantial number of people in rural areas suffered due to inadequacy of roads, transport, electricity, communication, education, health, marketing and banking facilities. Provision of these services to remote areas are so important that it fulfills not only the basic needs of the people it also enhance the values of resources, human skills and the manmade products in these affected areas. Therefore, it is government responsibility to avoid binding and constraints affected for the inclusive growth.

Inclusive Growth Policies and programs

Though inclusive growth is a broader concept, its ingredients of broad based development components such as income and employment generationprograms,infrastructure development, poverty alleviation, institutional and capacity building programs and rural and regional development programs that lead to improve income, equityand public welfare were implemented by all the successive governments. Thus inclusive growth policies were listed according to macro policy framework implemented since independence in 1948.Basically three policy regimes were identified in the past six decade as its vision/objectives, strategy and mechanism concerned by policy makers.

(1) State intervention Regime (1948-1978)

The economic policies that implemented since 1948 to 1978in Sri Lanka were mainly based on state mechanism and public welfare. Thus National planning efforts made during the respective period i.e. as six-year investment program (1954-1960), Ten year development plan (1958-1968) and five year development plan for 1972-78 were paid special attention on improving rural infrastructure (irrigation and roads) facilities, agriculture development and institutional reforms to empower rural community. Many of these policies and programs could regard as Fabian interventions, which implemented by bureaucrats through top-down approach. Public goods and the public welfare was the main vision of the Fabian tradition (Birnni, A 1954) and thus free education, free health services and food subsidies were provided. Though some of these subsidies and free services curtailed time to time, its effects was crucial on maintaining higher level of education and health indicators i.e. literacy rate, mortality rates and life expectancy level etc. even compared to other South Asian region (Word Development Report,2010).

(2) **Liberal Policy Regime (1978- to Date**)

Since 1978, Sri Lanka has made a significant departure from state intervention policies to neo liberal economic tradition that based on price theory and outward looking policies. Liberal policy regime was categorized into four sub policy regimes i.e. the first wave of liberal policy reforms (1977-1988), the second wave of liberal policy reforms (1989-93), 1994-2004 Period and the current policy regime as implemented various policy packages time to time. The liberal policies were based on the price mechanism and the market. The private sector was regarded as the engine of growth and role of the state sector was limited to regularize economy by minimizing negative externalities. Though some subsidies and

ISBN 978- 955-4563- 71- 1

welfare services were curtailed, employment generation programs like 500 rural garment factory programs and pro-poor growthprograms i.e. *Janasaviya and Samurdhi* were implemented. At the same time, Mahaweli multi-purpose development program was implemented in order to develop dry zone areas by setting up new settlements, improving livelihoods of poor settlers and increasing food security of the nation. Similarly, irrigation infrastructure development programs were also implemented all over the country in view of improving living standards of rural communities.

(3) MahindaChintana Regime (2006-2014)

MahindaChintanaya, the macro development policy framework that planned for 2006-2016 has emphasized both private and state mechanisms very clearly. Thus role of the government is crucial for implementing major infrastructure projects in relation to economic, social and financial infrastructure while regulating projects concerned in negative externalities. It includes road construction, high ways, education, health and communication projects that strengthen the production efficiency and reducing regional disparities. The government recognized the importance of private sector and encouraged for economic and business activities. It also involved in public projects through Public Private Partnership (PPP).Though the main economic program of the Mahinda regime was based on implementingfive hub program that focused on overall development of the country through developing production efficiency and employment opportunities in Commerce, knowledge Naval, Air and Energy sectors, italso entrusted with two programs on inclusive growth.

1. Develop rural economy by improving rural infrastructure facilities and empowering rural communities through implementing Gama Neguma, Maganeguma and Samurdhi programs. The government entrusted this task to four ministries of Nation building, which specially formed for poverty alleviation and development of 14,000 villages of the country.
2. Transform traditional subsistence agriculture to a commercial and highly productive sector. Accordingly it aims to increase productivity, production and competitiveness of export based agricultural crops, Promote agro-based industries, increase mechanization and technological transformation in view of increasing productivity of small farming sector.

Thus development strategy has focused not only on promotinginvestments on infrastructure development but also on the creation of equitable access to such infrastructure enabling people to engage in gainful activities (Central Bank, 2010). The infrastructure policy of the government aims to focus on transforming the economic growth into rapid and sustainable inclusivegrowth. It also emphasized the importance of regionally balanced growth through enhancing economic, social and financial infrastructure development of the country (ibid).

According to “Bright Future”, the second manifesto presented by the Mahinda Rajapaksha government for 2011-2016, the macro economic development was focused on forming five hubs i.e. commercial, knowledge, energy, air and naval hubs in view of becoming miracle of Asia by 2016. It was expected to assure inclusive growth through generating employments, technology development and social infrastructure,

ISBN 978- 955-4563- 71- 1

Inclusive Growth Approaches

Irrespective of different policy regimes, programs followed for ensuring inclusive growth in in Sri Lanka are vivid and very vibrant. It includes various approaches followedtime to time as listed below.

1. Infrastructure Development Programs launched for building economic, social and financial infrastructure i.e., electricity, telecommunication, irrigation, rural roads, financial institutions and rural marketingcenters
2. Rural and Regional Development Programs i.e. Integrated Rural Development Projects (IRDP) and Regional Economic Advancement projects (REAP)
3. Agricultural and Agrarian Development Programs
4. Price support policesfor safeguarding local producersi.e.guaranteedPrice (GPS) and input subsidies.
5. Poverty alleviation programs such as rice subsidy, Janasaviya and Samurdhi,
6. industrial development programs i.e.establishing Industrial Development Board (JDB) and regional industrial estates
7. Communitystrengthening and empowering programs i.e. Divineguma
8. Micro finance programs

Poverty alleviation programs

Poverty is one of the key economic problems faced in since independence in 1948.Still 7.5percent of population belongs to category below to poverty line and it spreads mainly in rural and estate sectors (Department of Census and Statistics). Poverty is regarded as the main cause of suffering, among almost all the communities, in varying degrees and therefore, all the governments implement various types of policies and programs to eradicate it. As a result of very complicated features in absolute and relative poverty, policy makers followed different methodologies to solve it. It includes various types of anti- poverty programs such as rice ration, food stamps Janasaviya, and Samurdhi programs.

Nearly 3 percent of GDP is spending for poverty eradicating programs (Central Bank of Sri Lanka,2005). Thus reduction of ruralpoverty become a basic requirement of achieving macro-economic goals. Still the government implements Samurdhi program as the core pro-poor strategy for targeted poor segments of the country. Number of projects such as rural water supply, livelihood programs and micro finance activities are implemented under Samudhi social protection network, network program. The number of beneficiaries and annual allocations for Samurdhi programs are shown in table 2.

Table 2: Number of Samurdhi Beneficiaries and Annual Allocations for 2007-2012 Period

Year	Beneficiaries (Families)	Allocations (Rs.million)
2007	1,844,660	9423
2008	1,631,133	9967
2009	1,600,786	9274
2010	1,572,129	9241
2011	1,541,575	9043
2012	1.549,107	10553

Source: Central Bank of Sri Lanka (2012),

ISBN 978- 955-4563- 71- 1

The effects and Implications

In spite ofimplementing broad based development approachesby the successive governments of Sri LankSince independence in 1948,the pace of growth that accompanied by productive employments and production efficiency was not adequate to generate inclusive growth.Basically, growth policies and programs implemented by the government since independencewere biased on pro-poor, welfare and redistributive drives rather than high GDP growthrate and structural change in the economy. The direction of the growth path is reflected by statistics in relation to GDP, GNP and socio economic indicators.

The average GDP growth rate during 1950, 1960 and 1970three decades were 3.9 andaccordingly nearly 18 years were required to double the growth according to Bradly's low of 72 for growth prediction (Bradly, R.S.1994) However average growth rates during 1980, 1990 and 2000 three decades were around 5.3 percent and accordingly it requires nearly 14 years to double the GDP. Nonetheless, the GDP growth rates of the country has continually increased after 1990 decade. The Table 2 shows average growth rates during past 6 decades and time require todouble the growth according to Brady's low.

Table 3: GDP Growth Rates and Yeats Required to Double GDP

Decade/year	GDP Growth Rate	Years require to double GDP according to Bradly's law of 72
1951-60	3.1	23
1961-70	4,7	15
1971-80	5.9	12
1981-90	4.3	17
1991-2000	5.2	14
2001-2010	5.2	14

Source: Annual Reports, Central Bank of Sri Lanka

Increasing Per capita income is also required factor to gain inclusive growth. According to growth performance in Sri Lanka over the past, the country was able to double the nominal values of GDP per capita within a short period enabling to reach the status of middle income countries (Cabral, 2013).

Table4: Time Taken to Double GNP Per Capita Income

Year	Per Capita Income (US$)	Duration to double Per Capita Income (years)
1960	142	0
1975	281	15
1991	547	16
2004	1062	13
2008	2014	4
2016	4000	7

Source: Central Bank of Sri Lanka

The table 4 shows GDP per capita income for 1960-2008 period and duration spent to double it. The table 3 also indicate the prediction of increasing the per capita income to be at US$ 4000 by 2016. Thus the Sri Lanka was able to double her per capita income within 15 years during 1960-1975 period and 16 years from 1975 to 1991. However, it took 13 years to double the value during 1991-2004 period and only 4 years for 2004-2008 period, from $ 1062 to $ 2014. However, it was predicted that 7 years required to double the value of $2014 in 2008 to $4000 by 2016 (Cabral, A.2013).

ISBN 978- 955-4563- 71- 1

Similarly socio economic and welfare indicators such as education, health and literacy rates were also improved by higher rates, even compared with the standards of developed countries (World Bank, 2010). Thus, Human Development index (HDI) which indicates, life expectancy, combined education index and per capita income calculated on purchasing power parity (PPP) was 0.653 in 1980 and it increased up to 0.715 in 2012. According to UNDP classification of HDI, Sri Lanka belongs to the status of upper middle income countries though Sri Lanka has categorized as a lower middle income country by world development indicators published by the World Bank.

Table 5: Labour Force Participation Rate and Unemployment Rate

Year	Labour Force participation Rate	Unemployment Rate
1973	33.9	24.0
1981/82	34.3	11.7
1996/97	39.7	10.4
2003	40.2	9.0
2012	47.2	4.0

Source: Annual Reports, Central Bank of Sri Lanka

According to table 6 both labour force participation rate has gradually increased over the years population increased But, unemployment rates were decreased over the years as changed ergonomic policies and improved the economy. Though unemployment rates has decreased, under employment and seasonal unemployment is high in rural sector (Fernando, M 2009). Though the table 6 showsthat the country was able to increase labour force participationand decrease unemployment rate, it doesn’t means that the country has achieved full employment status that fully utilized production possibility, It implied that the development was not occurred broad based manner so as to absorb total labour force productively.

The interventions made by the governments through various development approaches were positively influenced to reduce vulnerability of the peasant sector by reducing uncertainty and high risk in cultivation in dry zone areas. Rehabilitation of old irrigation systems and commencing diversified new irrigations were greatly helped to increase the extent of paddy lands from 8844,647 hectares in 1980 to 937175 hectares in 2005.Nearly 85 percent of the total populations living in rural areas are able to use electricity that enables them to use ICT instruments such as computers and servers (Department of Census and Statistics, 2006/07).

Economic disparities have increased and developmentwas mainly concentrated to three districts of the Western province that represent almost 50 percent of GDP share of the country in 2006. It is accepted that nearly 70 percent of urban population of the country also concentrated in the western province. On the other hand, the poverty has concentrated to rural provinces such as Uva and Sabaragamuwa and North Central Provinces and the share of poverty in Western Province is very minimal (Central Bank Of Sri Lanka, 2012). Distribution of GDP and poverty by districts clearly indicates the magnitude of poverty distribution along with level of GDP in respective provinces, further reflecting that lack of resources are the key factor of spreading poverty in those provinces.

ISBN 978- 955-4563- 71- 1

Table 6: Gini Coefficients for Household Income by Sectors

Sector	1980/81	1985/86	1990/91	1995/96	2002	2006/07
All Island	0.43	0.46	0.47	0.46	0.48	0.49
Urban	0.44	0.47	0.62	0.47	0.51	0.54
Rural	0.38	0.46	0.42	0.46	0.46	0.46
Estate	0.27	0.34	0.25	0.34	0.32	0.57

Source: Household Income and Expenditure survey (2002), Dept of Census & Statistics

Increaseincome inequalities among three sectors were high indicating a significant increase in estate sector. Thus as shown in table 6, Gini coefficient ratio for Whole Island has increased from 0.43 in 1980/81 to 0.49 in 2006/07. But the coefficient ratio of rural sector has increased from 0.38 to 0.46 while ratio of urban sector has changed from 0.44 to 0.54 in the same period. Position of the estate sector is also dramatically increased from 0.27% to 0.57%.

Conclusions

The impact of inclusive growth policies and approaches followed in Sri Lanka indicate a clear variation of rural life pattern, especially in terms of enjoying basic human needs. The effects and impact of policies on transforming existing situation should characterize with externalities in terms of positive and negative aspects. As discussed earlier, above approaches were effectively contributed to increase the rural infrastructure and households' income by reducing the poverty, food insecurity, health vulnerability and environmental hazard. But no adequate improvements in the pace of growth and the long term sustainability. However positive aspects could be summarized as follows. As a result of implementing target group oriented poverty alleviation programs, rural poverty, hunger and subsequent malnutrition were substantially reduced over the past few decades. Thus level of rural poverty has reduced from 29.5percent in 1990/91 to 24.7 percent in 2002 and 7.percent in 2014 (Annual reports, Central Bank of Sri Lanka).

However as a small developing country still Sri Lanka has to face greater challenges in assuring inclusive growth through increasing pace of growth and inclusion of all segments of community under liberal and market mechanisms.The existing global economic environment should also be favorable and compatible in this regard.

References

Birrnie, Arthur. (1935) an Economic History of the British Isles, London: Methuen Co.Ltd.

Central Bank of Sri Lanka (2002, 2008, and 2011),Annual *Reports*, Central Bank: Colombo

Central Bank of Sri Lanka(2002),Consumer *Finance & Socio Economic Survey*

Chambers, Robert (2006) "The State and rural Development Ideologies and an Agenda for the 1990s" in M.C. Behera (ed), *Globalizing Rural Development: Competing Paradigms and Emerging Realities*, Sage Publication, New Delhi

Commission on Growth and Development (2008), Growth Report: Strategies for Sustained Growth and inclusive Development, The World Bank.

Deininger, k.,and L. Squire (1998) "New Ways of Looking at old issues; inequality and Growth, " Journal of Development Economics 57. Pp 259-287

Department of Census and Statistics(2006/07),Household *Income and Expenditure Survey* Colombo,

Department of Agriculture (2006),*Annual cost of production surveys for paddy cultivation*, Department of Agriculture, Peradeniya

ISBN 978- 955-4563- 71- 1

Dollar, D. And Kraay (2002) "Growth is good for the poor" Journal of Economic Growth 7, pp 195-225

HiranD.Dias and Silva E. T. (1986) *Strategy without ideology*,AIT: Bangkok,

Henegedara, G. M. (2008) *Rural Development in Sri Lanka: Dynamics and Perspectives*, Hector Kobbekaduwa Agrarian Research & Training Institute, Unpublished Publication

ICTA (2008) *the survey on ICT usage in the government sector*, A survey carried out for ICTA of Sri Lanka by MG consultant (pvt) ltd

Ganesh Rauniyar and Ravi Kanbur(2009)Inclusive Growth and Inclusive Development: A Review and Synthesis of Asian, Development Bank Literature, Occasional Paper No. 8

World Bank (2005), Economic Growth in the 1990s: Learning from a decade of Reform. Washington DC: World Bank.

World Bank (2008), what are the constraints to Inclusive Growth in Zambia? Report No. 44286-ZM, Washington DC: World Bank

www.worldbank.org/kam (2007)

www.worldbank.org/kam (2015)

http://www.investopedia.com/ask/answers/04/040104.