

News

Colombo Development Dialogues highlights integrated development through partnerships, innovation

By RAHEL KIRINDE

THE inaugural Colombo Development Dialogues were held last Wednesday (4) under the theme 'Integrated development impact through partnerships and innovation'.

It included speeches by a diverse group of development thinkers, practitioners and policymakers from the public and private sector which discussed national development priorities.

The forum was commenced by London School of Economics (LSE) academic Dr. Rajesh Venugopal under the topic of climate change, demography, international relations and the impact they have on Sri Lanka.

Starting with climate change, Venugopal said: "Sri Lanka has not contributed much to the global problem of climate change but it definitely faces its consequences."

He mentioned that all that was left to do now was to adapt to the changes and focus on mitigation.

Moving on to the demographic status of Sri Lanka, Venugopal stated: "Sri Lanka used to have very high rates of fertility and population growth back in the 1950s and '60s, but today those rates are well below what is necessary and it too is starting to have dire consequences."

Speaking of those consequences, he asserted that the Dependency Ratio, which was on a steady decline for nearly 30 years until 2005, has started moving upwards.

Discussing the international relations status of the country, Venugopal said: "Sri Lanka being a small trade-dependent island nation that stands between the geopolitical outline of the two largest economies in the world has limitless opportunity but also equal risk." He said that proper management was key to obtaining the maximum benefits of those opportunities.

Focusing on the more in-house concerns of the country, Venugopal spoke on issues with governance in Sri Lanka. He said: "Governance in Sri Lanka is weak, not functioning as it should and needs to be fixed as soon as possible. For example, issues with over-politicisation, inclusion and accountability can all be fixed with effective governance."

Australian High Commission Program Manager Dulani Sirisena addressed the gathering under the topic of 'Non-

traditional partners and shared value'.

FT Quote



"We have introduced four macroeconomic frameworks to help achieve growth in line with other developed countries in the region. Number one will be the fiscal policy framework to which priority will be given. To get out of this current condition the only way and the biggest challenge is ensuring we have fiscal consolidation - Central Bank Governor Indrajit Coomaraswamy"

FT Quote



"In the context of political dialogue between the EU and Sri Lanka, we have implemented the GSP+ measures where we have been granting very favourable tax exemptions for the export of Sri Lankan products - EU Ambassador Tung Lai Margue"

FT Quote



"The evidence suggests that most countries which have effective democratic forms of government involve high amounts of civil society engagement. These countries are featured in the top 20 of the inequality adjusted Human Development Index." Dayaratne said.

"First of all when working with non-traditional partners for development, overseas development assistance is no longer the main source of financing for the development of economies of developing countries and it has moved on to be more dependent on capital financial flows and remittances," said Sirisena.

She followed up by saying that in middle income countries like Sri Lanka, 60% of the GDP, 80% of capital flows and 90% of jobs on average come from the private sector.

Speaking about the evolution of shared value, Sirisena said: "What started out as corporate philanthropy, in which the sole purpose was doing good for the community in which businesses operate, has transitioned

to what we now know as corporate social responsibility which is not a core part of the business but in line with the business strategies."

She went on to say that over the past few years things were moving further along the concept of shared value where businesses focus on finding sustainable solutions to current social problems and achieving their desired commercial returns.

Foreign policy

EU Ambassador Tung Lai Margue spoke on foreign policies inclusive of the political relationship between the EU and Sri Lanka.

"In the context of political dialogue between the EU and Sri Lanka, we have implemented the GSP+ measures where we have been granting very favourable tax exemptions for the export of Sri Lankan products," said Margue, adding that the EU delegation was

working to promote a number of priorities that were directly linked to the political priorities of the Sri Lankan Government.

"Two examples of it are democracy and reconciliation," he stated.

UNDP Policy Specialist Sonali Dayaratne elaborated on effective civil society engagement and how this could contribute to more impactful development.

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excluded."

"To create a more civil-conscious society, our education system should be transformed by reshaping the perception of education as a means of social mobility as opposed to a way of inculcating social values and civil consciousness," said Dayaratne.

Unilever Sri Lanka Chairman Cari Cruz shared his wisdom on the role played by the private sector in the development of Sri Lanka.

He mentioned that a key contribution made by the private sector was that it no longer concentrates on a CSR function, instead it entails shared value and doing good for the community by simply doing well in terms of its own operations. But for this to work the business itself should have a good relationship with its stakeholders.

"Adopting sustainable business practices is another way of contributing to the sustainable development of the country," said Cruz.

University of Colombo lecturer Dr. Maneesha Wanasinghe discussed the importance of finding an integrated approach to protect the environment while development occurs.

"Sri Lanka is presently designated as one of the biggest pollutants of the ocean. There is supposedly 1.5 metric tonnes of polythene surrounding the country at any given time."

"The concept of multi-track diplomacy is an integrated approach where many individuals and institutions are involved such as media, civil society advocates, private sector businesses and the government to

achieve a common goal," said Wanasinghe.

Wanasinghe stated that this would be the answer to adopting an environmental approach without compromising development, which is crucial for a country like Sri Lanka.

Macroeconomic policymaking

Central Bank Governor Indrajit Coomaraswamy spoke on the topic 'Frameworks for macroeconomic policymaking and measures to strengthen the growth framework of the country'.

Coomaraswamy said: "Sri Lanka is known for having a twin deficit for a very long time with deficits on both the government budget and the current account of the balance of payment."

He said that currently the main reason for macroeconomic instability was the Government's fiscal operations.

"Since its liberalisation in 1977, the country has been a high budget deficit, high inflation, high nominal interest rate and overvalued exchange rate economy that is diametrically

opposite of a successful country in Southeast Asia."

"We have introduced four macroeconomic frameworks to help achieve growth in line with other developed countries in the region. Number one will be the fiscal policy framework to which priority will be given. To get out of this current condition the only way and the biggest challenge is ensuring we have fiscal consolidation,"

"The country has embarked upon a trajectory of fiscal consolidation which is expected to bring the budget deficit down to 3.5% of GDP. If we get there that is deficit that can be financed without too much struggle and incurring unsustainable debt," said Coomaraswamy.

The second framework is for monetary policy.

"The idea is to have a framework which

is forward-looking and proactive and which has a legal and accountability framework which builds greater independence for the Central Bank but there will also be more accountability in terms of delivering price stability," he said.

FT Quote



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He stated that the country would no longer be able to borrow extra and build up buffers to manage future debt.

The Colombo Development Dialogues are convened by the United Nations Development Program (UNDP) and the South Asia Centre of the London School of Economics and Political Science (LSE SAC), bringing together a diverse group of development thinkers, practitioners and policymakers from the public and private sectors to discuss relevant issues pertaining to current national and regional priorities.

The forum is planned to be held at least twice a year in collaboration with the Faculty of Graduate Studies, University of Colombo, Dilmah Tea and Citra Social Innovation Lab.

These dialogues aim to generate awareness over different issues of interest and concern in Sri Lanka.

Each dialogue will focus on a key theme relevant to national development priorities and produce a post-dialogue policy paper which will contribute to policymaking at the national level. The distinct feature of the dialogues is the range of experts who will come together to develop an agenda and discuss possible solutions to issues concerning development in Sri Lanka.

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