

# ECONOBLOGGER

MAGAZINE 2023 | 2ND EDITION



ECON CLUB  
FACULTY OF BUSINESS STUDIES  
UNIVERSITY OF VAVUNIYA





# ABOUT US



The Econ Club is established with the purpose of promoting Economic activities of the undergraduate students in order to enhance their knowledge, skills and professional exposure in Economics. This club is structured to assist the students to learn and acquire the Economics competencies and exposure how to effectively use the economic theory and policy in real life. The club foster the active participation and collaboration of the students. The Business Economics specialization students take the lead in arranging the events. This enables in developing the students to plan and arrange for the events successfully. The club activities are organized in a regular basis to promote the team spirit and implement the Economics related concepts practically.



# OUR VISION

*Empowering student's  
potentialities through  
significant active  
participation.*

# OUR MISSION

*Strives to discovering and  
disseminating creative ideas,  
methods and techniques to  
enhance students'  
competencies.*





# OUR GOAL

**To develop and sharpen interpersonal, planning, problem solving, decision making, communicational, time management and entrepreneurial skills and capabilities.**

## OBJECTIVES

**To inspire students to work more productively by providing focus and common goals.**

**To provide case studies and contemporary issues to students and ask them to solve the problem in a creative way .**

**To build network with professionals and enhance industrial relations.**

**To develop confidence and ability to speak in public**





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# **MESSAGE FROM VICE CHANCELLOR**

**Prof.T. Mangaleswaran**

**Vice Chancellor**

**University of Vavuniya**



**I am delighted to extend my warm greetings to all the dedicated members of the ECON Club. University of Vavuniya. It brings immense pleasure to witness the launch of this innovative platform that not only showcases the remarkable work of our students but also fosters a spirit of excellence within the Faculty of Business Studies.**

**The ECONOBLOGGER magazine serves as a evidence to the persistent pursuit of knowledge. creativity, and collaboration that our students embody. This magazine will publish for the Faculty Awards of Students Clubs, Faculty of Business Studies. These achievements not only contribute to the holistic development of our students but also enhance the reputation of our faculty and institution.**

**The ECON Club has consistently shown its commitment to promoting a deeper understanding of economics and business principles, and through ECONOBLOGGER, their impact will resonate far beyond the confines of our university.**

**I encourage all members of the Faculty of Business Studies to engage actively with the magazine. Let us celebrate the successes of our student clubs and draw inspiration from their endeavors.**

**I extend my best wishes to the ECON Club and the entire editorial team of ECONOBLOGGER. May this magazine continue to be a source of inspiration, knowledge, and pride for our faculty. Let us all work together to build a brighter future through collaboration and the pursuit of excellence.**



## **MESSAGE FROM DEAN**

**Prof. Y. Nanthagopan**  
**Faculty of Business Studies**  
**University of Vavuniya**



**I am pleased to congratulate you on the second volume of the student magazine of ECONBLOGGER of the Economics Club of the Department of Business Economics, Faculty of Business Studies. This magazine has a number of valuable articles, all from business economics students and academic staff. This brings out students' talents that all students can use to read and understand business economics theories and applications. In addition, it consists of many students' thoughts and creations.**

**The Business Economics club was established in 2021 at the faculty. The club organizes many student activities such as seminars, awareness programs, career guidance programs—etc. They have shown significant progress in publishing magazines like this one.**

**I congratulate the chief editor and all the other members of the publication committee for issuing this second-volume good-looking magazine.**



## **MESSAGE FROM PATRON**

**Mrs. P. Godwin Phillip**  
**Head**

**Department of Business Economics**



**It gives me an immense pleasure to note that the Econ Club have been success- full in delivering forthcoming issue of the magazine "ECONOBLOGGER", Department of Business Economics, Faculty of Business Studies, University of Vavuniya in 2023. Nurturing creativity and inspiring innovation are two of the key elements of a successful club magazine is the perfect p amalgamation of both. I am sure the activities of Econ Club will help to improve the analytical skills and talents of the students which are essential for their career development. I take this opportunity congratulate the editorial team and the senior treasurer for their tireless efforts that have come to fruition in the form of this magazine. I wish it all success and hope that this tradition that has been set by the current students will be carried through by the following generation of students to come. My best wishes for the entire endeavor.**

## **MESSAGE FROM SENIOR TREASURER**

**Dr. N. Ravinthirakumaran**

**Department of Business Economics**



**I am very much delighted to hear that the second issue of "ECONOBLOGGER"**

**being released by Econ club for the faculty award ceremony in faculty of Business Studies, University of Vavuniya.**

**I am happy to contribute to this amazing magazine as a way of showing my thanks for the club team's admirable work during its successful launch. I congratulate the editorial team on its tireless efforts in bringing out this magazine. Also extend my sincere thanks to the persons who have contributed to this issue and enhanced its perfection and beautification through their articles. Wish you all a grand operation throughout the year.**



# **MESSAGE FROM SENIOR LECTURE**

**Mr. A. Thayaparan**

**Department of Business Economics**



**I have great pleasure to launch the Second issue of Econ Club magazine "ECONOBLOGGER," which serves as a resource for the most recent developments in the fields of economics and management. Bringing out a magazine is not an easy task, but it is a venture of the combined efforts of students and all other contributors. This magazine is the beginning of a new era in which the students will gather more knowledge and skills as well as it is a platform for them to reflect their vibrant talents in a creative way. I'm glad to welcome the students who are more interested in writing articles with fresh ideas and brighter themes for the upcoming issue. I hope they succeed in all of their future endeavors.**

# **MESSAGE FROM PRESIDENT**

**P.K.G.Apsara Nayanakanthi**  
**Department of Business Economics**



**As the President of the Econ Club, I'm delighted to express my immense pleasure regarding the successful publication of the ECONOBLOGGER magazine.**

**I would like to extend my heartfelt gratitude to the entire editorial board and each member who dedicated their time, effort, and expertise to make this magazine a reality. It's through your commitment and hard work that we were able to produce a magazine that truly reflects the dedication and passion of our economics enthusiasts.**

**The magazine's articles, analyses, and interviews provide a comprehensive view of the latest trends in economics, making it a valuable resource for both our academic community and those beyond. As we celebrate the publication of this magazine, we are also celebrating the spirit of the teamwork and dedication that define our econ club. I am truly honored to have had the opportunity to lead such a talented and passionate group of individuals.**

**In closing, I extend my warmest congratulations to everyone involved in making the ECONOBLOGGER magazine a reality. Your hard work and enthusiasm have undoubtedly left an indelible mark on our club and the Faculty of Business Studies as a whole. Here's to a future filled with more successful collaborations and publications that continue to elevate the study of economics.**

**P.K.G.Apsara Nayanakanthi,  
President,  
Econ Club,  
Faculty of Business Studies.  
University of Vavuniya.**



# **MESSAGE FROM EDITOR**

**D.H.Weerasinghe**  
**Department of Business Economics**



**I hope this message finds you well. As the editor of our club's newsletter, I wanted to take a moment to thank everyone who has contributed to the publication so far. Your articles, opinions, and insights have made our newsletter a valuable resource for our members.**

**As we continue to navigate through these challenging times, it's important that we stay connected and informed. Our newsletter is one way we can do that. So, if you have any ideas for articles or topics that you would like to see covered in future editions, please don't hesitate to reach out.**

**Also, if you haven't yet had a chance to contribute to the newsletter, I encourage you to do so. Whether it's a short opinion piece or a longer research article, we welcome all submissions.**

**Thank you again for your support of the Econ Club and our newsletter. I look forward to working with you all in the future.**

# EXECUTIVE COMMITTEE



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**OUR  
ACTIVITIES**

# ARTICLES





# **THE FUTURE OF SRI LANKA'S TECHNOLOGICAL ECONOMY IN 2023:**

## **TRENDS AND OPPORTUNITIES**

### **INTRODUCTION:**

THE TECHNOLOGICAL LANDSCAPE IN SRI LANKA HAS BEEN UNDERGOING RAPID TRANSFORMATION OVER THE PAST YEARS, WITH THE GOVERNMENT AND PRIVATE SECTOR MAKING CONCERTED EFFORTS TO FOSTER INNOVATION AND DIGITAL GROWTH. AS WE ENTER THE YEAR 2023, THE SRI LANKAN TECHNOLOGICAL ECONOMY IS POISED FOR FURTHER EXPANSION, PRESENTING NUMEROUS OPPORTUNITIES AND CHALLENGES. THIS ESSAY EXPLORES THE POTENTIAL DEVELOPMENTS AND TRENDS THAT MAY SHAPE THE COUNTRY'S TECHNOLOGICAL LANDSCAPE IN 2023.

### **E-GOVERNMENT AND DIGITAL TRANSFORMATION:**

IN 2023, SRI LANKA IS LIKELY TO WITNESS SIGNIFICANT PROGRESS IN E-GOVERNMENT INITIATIVES AND DIGITAL TRANSFORMATION. THE GOVERNMENT'S CONTINUED EFFORTS TO STREAMLINE PUBLIC SERVICES THROUGH ONLINE PLATFORMS AND DIGITAL CHANNELS WILL IMPROVE CITIZEN ENGAGEMENT AND ADMINISTRATIVE EFFICIENCY. DIGITALIZATION OF GOVERNMENTAL PROCESSES CAN LEAD TO REDUCED BUREAUCRACY, ENHANCED TRANSPARENCY, AND BETTER SERVICE DELIVERY, ULTIMATELY CONTRIBUTING TO A MORE DIGITALLY INCLUSIVE SOCIETY.

### **STARTUP ECOSYSTEM AND INNOVATION:**

THE STARTUP ECOSYSTEM IN SRI LANKA IS EXPECTED TO THRIVE IN 2023. WITH INCREASED ACCESS TO FUNDING, MENTORSHIP, AND INCUBATION SUPPORT, ASPIRING ENTREPRENEURS WILL BE ENCOURAGED TO BRING THEIR INNOVATIVE IDEAS TO FRUITION. KEY SECTORS SUCH AS FINTECH, HEALTH TECH, AGRI TECH, AND E-COMMERCE ARE LIKELY TO WITNESS THE EMERGENCE OF PROMISING STARTUPS. THESE VENTURES COULD PLAY A CRUCIAL ROLE IN DRIVING ECONOMIC GROWTH, CREATING JOBS, AND ADDRESSING PRESSING SOCIETAL CHALLENGES.

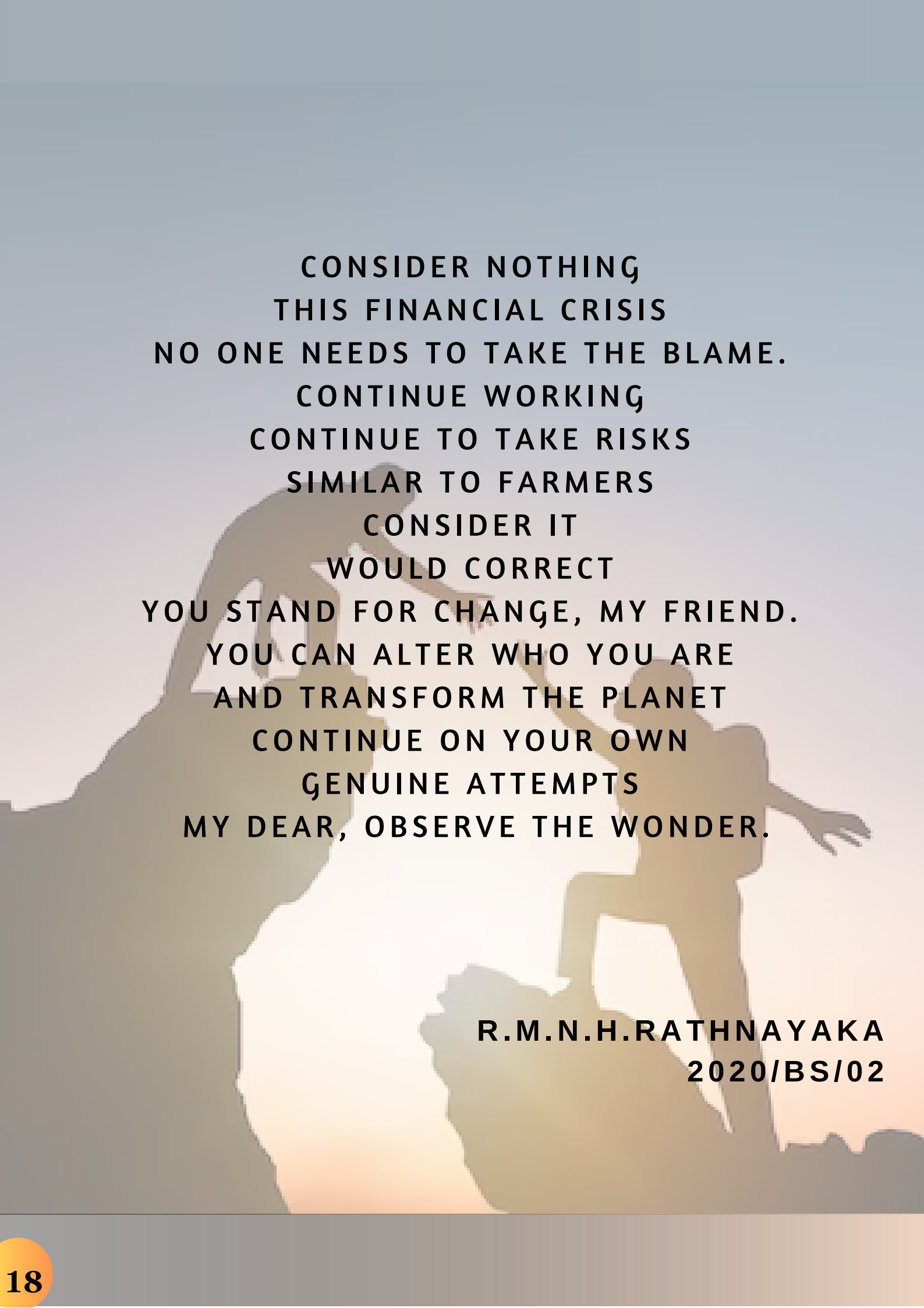
### **IT SERVICES AND BUSINESS PROCESS OUTSOURCING (BPO):**

SRI LANKA'S IT SERVICES AND BPO SECTOR WILL CONTINUE TO BE A SIGNIFICANT CONTRIBUTOR TO THE COUNTRY'S TECHNOLOGICAL ECONOMY. IN 2023, THE COUNTRY'S REPUTATION AS A RELIABLE OUTSOURCING DESTINATION WITH A SKILLED ENGLISH-SPEAKING WORKFORCE IS LIKELY TO ATTRACT MORE INTERNATIONAL CLIENTS. WITH COMPANIES INCREASINGLY EMBRACING DIGITAL TRANSFORMATION, SRI LANKAN IT SERVICE PROVIDERS AND BPO FIRMS WILL PLAY A CRUCIAL ROLE IN ASSISTING GLOBAL BUSINESSES TO ADAPT TO THE DIGITAL AGE.

### **DIGITAL INFRASTRUCTURE AND CONNECTIVITY:**

BY 2023, SRI LANKA'S DIGITAL INFRASTRUCTURE IS EXPECTED TO IMPROVE FURTHER. THE COUNTRY'S EFFORTS TO EXPAND BROADBAND CONNECTIVITY AND ADOPT ADVANCED TECHNOLOGIES LIKE 5G WILL FACILITATE FASTER AND MORE RELIABLE INTERNET ACCESS FOR CITIZENS AND BUSINESSES ALIKE. IMPROVED CONNECTIVITY WILL ENABLE GREATER DIGITAL INCLUSIVITY AND ENCOURAGE THE ADOPTION OF EMERGING TECHNOLOGIES SUCH AS THE INTERNET OF THINGS (IOT) AND ARTIFICIAL INTELLIGENCE.

THE YEAR 2023 IS SET TO BE A PIVOTAL TIME FOR THE SRI LANKAN TECHNOLOGICAL ECONOMY. THE NATION'S COMMITMENT TO INNOVATION, DIGITAL TRANSFORMATION, AND FOSTERING A SKILLED WORKFORCE WILL BE CRITICAL IN UNLOCKING ITS FULL POTENTIAL. BY OVERCOMING CHALLENGES AND EMBRACING OPPORTUNITIES, SRI LANKA CAN POSITION ITSELF AS A REGIONAL TECHNOLOGY HUB AND HARNESS THE POWER OF TECHNOLOGY TO DRIVE ECONOMIC PROSPERITY AND SOCIETAL ADVANCEMENT.



CONSIDER NOTHING  
THIS FINANCIAL CRISIS  
NO ONE NEEDS TO TAKE THE BLAME.  
CONTINUE WORKING  
CONTINUE TO TAKE RISKS  
SIMILAR TO FARMERS  
CONSIDER IT  
WOULD CORRECT  
YOU STAND FOR CHANGE, MY FRIEND.  
YOU CAN ALTER WHO YOU ARE  
AND TRANSFORM THE PLANET  
CONTINUE ON YOUR OWN  
GENUINE ATTEMPTS  
MY DEAR, OBSERVE THE WONDER.

R.M.N.H.RATHNAYAKA  
2020/BS/02



## SRI LANKA'S ECONOMIC CRISIS

Various factors contribute to the current economic crisis in Lanka from 2019 to 2022. Such factors include economic mishandling, a rise in foreign debt, diminishing foreign reserves as well as a diminished currency and the rising prices. Apart from tax reductions, money creation, and the rising prices. Apart from tax reductions, money creation, and national policy shift towards organic and biological farming, there were other factors like the easter bomb attacks, and the effect of the (COVID 19) virus which added to the crisis. Coalition government has lost its majority with March, April 2022, and political unrest has risen, including their resignation from ministerial posts. After a fall in output as well as a shortage of food, switching to organic agriculture has been reversed.



Sri Lanka was set aside for a sovereign default as the outstanding foreign exchange reserves would not be enough to meet the country's external debt obligations in 2022, A series of debts are payable back in 2022, including domestic and foreign debts. The Sri Lankan rupee fell to its lowest in April 2022, as the world's worst-performing currency, with the us dollar trading in Sri Lankan rupee.

Sri Lanka is experiencing a severe economic crisis as a result of the foreign reserves, which has resulted in shortages of food, fuel, medication, cement and other essential supplies shortages. As a consequence of the policy initiatives taken thus far and the improvement in the COVID-19 situation, the Sri Lankan government is optimistic that the crisis would be addressed shortly. Even though the circumstances on the ground and analyses of the government's policy measures imply that Sri Lankans would not receive economic respite anytime soon, global geopolitical-economic trends, particularly in the aftermath of the Russia -Ukraine war, suggest otherwise. In Sri Lanka, public resistance to the government's handling of the matter is steadily growing. The declining economic growth is the subject of this research study.

Due to the rising price of basic commodities, shortages of essential goods, as well as rolling blackouts, the president has been forced to declare a national emergency. In the last several years, Sri Lanka has suffered from historically low government revenues, poorly timed tax cuts, as well as the COVID-19 outbreak, which has adversely affected the country's lucrative tourism industry and foreign remittances. Sri Lanka's government declared the most severe economic crisis the nation has experienced in the past seventy-three years. Food shortages were announced in August 2021. The government, however, denied that there were shortages of food. The country's energy minister admitted that the crisis could result in a financial catastrophe. At the beginning of April 2022, the new governor of the (CBSL) was appointed. The ruling coalition was defeated in parliament when a majority of 41 parliamentarians left the coalition on 5 April. Curfews were also imposed by the government after protests became violent.

The government of Lanka should take steps for the economic recovery of the whole country once the scarcity of certain basic commodities comes to an end. The government must also cooperate with Tamil political leadership to establish a roadmap for economic growth in the civil war-impacted eastern and northern regions, between areas severely struck by the ongoing crisis. It would be better to increase domestic tax revenues and reduce government spending to restrict borrowing, especially sovereign borrowing from foreign sources. Strict measures must be taken for restructuring the administration of grants and subsidies. India's Aid: It would be entirely inappropriate for India to allow the Chinese to take control over the growing portions of Sri Lankan land. India should offer Sri Lanka financial assistance, policy recommendations and investment from Indian entrepreneurs. Indian companies must build supply chains which connect the Indian as well as Sri Lankan economies with goods and services including the export of tea to Information technology services. India, instead of any other country, must help guide Sri Lanka on the path to achieving its potential to reaping the benefits of a stable neighborhood. The Lankan authorities must ensure that the current crisis will not be used to intensify smuggling activities as well as trafficking or stir up emotions in the country.

A.M. MARIE JENSIKA 2020/BS/050

M.NISHANTHINI 2020/BS/166

T. SOBIYA 2020/BS/080

# unemployment





# **"Navigating Sri Lanka's Economic Revival: A Path to Progress and Prosperity"**

To navigate Sri Lanka's Economic Revival several measures can be taken. First, the government should continue to attract foreign investments by offering incentives and creating a favorable business environment. This can be done by simplifying regulations, reducing bureaucracy, and providing tax benefits to investors. Encouraging entrepreneurship and supporting small and medium-sized enterprises (SMEs) is also crucial for economic growth. The government can provide financial assistance, training programs, and mentor-ship to help SMEs thrive.

Investing in infrastructure development is another key aspect. Sri Lanka should continue to focus on improving transportation networks, including roads, railways, and ports, to enhance connectivity and facilitate trade. This will attract more businesses and encourage economic activity across the country.

Furthermore, the agricultural sector should be modernized and made more productive. This can be achieved by providing farmers with access to modern technology, better irrigation systems, and improved farming techniques. Additionally, promoting diversification in agriculture and encouraging value added production will help increase exports and generate more income for farmers.

Addressing income inequality and unemployment are also essential for building a strong economy. The government should implement policies that promote inclusive growth, such as investing in education and skills training to enhance employability. Additionally, creating job opportunities in emerging sectors like renewable energy and information technology can help reduce unemployment.

Lastly, Sri Lanka should remain vigilant to global economic fluctuations and adapt accordingly. Diversification of its export markets and industries will help mitigate the risks associated with economic downturns in specific regions or sectors.

Overall, a combination of attracting investments, developing infrastructure, modernizing agriculture, addressing inequality and unemployment and adapting to global economic changes will contribute to building a stronger economic situation in Sri Lanka.

P.V.K. Shenali  
2020/BS/104

# CRISES IN OUR ECONOMY

crises in our economy  
bellowing like the sea  
put money in jeopardy  
even government entity

Rise of oil prices everyday  
put the world's economy  
in the brink of ambiguity  
putting many in poverty

Investment cost is heavy  
as few can afford today  
to create their own entity  
for economic prosperity

Think nothing about  
This economic crisis  
No needs to blame anybody  
go on working  
And go on taking risk  
Like the farmers  
And see it  
would set right

You are the symbol of change to.....  
stop corruption in any way  
Like stealing peoples 's money  
through ghost project today  
by politicians of no dignity.

*Pocket Signs*

K.H.M.D.M.K.Herath  
2020/BS/167



ELECTRICITY IS AN ESSENTIAL RESOURCE FOR A THRIVING LIFE. IT RUNS OUR DAILY LIFE. LIFE WITHOUT ELECTRICITY WOULD BE IMPOSSIBLE TO IMAGE NOW. WE GENERATE ELECTRICITY USING NATURAL GAS. HOWEVER, PEOPLE DO NOT REALISE THE NATURAL RESOURCES TO DO AS ARE LIMITED AND NON- RENEWABLE. WE MUST CONSERVE ELECTRICITY SO THAT WE CAN CONSERVE THESE RESOURCES.

IN OTHER WORDS, ELECTRICITY SERVES MANKIND GENERALLY. WE MUST STOP THE WASTAGE OF POWER. THE WORLD WILL LOSE ITS LIGHT IF THERE IS NO ELECTRICITY. MOREOVER, CARELESS BEHAVIOUR BY HUMANS MUST BE CHECKED. WE NEED TO REALISE THE IMPORTANCE OF ELECTRICITY TO SAVE OURSELVES FROM THE DARKNESS. ELECTRICITY IS NEEDED IN ALMOST EVERY SPHERE OF LIFE NOW. WE NEED IT TO LEAD A COMFORTABLE LIFE FULL OF ALL AMENITIES AND SERVICES. THE WORLD WILL BECOME ASSERTIVE WITHOUT ELECTRICITY. FOR INSTANCE, ALL OUR HEALTH AND EDUCATION FACILITIES ARE CONDITIONED BY ELECTRICITY. IF THERE IS NO ELECTRICITY, THE SURGEON WON'T BE ABLE TO PERFORM HIS SURGERY. MOREOVER, STUDENTS WON'T BE ABLE TO GAIN PRACTICAL KNOWLEDGE.

IN A WORLD DRIVEN BY CONSTANT TECHNOLOGICAL ADVANCEMENTS AND GROWING ENERGY DEMANDS, THE NEED TO CONSERVE AND MANAGE ENERGY HAS BECOME MORE CRUCIAL THAN EVER. ENERGY SAVING ISN'T JUST ABOUT REDUCING UTILITY BILLS; IT'S A FUNDAMENTAL STEP TOWARDS A SUSTAINABLE AND ENVIRONMENTALLY CONSCIOUS FUTURE. FROM INDIVIDUAL ACTIONS TO LARGE-SCALE INDUSTRIAL INITIATIVES, ENERGY-SAVING PRACTICES CAN MAKE A SUBSTANTIAL IMPACT ON BOTH OUR WALLETS AND THE PLANET.

### **THE POWER OF AWARENESS**

ONE OF THE FIRST STEPS TOWARDS ENERGY SAVING IS AWARENESS. UNDERSTANDING WHERE AND HOW ENERGY IS CONSUMED ALLOWS US TO MAKE INFORMED DECISIONS. SIMPLE ACTIONS LIKE TURNING OFF LIGHTS WHEN NOT NEEDED, UNPLUGGING ELECTRONICS, AND USING ENERGY-EFFICIENT APPLIANCES CAN COLLECTIVELY LEAD TO SIGNIFICANT REDUCTIONS IN ENERGY CONSUMPTION. BUILDING A CULTURE OF MINDFULNESS AROUND ENERGY USE AT HOMES, SCHOOLS, AND WORKPLACES CAN LAY THE FOUNDATION FOR A MORE SUSTAINABLE FUTURE.

### **EFFICIENT INFRASTRUCTURE**

IN THE REALM OF ARCHITECTURE AND URBAN PLANNING, DESIGNING ENERGY-EFFICIENT BUILDINGS AND CITIES CAN DRAMATICALLY DECREASE ENERGY USAGE. FROM IMPROVED INSULATION TO UTILIZING NATURAL LIGHT AND VENTILATION, MODERN CONSTRUCTION TECHNIQUES AIM TO MINIMIZE THE NEED FOR EXCESSIVE HEATING, COOLING, AND LIGHTING. IMPLEMENTING SMART GRIDS AND RENEWABLE ENERGY SOURCES, SUCH AS SOLAR PANELS AND WIND TURBINES, FURTHER REDUCES THE STRAIN ON TRADITIONAL POWER GRIDS.



## TECHNOLOGY AS A CATALYST

TECHNOLOGICAL INNOVATIONS HAVE REVOLUTIONIZED THE WAY WE CONSUME AND GENERATE ENERGY. SMART THERMOSTATS, FOR EXAMPLE, ALLOW US TO CONTROL HEATING AND COOLING REMOTELY, OPTIMIZING ENERGY USE BASED ON OCCUPANCY. ENERGY-EFFICIENT LED LIGHTING NOT ONLY CONSUMES LESS POWER BUT ALSO LASTS LONGER, REDUCING THE FREQUENCY OF REPLACEMENTS. ADDITIONALLY, THE INTERNET OF THINGS (IOT) ENABLES DEVICES TO COMMUNICATE AND REGULATE ENERGY USAGE, CREATING A MORE STREAMLINED AND EFFICIENT NETWORK.

## INDUSTRIES TAKING STRIDES

INDUSTRIES PLAY A SIGNIFICANT ROLE IN ENERGY CONSUMPTION, AND MANY ARE NOW RECOGNIZING THE IMPORTANCE OF ENERGY SAVING FOR BOTH ECONOMIC AND ENVIRONMENTAL REASONS. MANUFACTURING PROCESSES ARE BEING REDESIGNED TO MINIMIZE WASTE AND ENERGY USE, LEADING TO REDUCED PRODUCTION COSTS AND A LIGHTER CARBON FOOTPRINT. COMPANIES ARE ALSO ADOPTING CIRCULAR ECONOMY PRINCIPLES, FOCUSING ON RECYCLING AND REUSING MATERIALS TO CONSERVE ENERGY-INTENSIVE EXTRACTION AND PRODUCTION.

## THE ROAD AHEAD

GOVERNMENTS AROUND THE WORLD ARE FORMULATING POLICIES TO INCENTIVIZE ENERGY-SAVING PRACTICES. TAX BREAKS, SUBSIDIES, AND REGULATIONS THAT ENCOURAGE THE ADOPTION OF CLEAN ENERGY TECHNOLOGIES ARE BECOMING MORE COMMON. INTERNATIONAL AGREEMENTS LIKE THE PARIS AGREEMENT UNDERScore THE GLOBAL COMMITMENT TO REDUCING GREENHOUSE GAS EMISSIONS, EMPHASIZING THE URGENCY OF SUSTAINABLE PRACTICES.

INDIVIDUAL ACTIONS, COMBINED WITH TECHNOLOGICAL ADVANCEMENTS AND POLICY CHANGES, ARE VITAL IN ACHIEVING ENERGY-SAVING GOALS. THE JOURNEY TOWARDS A MORE SUSTAINABLE FUTURE REQUIRES COLLECTIVE EFFORT, AND EVERYONE HAS A ROLE TO PLAY. FROM MAKING CONSCIOUS CHOICES IN OUR DAILY LIVES TO ADVOCATING FOR GREEN INITIATIVES, WE HAVE THE POWER TO SHAPE A WORLD WHERE ENERGY IS USED WISELY AND PRESERVED FOR GENERATIONS TO COME.

IN THE GRAND TAPESTRY OF OUR INTERCONNECTED WORLD, ENERGY SAVING ISN'T JUST A CHOICE; IT'S A RESPONSIBILITY WE OWE TO THE PLANET AND THE FUTURE. THROUGH AWARENESS, INNOVATION, AND COLLABORATION, WE CAN PAVE THE WAY FOR A BRIGHTER AND MORE ENERGY-EFFICIENT TOMORROW.

HOWEVER, ALL OF US MUST UNDERSTAND THAT EVEN A SMALL STEP WILL GO A VERY LONG WAY IN SAVING ELECTRICITY. FOR INSTANCE, IF EVERY PERSON AT EACH HOME SWITCHES ON THE FAN WHEN NOT IN USE, THOUSANDS OF WATTS OF ELECTRICITY CAN BE SAVED.

MOST IMPORTANTLY, INSTALLING SOLAR PANELS CAN HELP YOU EXCESSIVELY. THEY ARE VERY ECONOMICAL AND HELP IN SAVING A LOT OF ENERGY. THE SOLAR PANELS WILL HELP IN CONSUMING LESSER ENERGY THAT TOO ECONOMICALLY.

2020/BS/09

K.A.A.MADARA



**INTRODUCTION:**

FISCAL POLICY, ENCOMPASSING THE GOVERNMENT'S REVENUE COLLECTION AND EXPENDITURE DECISIONS, IS A POWERFUL INSTRUMENT THAT CAN SIGNIFICANTLY INFLUENCE ECONOMIC ACTIVITY AND BUSINESS OPERATIONS WITHIN A COUNTRY. IN SRI LANKA, FISCAL POLICY PLAYS A PIVOTAL ROLE IN SHAPING THE BUSINESS ENVIRONMENT AND IMPACTING THE FORTUNES OF VARIOUS INDUSTRIES. THIS ESSAY DELVES INTO THE WAYS IN WHICH FISCAL POLICY INFLUENCES SRI LANKAN BUSINESSES.

**1. GOVERNMENT EXPENDITURE AND INVESTMENT**

GOVERNMENT SPENDING, A KEY COMPONENT OF FISCAL POLICY, CAN DIRECTLY IMPACT BUSINESSES. INCREASED GOVERNMENT EXPENDITURE ON INFRASTRUCTURE PROJECTS, EDUCATION, HEALTHCARE, AND PUBLIC SERVICES CAN STIMULATE ECONOMIC GROWTH AND CREATE DEMAND FOR VARIOUS GOODS AND SERVICES, BENEFITING A WIDE RANGE OF BUSINESSES. FOR INSTANCE, INVESTMENTS IN TRANSPORTATION INFRASTRUCTURE CAN REDUCE LOGISTICS COSTS FOR BUSINESSES AND IMPROVE THEIR OVERALL EFFICIENCY.

**2. TAXATION POLICIES:**

TAXATION IS A CRITICAL TOOL FOR REVENUE GENERATION AND ECONOMIC CONTROL. CHANGES IN TAX POLICIES CAN SIGNIFICANTLY AFFECT BUSINESSES IN SRI LANKA:

**A. CORPORATE TAXES**

ALTERATIONS IN CORPORATE TAX RATES CAN DIRECTLY IMPACT A BUSINESS'S PROFITABILITY. LOWER CORPORATE TAXES CAN INCREASE AFTER-TAX PROFITS, ENCOURAGING BUSINESS EXPANSION AND INVESTMENT. CONVERSELY, HIGHER TAXES CAN REDUCE DISPOSABLE INCOME FOR BUSINESSES, POTENTIALLY LEADING TO REDUCED INVESTMENTS AND GROWTH.

**B. VALUE ADDED TAX (VAT) AND GOODS AND SERVICES TAX (GST):**

CHANGES IN CONSUMPTION TAXES LIKE VAT OR GST CAN AFFECT CONSUMER SPENDING PATTERNS. AN INCREASE IN THESE TAXES MAY LEAD TO REDUCED CONSUMER DEMAND, IMPACTING BUSINESSES RELIANT ON CONSUMER SPENDING.

**C. IMPORT AND EXPORT DUTIES**

CUSTOMS DUTIES ON IMPORTS AND EXPORTS INFLUENCE THE COST STRUCTURE OF BUSINESSES ENGAGED IN INTERNATIONAL TRADE. CHANGES IN THESE DUTIES CAN IMPACT COMPETITIVENESS AND THE PROFITABILITY OF EXPORT-ORIENTED OR IMPORT-DEPENDENT BUSINESSES.

**3. SUBSIDIES AND INCENTIVES**

GOVERNMENTS OFTEN PROVIDE SUBSIDIES, GRANTS, OR INCENTIVES TO CERTAIN INDUSTRIES TO PROMOTE ECONOMIC GROWTH OR ADDRESS SPECIFIC CHALLENGES:

**A. INDUSTRY-SPECIFIC INCENTIVES**

SRI LANKA OFFERS VARIOUS INCENTIVES TO PROMOTE INDUSTRIES LIKE TOURISM, AGRICULTURE, AND MANUFACTURING. THESE INCENTIVES CAN ATTRACT INVESTMENT, CREATE JOBS, AND STIMULATE BUSINESS GROWTH IN TARGETED SECTORS.

**B. EXPORT PROMOTION SCHEMES:**

EXPORT-ORIENTED BUSINESSES MAY BENEFIT FROM SCHEMES THAT PROVIDE TAX BREAKS, REDUCED EXPORT DUTIES, OR FINANCIAL SUPPORT, ENCOURAGING EXPORTS AND BOOSTING FOREIGN EXCHANGE EARNINGS.



#### **4. INFRASTRUCTURE INVESTMENT:**

GOVERNMENT EXPENDITURE ON INFRASTRUCTURE PROJECTS, SUCH AS TRANSPORTATION NETWORKS, ENERGY SUPPLY, AND COMMUNICATION SYSTEMS, CAN GREATLY IMPACT BUSINESSES:

##### **A. IMPROVED LOGISTICS AND CONNECTIVITY**

INFRASTRUCTURE DEVELOPMENT CAN REDUCE TRANSPORTATION COSTS AND TIME, BENEFITING BUSINESSES BY ENHANCING SUPPLY CHAIN EFFICIENCY AND LOWERING OPERATIONAL COSTS.

##### **B. ENERGY INFRASTRUCTURE**

A RELIABLE ENERGY SUPPLY IS CRUCIAL FOR BUSINESS OPERATIONS. INVESTMENTS IN ENERGY INFRASTRUCTURE CAN STABILIZE POWER SUPPLY AND REDUCE PRODUCTION DISRUPTIONS.

#### **5. FISCAL DEFICITS AND DEBT LEVELS**

EXCESSIVE GOVERNMENT BORROWING TO FINANCE FISCAL DEFICITS CAN HAVE REPERCUSSIONS FOR BUSINESSES:

##### **A. CROWDING OUT EFFECT:**

HIGH GOVERNMENT BORROWING CAN LEAD TO HIGHER INTEREST RATES, WHICH MAY CROWD OUT PRIVATE INVESTMENT. BUSINESSES MAY FACE INCREASED BORROWING COSTS, IMPACTING THEIR EXPANSION PLANS.

##### **B. ECONOMIC UNCERTAINTY**

PERSISTENT FISCAL DEFICITS CAN LEAD TO ECONOMIC UNCERTAINTY, WHICH CAN INFLUENCE BUSINESS CONFIDENCE AND INVESTMENT DECISIONS.

#### **CONCLUSION:**

FISCAL POLICY EXERTS A PROFOUND INFLUENCE ON THE BUSINESS LANDSCAPE IN SRI LANKA. THROUGH ITS IMPACT ON GOVERNMENT SPENDING, TAXATION, INCENTIVES, AND INFRASTRUCTURE DEVELOPMENT, FISCAL POLICY SHAPES THE ENVIRONMENT WITHIN WHICH BUSINESSES OPERATE. GOVERNMENT DECISIONS ON REVENUE COLLECTION, PUBLIC SPENDING, AND SUBSIDIES CAN SIGNIFICANTLY IMPACT BUSINESS PROFITABILITY, INVESTMENT DECISIONS, AND OVERALL ECONOMIC GROWTH. A WELL-BALANCED AND STRATEGICALLY PLANNED FISCAL POLICY CAN CREATE AN ENVIRONMENT CONDUCTIVE TO SUSTAINABLE BUSINESS DEVELOPMENT AND ECONOMIC PROSPERITY IN SRI LANKA.



# INFLATION

INFLATION  
IS SCARY IF YOU'RE A  
BALLOON. TOO MUCH CAN  
KILL YOU TOO FAST AND TOO SOON. PUFF AFTER  
PUFF A KID BLOWS  
UP YOUR  
HEAD  
YOU  
GET  
BIGGER  
AND  
BIGGER  
AND  
POP!  
YOU  
ARE  
DEAD.

INDUNITENNAKOON.  
2020/BS/198



# **"THE ECONOMIC TAPESTRY OF TOURISM: WEAVING THE IMPACT ON SRI LANKA'S ECONOMY"**

BOTH POSITIVE AND BAD EFFECTS OF TOURISM ARE FELT BY THE ECONOMIC, SOCIOCULTURAL, AND ENVIRONMENTAL ASPECTS OF TOURIST SITES. ECONOMIC, SOCIOCULTURAL, AND ENVIRONMENTAL REPERCUSSIONS OF TOURISM ARE THE THREE CATEGORIES THAT ARE TYPICALLY MENTIONED. THE ECONOMIC BENEFITS OF TOURISM INCLUDE INCREASED TAX RECEIPTS, PERSONAL INCOME GROWTH, HIGHER STANDARDS OF LIVING, AND MORE JOB POSSIBILITIES. INTERACTIONS BETWEEN PEOPLE FROM DIFFERENT CULTURAL BACKGROUNDS, ATTITUDES AND BEHAVIORS, AND LINKS TO MATERIAL POSSESSIONS ARE ALL EXAMPLES OF SOCIOCULTURAL INFLUENCES. THE DEGRADATION OF HABITAT, VEGETATION, AIR QUALITY, WATER BODIES, THE WATER TABLE, WILDLIFE, AND CHANGES IN NATURAL PHENOMENA ARE EXAMPLES OF DIRECT ENVIRONMENTAL IMPACTS. INDIRECT EFFECTS INCLUDE INCREASED HARVESTING OF NATURAL RESOURCES FOR FOOD AND INDIRECT AIR AND WATER POLLUTION (INCLUDING THAT FROM FLIGHTS, TRANSPORT, AND THE PRODUCTION OF FOOD AND SOUVENIRS).

## **THE EFFECTS OF TOURISM**

FOR LOCALS, TOURISM HAS BOTH FAVORABLE AND UNFAVORABLE EFFECTS ON THEIR HEALTH. THE SHORT-TERM DETRIMENTAL EFFECTS OF TOURISM ON LOCALS' HEALTH ARE ASSOCIATED WITH THE VOLUME OF VISITORS, THE DANGER OF DISEASE TRANSMISSION, TRAFFIC ACCIDENTS, INCREASED CRIME RATES, AS WELL AS CROWDING, CONGESTION, AND OTHER STRESSFUL CIRCUMSTANCES. FURTHERMORE, LOCALS MAY EXPERIENCE ANXIETY AND SADNESS AS A RESULT OF THEIR RISK PERCEPTIONS REGARDING MORTALITY RATES, FOOD INSECURITY, INTERACTION WITH INFECTIOUS TOURISTS, ETC., WHICH MAY HAVE A SEVERE IMPACT ON THEIR MENTAL HEALTH. AT THE SAME TIME, TOURISM HAS GOOD, LONG-TERM EFFECTS ON LOCALS' HEALTH AND WELL-BEING SINCE IT INCREASES ACCESS TO HEALTHCARE AND FOSTERS HAPPY FEELINGS, NOVELTY, AND SOCIAL INTERACTIONS.



## **UNEARTHING THE ENIGMA BEHIND THE ABSENT LINK OF YOUTH AND AGRICULTURE IN SRI LANKA**

IN SRI LANKA, THE EXCLUSION OF YOUNGER GENERATIONS FROM THE AGRICULTURAL INDUSTRY IS A COMPLICATED PROBLEM WITH MANY DIFFERENT CONTRIBUTING FACTORS. DESPITE BEING THE BACKBONE OF THE NATION'S ECONOMY AND CULTURE, TEENAGERS ARE BECOMING INCREASINGLY DISINTERESTED IN THE AGRICULTURAL INDUSTRY. THE CAUSES OF THIS TREND ARE VARIED.

FIRST OFF, THERE IS A GENERAL BELIEF THAT AGRICULTURE IS ASSOCIATED WITH HARD LABOUR, DISCOMFORT, AND UNSTABLE FINANCES. YOUNGER GENERATIONS SOMETIMES REGARD AGRICULTURE AS PHYSICALLY TAXING AND FINANCIALLY UNSATISFYING DUE TO THEIR EXPOSURE TO URBAN LIFESTYLES AND CONTEMPORARY ENTERPRISES. THEY HAVE BEEN DRAWN AWAY FROM THE FIELDS BY THE APPEAL OF OFFICE EMPLOYMENT AND VOCATIONS IN TECHNOLOGY AND SERVICES. ADDITIONALLY, THE EMPHASIS PLACED ON ACADEMIC ACHIEVEMENT OVER VOCATIONAL TRAINING IN THE EDUCATIONAL SYSTEM LEAVES LITTLE OPPORTUNITY FOR AGRICULTURAL EDUCATION. YOUNG PEOPLE AREN'T EXPOSED TO THE SECTOR'S POTENTIAL OR NEW FARMING PRACTICES, WHICH INHIBITS THEM FROM CONSIDERING IT AS A CAREER OPTION. THE PROBLEM IS MADE WORSE BY THE LACK OF ROLE MODELS IN AGRICULTURE BECAUSE THERE AREN'T MANY SUCCESS STORIES TO DRAW IN AND INSPIRE THE NEXT GENERATION.

ANOTHER OBSTACLE IS THE RESTRICTED AVAILABILITY OF RESOURCES LIKE LAND, MONEY, AND TECHNOLOGY. MANY YOUNG PEOPLE FIND IT DIFFICULT TO UNDERTAKE AGRICULTURE AS A RESULT OF THE SCARCITY OF LAND BROUGHT ON BY URBANIZATION. YOUNG PEOPLE WHO WANT TO BECOME FARMERS FIND IT DIFFICULT TO RAISE THE MONEY NECESSARY TO MODERNIST FARMING METHODS, WHICH DISCOURAGES THEM EVEN MORE. INEFFECTIVE MARKETING AND DISTRIBUTION METHODS CAN DISCOURAGE YOUTH PARTICIPATION. THE LACK OF EFFICIENT SUPPLY CHAINS AND THE PREVALENCE OF MIDDLEMEN LOWER FARMING'S PROFITABILITY. THIS DETERS YOUNG PEOPLE WITH AN INTEREST IN ENTREPRENEURSHIP WHO WANT TO EARN MORE MONEY FROM THEIR INVESTMENTS.

A MULTIFACETED STRATEGY IS NEEDED TO OVERCOME THESE OBSTACLES. EDUCATION CHANGES SHOULD EMPHASIS HANDS-ON AGRICULTURE TRAINING AND HIGHLIGHT THE INDUSTRY'S POTENTIAL FOR INNOVATION. GOVERNMENT PROGRAMME SHOULD PUT ACCESS TO LAND FIRST AND OFFER FINANCIAL INCENTIVES TO BEGINNING FARMERS. DIGITAL MARKETPLACES FOR AGRICULTURAL GOODS, FOR EXAMPLE, MIGHT INCREASE PROFITABILITY AND DRAW IN YOUNG, TECH-SAVVY CONSUMERS. ADDITIONALLY, DEVELOPING MENTOR-SHIP PROGRAMME WHERE SEASONED FARMERS LEAD AND MENTOR YOUNGER PEOPLE CAN CLOSE THE KNOWLEDGE GAP AND BOOST SELF-ASSURANCE. COLLABORATIONS BETWEEN THE PUBLIC AND PRIVATE SECTORS AS WELL AS EDUCATIONAL INSTITUTIONS CAN MAKE A SIGNIFICANT DIFFERENCE IN HOW AGRICULTURE IS PERCEIVED, HOW MUCH OF AN IMPACT IT HAS, AND HOW DESIRABLE A PROFESSION IT CAN BE.

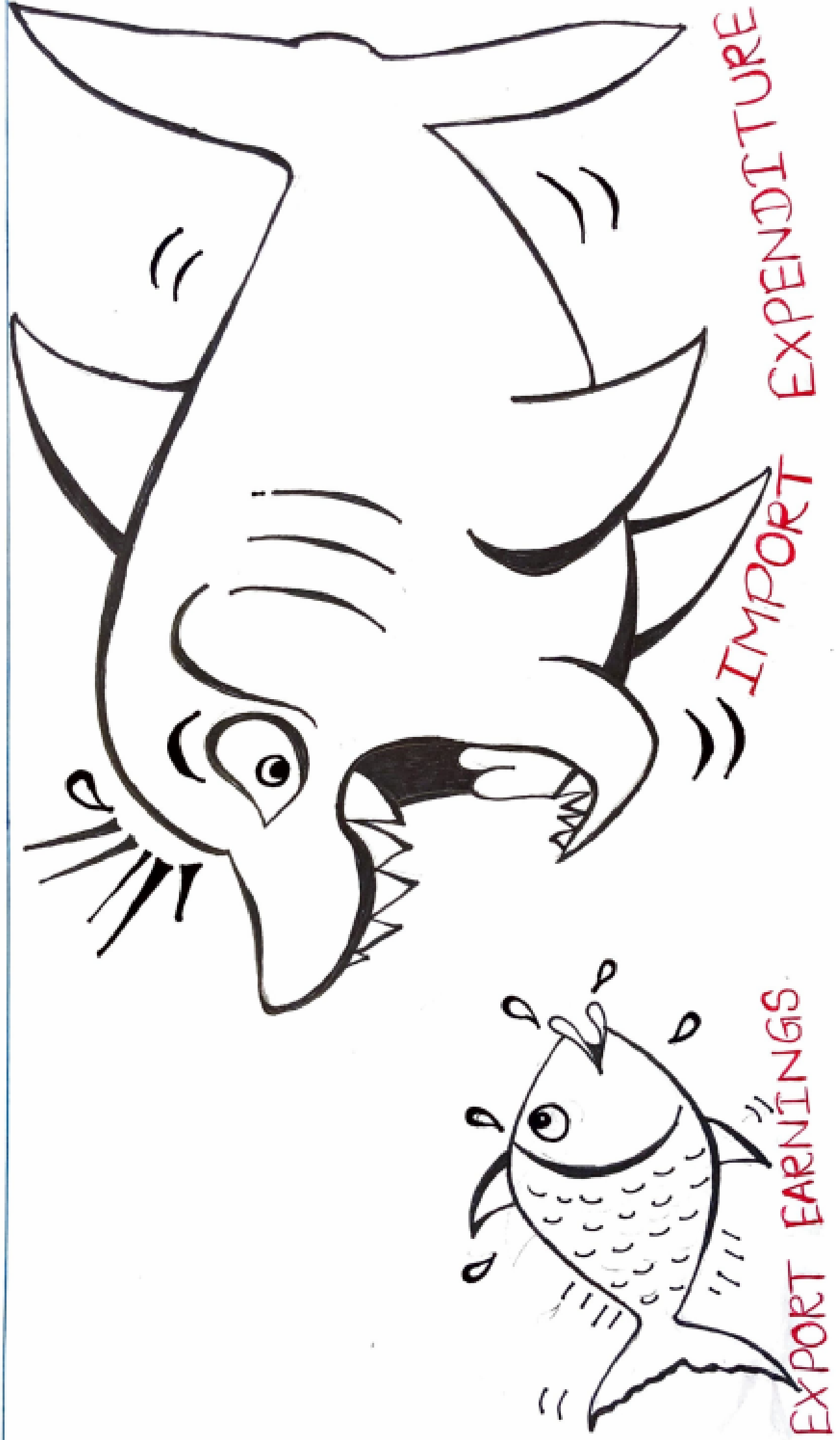
IN CONCLUSION, PERCEPTIONS OF LABOUR INTENSITY, INSUFFICIENT EDUCATIONAL EXPOSURE, RESOURCE LIMITS, AND MARKET INEFFICIENCIES ARE THE ROOT CAUSES OF YOUNGER GENERATIONS' INDIFFERENCE IN SRI LANKA'S AGRICULTURE SECTOR. TO REKINDLE YOUTH ENTHUSIASM IN AGRICULTURE, A COMPREHENSIVE EFFORT ENCOMPASSING EDUCATIONAL REFORM, TECHNOLOGICAL INTEGRATION, AND SUPPORTIVE LEGISLATION IS REQUIRED. BY SOLVING THESE ISSUES, SRI LANKA CAN ENSURE THAT ITS AGRICULTURAL SECTOR HAS A SUSTAINABLE AND PROFITABLE FUTURE.



## **UNVEILING THE INTRICATE THREADS WEAVING THE NARRATIVE OF MODERN TOURISM'S RETREAT**

THE TOURISM SECTOR CONTRIBUTES SIGNIFICANTLY TO WORLD DEVELOPMENT AND IS BOTH POSITIVELY AND NEGATIVELY ASSOCIATED WITH THE EXPANSION OF THE WORLD ECONOMY. THE WORLD SERVED AS THE STUDY'S UNIVERSE. THE STUDY'S MAIN GOAL WAS TO EXPLORE THE VARIABLES THAT HAVE BOTH GOOD AND NEGATIVE EFFECTS ON THE TOURIST SECTOR AND HOW THESE FACTORS AFFECT THE INTERNATIONAL ECONOMY AS A WHOLE. THE ANALYSIS SHOWS A STRONG CORRELATION BETWEEN THE GLOBAL ECONOMY'S ECONOMIC GROWTH AND THE TOURISM INDUSTRY, DESPITE THE FACT THAT THERE ARE NUMEROUS FACTORS THAT HAVE BOTH POSITIVE AND NEGATIVE EFFECTS ON THE INDUSTRY AND HAVE A LONG-TERM OR SHORT-TERM IMPACT ON THE WORLD'S GLOBAL ECONOMY. THE WELL-KNOWN FACTORS THAT INFLUENCE THE TOURISM INDUSTRY GLOBALLY BOTH POSITIVELY AND NEGATIVELY INCLUDE CULTURE, PEACE, SECURITY, THE DEVELOPMENT OF THE GLOBAL INFRASTRUCTURE, VISA FACILITIES, NATURAL BEAUTY, ATTITUDES OF THE PEOPLE, TOURIST NUMBERS, QUARANTINES, GLOBAL POPULATION, EDUCATION, INCOME LEVELS, PRICES OF VARIOUS GOODS AROUND THE WORLD, VARIOUS LANGUAGES, AND HOTEL RATES. SIMILAR TO HOW THESE FACTORS INFLUENCE THE GROWTH OF THE TOURISM INDUSTRY BOTH POSITIVELY AND NEGATIVELY OVER THE SHORT AND LONG TERM, THEY ALSO IMPACT THE GLOBAL ECONOMY'S GROWTH POSITIVELY AND NEGATIVELY. THE CORONA VIRUS RECENTLY SPREAD THROUGHOUT THE WORLD DUE TO POOR QUARANTINE, CLOSING ALL SECTORS OF THE GLOBAL ECONOMY. AS A RESULT, THE GOVERNMENT BANNED PEOPLE FROM SOCIAL CONTACT WITH ONE ANOTHER GLOBALLY AND INSTRUCTED THEM TO STAY AT HOME. CHINA USED THIS STRATEGY TO AVOID THE VIRUS PANDEMIC. THEREFORE, EVERY AREA OF THE ECONOMY IS CONNECTED TO TOURISM. GOVERNMENTS AROUND THE WORLD MAKE MORE MONEY. THE PEOPLE ENJOY THEIR TIME WHILE BEING TAXED BY THE GOVERNMENT VERY MUCH, WHICH BOOSTS GOVERNMENT REVENUE AND CREATES NEW JOBS IN MANY NATIONS, ENHANCING THE GLOBAL COMMUNITY'S SOCIOECONOMIC SITUATION AND BRINGING WEALTH TO THE PEOPLE. THERE ARE NUMEROUS ISSUES THAT NEGATIVELY IMPACT THIS BUSINESS, HOWEVER ONLY A HANDFUL ARE DISCUSSED HERE FOR CLARIFICATION: THERE ARE FEWER TOURISTS TRAVELING THE WORLD AS A RESULT OF TERRORISM, AS WELL AS ISSUES WITH VISAS AND FLIGHTS. THE TOURISM SECTOR IS ALSO BADLY IMPACTED BY POOR TRANSPORTATION; HIGH HOTEL AND TRANSIT COSTS ALSO LEAD TO FEWER TRAVELERS WORLDWIDE; UNFRIENDLY NATIONS ALSO HAVE A DETRIMENTAL IMPACT ON THE GLOBAL TOURISM SECTOR.

D.M.C.L. THILAKARATHNE  
2019/BS/87



## UNVEILING THE RHYTHMS OF THE ECONOMIC CYCLE

AN ECONOMIC CYCLE, USUALLY REFERRED TO AS A BUSINESS CYCLE, DESCRIBES THE SWINGS IN THE ECONOMY BETWEEN EXPANSION AND CONTRACTION. THE CURRENT ECONOMIC CYCLE STAGE CAN BE DETERMINED BY LOOKING AT VARIABLES LIKE GROSS DOMESTIC PRODUCT (GDP), INTEREST RATES, TOTAL EMPLOYMENT, AND CONSUMER SPENDING.

GIVEN THAT EACH CYCLE HAS AN IMPACT ON STOCKS, BONDS, PROFITS, AND CORPORATE EARNINGS, UNDERSTANDING THE ECONOMIC CYCLE CAN ASSIST INVESTORS AND BUSINESSES DECIDE WHEN TO INVEST AND WHEN TO WITHDRAW THEIR FUNDS.

THE FOUR CYCLICAL STAGES OF THE ECONOMY—EXPANSION, PEAK, RECESSION, AND TROUGH—ARE COLLECTIVELY REFERRED TO AS AN ECONOMIC CYCLE.

THE STAGE OF THE ECONOMIC CYCLE WE ARE IN AT THE MOMENT CAN BE DETERMINED BY VARIABLES LIKE GDP, INTEREST RATES, TOTAL EMPLOYMENT, AND CONSUMER SPENDING.

THE ORIGINS OF A CYCLE ARE A HOTLY CONTESTED TOPIC AMONG ECONOMIC SCHOOLS.

THE ECONOMIC CYCLE HAS 4 STAGES.

THE ECONOMIC CYCLE IN STAGES

AN ECONOMY TRAVELS IN A CIRCULAR MOTION FROM EXPANSION TO RECESSION AND BACK AGAIN, WHICH IS REFERRED TO AS AN ECONOMIC CYCLE. GROWTH AND CONTRACTION, INCLUDING RECESSION—A FALL IN ECONOMIC ACTIVITY THAT CAN LINGER FOR SEVERAL MONTHS—ARE CHARACTERISTICS OF ECONOMIC EXPANSION. THE ECONOMIC CYCLE, SOMETIMES KNOWN AS THE BUSINESS CYCLE, HAS FOUR STAGES.

EXPANSION IS THE ECONOMY GROWS RELATIVELY QUICKLY DURING AN EXPANSION, INTEREST RATES ARE OFTEN LOW, AND PRODUCTION RISES. THE EMPLOYMENT AND WAGE SITUATION, CORPORATE EARNINGS AND OUTPUT, AGGREGATE DEMAND, AND THE SUPPLY OF GOODS AND SERVICES ARE ALL GROWTH-RELATED ECONOMIC INDICATORS THAT TYPICALLY EXHIBIT CONSISTENT UPWARD TRENDS THROUGHOUT THE EXPANSIONARY PERIOD. THE ECONOMY CONTINUES TO SEE A SOLID MONEY FLOW, AND MONEY IS STILL RELATIVELY INEXPENSIVE. HOWEVER, DURING THE STAGE OF ECONOMIC EXPANSION, THE EXPANSION OF THE MONEY SUPPLY MIGHT CAUSE INFLATION.

PEAK IS THE PLACE WHEN GROWTH ACCELERATES TO ITS FASTEST RATE, A CYCLE REACHES ITS PINNACLE. PRICES AND ECONOMIC INDICATORS CAN STABILIZE BRIEFLY BEFORE TURNING DOWNWARD. ECONOMIC IMBALANCES CAUSED BY PEAK GROWTH OFTEN NEED TO BE ADDRESSED.

RECESSION IS ACTUALLY A SPECIFIC SORT OF VICIOUS CYCLE, WITH CASCADING DECLINES IN OUTPUT, EMPLOYMENT, INCOME, AND SALES THAT FEEDBACK INTO A FURTHER DROP IN OUTPUT, SPREADING RAPIDLY FROM INDUSTRY TO INDUSTRY AND REGION TO REGION. THIS DOMINO EFFECT IS KEY TO THE DIFFUSION OF RECESSIONARY WEAKNESS ACROSS THE ECONOMY, DRIVING THE MOVEMENT AMONG THESE COINCIDENT ECONOMIC INDICATORS AND THE PERSISTENCE OF THE RECESSION.

TROUGH IS THE STAGE OF THE ECONOMY'S BUSINESS CYCLE THAT MARKS THE END OF A PERIOD OF DECLINING BUSINESS ACTIVITY AND THE TRANSITION TO EXPANSION

2019.BS.59

NETHMI MALALASEKARA



**INTRODUCTION:**

INFLATION, THE SUSTAINED INCREASE IN THE GENERAL PRICE LEVEL OF GOODS AND SERVICES, POSES SIGNIFICANT CHALLENGES TO ECONOMIES WORLDWIDE, INCLUDING SRI LANKA. ONE OF THE PRIMARY TOOLS AT THE DISPOSAL OF POLICYMAKERS TO MANAGE INFLATION IS MONETARY POLICY. THIS ESSAY EXPLORES THE MECHANISMS THROUGH WHICH MONETARY POLICY INFLUENCES AND CONTROLS INFLATION IN THE CONTEXT OF SRI LANKA.

**1. UNDERSTANDING MONETARY POLICY:**

MONETARY POLICY REFERS TO THE ACTIONS TAKEN BY A COUNTRY'S CENTRAL BANK TO MANAGE THE SUPPLY OF MONEY, INTEREST RATES, AND CREDIT IN THE ECONOMY. THE MAIN OBJECTIVE OF MONETARY POLICY IS TO MAINTAIN PRICE STABILITY WHILE SUPPORTING SUSTAINABLE ECONOMIC GROWTH. IN THE CASE OF SRI LANKA, THE CENTRAL BANK OF SRI LANKA (CBSL) IS RESPONSIBLE FOR FORMULATING AND IMPLEMENTING MONETARY POLICY.

**2. TRANSMISSION MECHANISMS OF MONETARY POLICY**

SEVERAL CHANNELS EXIST THROUGH WHICH MONETARY POLICY AFFECTS INFLATION IN SRI LANKA:

**A. INTEREST RATES**

THE CENTRAL BANK USES ITS POLICY RATE, OFTEN REFERRED TO AS THE REPO RATE, TO INFLUENCE BORROWING COSTS FOR BANKS. WHEN THE CBSL RAISES THE REPO RATE, IT BECOMES MORE EXPENSIVE FOR COMMERCIAL BANKS TO BORROW FROM THE CENTRAL BANK. CONSEQUENTLY, BANKS RAISE THEIR LENDING RATES TO CONSUMERS AND BUSINESSES, LEADING TO REDUCED BORROWING AND SPENDING. THIS SLOWDOWN IN ECONOMIC ACTIVITY CAN HELP CURB DEMAND-PULL INFLATION.

**B. MONEY SUPPLY**

BY ADJUSTING THE MONEY SUPPLY, THE CENTRAL BANK CAN IMPACT OVERALL DEMAND IN THE ECONOMY. WHEN THE CBSL REDUCES THE MONEY SUPPLY, IT LIMITS THE AVAILABILITY OF FUNDS FOR SPENDING AND INVESTMENT, THUS RESTRAINING DEMAND AND CURBING INFLATION.

**C. EXCHANGE RATES**

MONETARY POLICY DECISIONS CAN ALSO INFLUENCE EXCHANGE RATES. IF THE CENTRAL BANK INCREASES INTEREST RATES, FOREIGN INVESTORS MIGHT FIND THE COUNTRY'S ASSETS MORE ATTRACTIVE DUE TO HIGHER YIELDS. THIS INCREASED DEMAND FOR THE DOMESTIC CURRENCY CAN APPRECIATE ITS VALUE, LEADING TO LOWER IMPORT COSTS AND THEREBY REDUCING INFLATIONARY PRESSURES FROM IMPORTED GOODS.

**3. ROLE OF OPEN MARKET OPERATIONS**

OPEN MARKET OPERATIONS (OMOS) INVOLVE THE CENTRAL BANK BUYING OR SELLING GOVERNMENT SECURITIES IN THE OPEN MARKET. WHEN THE CBSL WANTS TO REDUCE INFLATIONARY PRESSURES, IT CAN SELL GOVERNMENT SECURITIES, THEREBY ABSORBING EXCESS MONEY FROM THE MARKET. THIS REDUCES THE MONEY SUPPLY, CURBING DEMAND AND CONTROLLING INFLATION.

## **4. CHALLENGES AND CONSIDERATIONS**

CONTROLLING INFLATION THROUGH MONETARY POLICY IN SRI LANKA IS NOT WITHOUT CHALLENGES:

### **A. EXTERNAL FACTORS**

SRI LANKA'S ECONOMY IS VULNERABLE TO EXTERNAL SHOCKS, INCLUDING FLUCTUATIONS IN GLOBAL COMMODITY PRICES AND EXCHANGE RATES. THESE FACTORS CAN INFLUENCE INFLATION INDEPENDENTLY OF DOMESTIC MONETARY POLICY.

### **B. FISCAL POLICY COORDINATION**

MONETARY POLICY EFFECTIVENESS CAN BE HAMPERED IF IT IS NOT ALIGNED WITH FISCAL POLICY. IF GOVERNMENT SPENDING AND BORROWING SURGE, IT CAN COUNTERACT THE EFFORTS OF THE CENTRAL BANK TO CONTROL INFLATION.

### **C. DATA LIMITATIONS**

ACCURATE ECONOMIC DATA IS ESSENTIAL FOR EFFECTIVE MONETARY POLICY DECISIONS. INACCURATE OR DELAYED DATA CAN LEAD TO SUB OPTIMAL POLICY CHOICES.

## **5. RECENT MONETARY POLICY ACTIONS IN SRI LANKA**

IN RECENT YEARS, THE CBSL HAS IMPLEMENTED A RANGE OF MEASURES TO MANAGE INFLATION:

### **A. POLICY RATE ADJUSTMENTS**

THE CBSL HAS ADJUSTED ITS POLICY RATES IN RESPONSE TO CHANGING ECONOMIC CONDITIONS. RATE HIKES HAVE BEEN USED TO CURB INFLATION AND STABILIZE THE EXCHANGE RATE.

### **B. RESERVE REQUIREMENT CHANGES**

ADJUSTMENTS TO RESERVE REQUIREMENTS FOR COMMERCIAL BANKS HAVE BEEN EMPLOYED TO MANAGE THE MONEY SUPPLY AND LIQUIDITY IN THE BANKING SYSTEM.

### **C. MACRO PRUDENTIAL MEASURES**

THE CBSL HAS INTRODUCED MEASURES SUCH AS CREDIT CEILINGS AND CAPITAL CONTROLS TO MANAGE CREDIT GROWTH AND REDUCE INFLATIONARY PRESSURES.

## **CONCLUSION**

MONETARY POLICY PLAYS A VITAL ROLE IN CONTROLLING INFLATION IN SRI LANKA. THROUGH VARIOUS TRANSMISSION MECHANISMS, THE CENTRAL BANK CAN INFLUENCE BORROWING COSTS, MONEY SUPPLY, AND EXCHANGE RATES, THEREBY MANAGING DEMAND AND PRICE LEVELS. HOWEVER, CHALLENGES STEMMING FROM EXTERNAL FACTORS, FISCAL POLICY COORDINATION, AND DATA LIMITATIONS UNDERLINE THE NEED FOR A COMPREHENSIVE AND COORDINATED APPROACH TO MONETARY POLICY. AS SRI LANKA CONTINUES TO STRIVE FOR ECONOMIC STABILITY AND GROWTH, THE EFFECTIVE IMPLEMENTATION OF MONETARY POLICY WILL REMAIN A CRITICAL COMPONENT OF THE COUNTRY'S OVERALL ECONOMIC STRATEGY.



## A DEEP DIVE INTO SRI LANKA'S AGRICULTURAL SECTOR

THE CATTLE SECTOR ACCOUNTS FOR 0.9 PERCENT OF THE AGRICULTURAL SECTOR'S AROUND 7% CONTRIBUTION TO THE COUNTRY'S GDP, WHICH ALSO INCLUDES A 1.3 PERCENT CONTRIBUTION FROM FISHING. THE AGRICULTURAL SECTOR EMPLOYS MORE THAN 30% OF SRI LANKANS. ALTHOUGH SRI LANKA IS A FERTILE TROPICAL COUNTRY WITH THE POTENTIAL TO CULTIVATE AND PROCESS A WIDE RANGE OF CROPS, PROBLEMS WITH PRODUCTIVITY AND PROFITABILITY ARE IMPEDING THE SECTOR'S EXPANSION.

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RICE IS THE MAIN FOOD CROP IN SRI LANKA. RICE IS GROWN OVER THE COURSE OF TWO SEASONS. IN THE CENTRAL HIGHLANDS, TEA IS GROWN AND IS A SIGNIFICANT SOURCE OF FOREIGN EXCHANGE. THE NATION ALSO GROWS OILSEED, FRUIT, AND VEGETABLE CROPS. INCREASING AGRICULTURE SECTOR PRODUCTION IS ONE OF THE MAJOR PRIORITIES OF THE PRESENT ADMINISTRATION. MECHANIZED FARMING HAS BEEN SLOW TO TAKE OFF IN SRI LANKA. THE GOVERNMENT INTENDS TO BOOST MECHANIZATION WHILE CULTIVATING HIGHER-VALUE CASH CROPS, INCLUDING FRUIT, FLOWERS, AND OTHER PRODUCTS GEARED FOR EXPORT. DUE TO AMBIGUOUS RULES, THERE IS A SHORTAGE OF PRIVATE INVESTMENT IN AGRICULTURE, WHICH RESTRICTS THE SECTOR'S GROWTH.

FOOD AND BEVERAGE IMPORTS TOTALED \$1.6 BILLION IN 2021, OR 8.4% OF ALL IMPORTS. AGRICULTURE, FOOD, AND BEVERAGE IMPORTS MADE UP THE REMAINDER. SINCE THE BEGINNING OF THE COVID-19 PANDEMIC, SRI LANKA'S GOVERNMENT HAS IMPOSED IMPORT RESTRICTIONS ON A VARIETY OF AGRICULTURAL PRODUCTS. IN AN EFFORT TO PROTECT ITS FOREIGN EXCHANGE RESERVES, THE GOVERNMENT HAS WIDENED THESE RESTRICTIONS AND RAISED IMPORT TAXES. SOME GOVERNMENT REPRESENTATIVES HAVE PUBLICLY DEMANDED THAT LIMITS BE MADE APPLICABLE TO ALL FOOD ITEMS AND MADE PERMANENT.

THE SRI LANKAN GOVERNMENT ISSUED AN IMMEDIATE BAN ON THE IMPORTATION OF ANY CHEMICAL FERTILIZER OR PESTICIDE ON APRIL 26. THIS EMBARGO WAS LATER LIFTED IN NOVEMBER 2021. THE EMBARGO HAD A SUBSTANTIAL INFLUENCE ON AGRICULTURAL CROP OUTPUTS, PARTICULARLY RICE AND TEA, WHICH LED TO A STEEP SPIKE IN DOMESTIC MARKET PRICES.



THE AGRICULTURE INDUSTRY IN SRI LANKA HAS HISTORICALLY BEEN ESSENTIAL TO THE COUNTRY'S ECONOMY, SUPPORTING LIVELIHOODS AND GUARANTEEING FOOD SECURITY. THE ENTHUSIASM OF YOUNGER GENERATIONS IN AGRICULTURE HAS, HOWEVER, SIGNIFICANTLY DECREASED RECENTLY. THE SRI LANKAN GOVERNMENT HAS INTRODUCED MANY POLICIES AND TACTICS AIMED AT LURING YOUTH INTO AGRICULTURE IN ORDER TO ADDRESS THIS ISSUE AND ASSURE THE SECTOR'S FUTURE.

FIRSTLY, THE GOVERNMENT HAS SET OUT ON A QUEST TO EMPLOY TECHNOLOGY TO MODERNIZE AGRICULTURAL PRACTICES. THIS ENTAILS ENCOURAGING THE ADOPTION OF CUTTING-EDGE FARMING PRACTISE LIKE ORGANIC FARMING, HYDROPONICS, AND PRECISION FARMING. THE GOVERNMENT AIMS TO PIQUE THE INTEREST OF YOUNG, TECH-SAVVY PEOPLE BY DEMONSTRATING THE POSSIBILITY FOR GREATER EFFICIENCY AND SUSTAINABILITY.

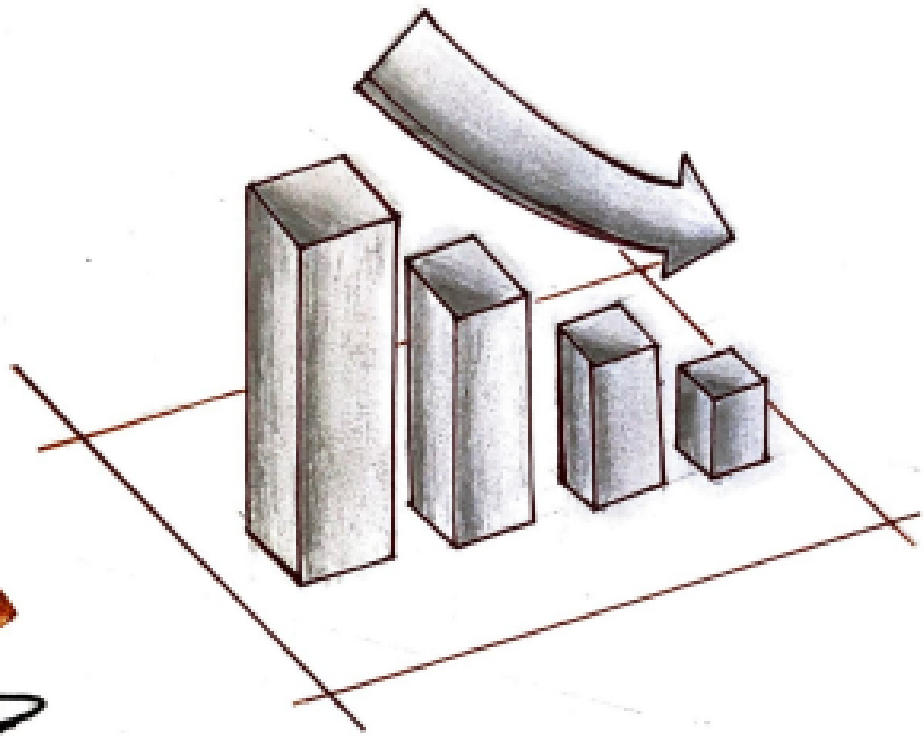
SECOND, EDUCATIONAL CHANGES HAVE BEEN MADE TO FOSTER A LOVE OF AGRICULTURE FROM A YOUNG AGE. YOUNG MINDS ARE ENCOURAGED TO INVESTIGATE THE FIELD BY THE INCLUSION OF AGRICULTURE-FOCUSED CURRICULA IN SCHOOLS AND UNIVERSITIES, AS WELL AS BY SCHOLARSHIPS AND GRANTS FOR AGRICULTURAL STUDIES. ADDITIONALLY, VOCATIONAL TRAINING FACILITIES HAVE BEEN SET UP TO PROVIDE YOUNG PEOPLE WITH THE PRACTICAL KNOWLEDGE REQUIRED FOR PROSPEROUS FARMING.

THE GOVERNMENT PROVIDES ENTICING FINANCIAL INCENTIVES TO REDUCE FINANCIAL OBSTACLES. YOUNG FARMERS ARE GIVEN ACCESS TO FINANCE, GRANTS, AND SUBSIDIZED LOANS SO THEY CAN BUY TOOLS, SEEDS, AND LIVESTOCK. THIS REDUCES THE OBSTACLES TO ENTRANCE WHILE ALSO LOWERING THE HAZARDS THAT COME WITH FARMING.

ACCESS TO MARKETS IS STILL A KEY ISSUE IN ATTRACTING YOUNG PEOPLE TO AGRICULTURE. FARMERS' MARKETS AND NEW AGRIBUSINESS VENTURES HAVE BEEN MADE POSSIBLE BY THE GOVERNMENT, GIVING YOUNG FARMERS A PLATFORM TO INTERACT WITH CONSUMERS DIRECTLY. THEY ARE ABLE TO COMPREHEND INDUSTRY TRENDS AND DESIRES THANKS TO THIS DIRECT ENGAGEMENT, WHICH HELPS THEM MAKE WISE JUDGEMENT.

TO ENCOURAGE ENTREPRENEURSHIP AMONG YOUNG FARMERS, MENTOR SHIP PROGRAMME AND CAPACITY-BUILDING ACTIVITIES ARE ALSO IN EXISTENCE. YOUTHS ARE GIVEN THE TOOLS THEY NEED TO INNOVATE AND BUILD SUCCESSFUL AGRICULTURAL BUSINESSES THROUGH MENTORING FROM SEASONED PERSONS AND ACCESS TO BUSINESS DEVELOPMENT RESOURCES.

FINALLY, THE SRI LANKAN GOVERNMENT'S INITIATIVES AND PLANS TO ENTICE THE NEXT GENERATION OF WORKERS INTO AGRICULTURE ARE COMPREHENSIVE AND PROGRESSIVE. THE GOVERNMENT WANTS TO REVIVE THE INDUSTRY AND MOTIVATE A NEW GENERATION OF FARMERS BY UTILIZING TECHNOLOGY, EDUCATION, FINANCIAL INCENTIVES, MARKET ACCESS, AND ENTREPRENEURSHIP SUPPORT. IN ADDITION TO SECURING FOOD PRODUCTION AND RURAL DEVELOPMENT, THESE INITIATIVES ALSO SUPPORT THE NATION'S OVERALL ECONOMIC EXPANSION.



# Economy Sri Lanka....





# THE DISTRIBUTION OF INCOME AND WEALTH

THE DISTRIBUTION OF INCOME AND WEALTH REFERS TO HOW INCOME AND WEALTH ARE DISTRIBUTED AMONG INDIVIDUALS OR HOUSEHOLDS WITHIN A SOCIETY. IT IS AN IMPORTANT ASPECT OF ECONOMIC AND SOCIAL INEQUALITY.

IN A FOUR SECTOR MODEL, THE DISTRIBUTION OF INCOME AND WEALTH IS INFLUENCED BY VARIOUS FACTORS. HOUSEHOLDS EARN INCOME THROUGH THEIR PARTICIPATION IN THE LABOR MARKET, OWNERSHIP OF ASSETS, AND OTHER SOURCES. THE DISTRIBUTION OF INCOME AMONG HOUSEHOLDS CAN BE UNEQUAL, WITH SOME HOUSEHOLDS EARNING HIGHER INCOMES THAN OTHERS.

BUSINESSES GENERATE PROFITS, WHICH CAN CONTRIBUTE TO THE ACCUMULATION OF WEALTH FOR BUSINESS OWNERS AND SHAREHOLDERS. THE DISTRIBUTION OF WEALTH AMONG BUSINESSES CAN ALSO BE UNEQUAL, WITH SOME BUSINESSES ACCUMULATING MORE WEALTH THAN OTHERS.

THE GOVERNMENT PLAYS A ROLE IN REDISTRIBUTING INCOME THROUGH TAXATION AND SOCIAL WELFARE PROGRAMS. TAXES CAN BE PROGRESSIVE, MEANING THAT HIGHER-INCOME HOUSEHOLDS PAY A HIGHER PROPORTION OF THEIR INCOME IN TAXES. SOCIAL WELFARE PROGRAMS, SUCH AS UNEMPLOYMENT BENEFITS, HEALTHCARE SUBSIDIES, AND EDUCATION GRANTS, CAN PROVIDE SUPPORT TO LOWER-INCOME HOUSEHOLDS.

THE FOREIGN SECTOR CAN ALSO INFLUENCE THE DISTRIBUTION OF INCOME AND WEALTH THROUGH INTERNATIONAL TRADE. EXPORT-ORIENTED INDUSTRIES MAY GENERATE INCOME FOR BUSINESSES AND HOUSEHOLDS, WHILE IMPORT-DEPENDENT INDUSTRIES MAY LEAD TO INCOME OUTFLOWS.

IN A THREE SECTOR MODEL, THE DISTRIBUTION OF INCOME AND WEALTH IS PRIMARILY INFLUENCED BY HOUSEHOLDS, BUSINESSES, AND THE GOVERNMENT. THE EXCLUSION OF THE FOREIGN SECTOR MEANS THAT INTERNATIONAL TRADE DOES NOT DIRECTLY AFFECT THE DISTRIBUTION OF INCOME AND WEALTH.

IN A TWO SECTOR MODEL, THE DISTRIBUTION OF INCOME AND WEALTH IS SIMPLIFIED TO JUST HOUSEHOLDS AND BUSINESSES. THE GOVERNMENT'S ROLE IN REDISTRIBUTING INCOME IS EXCLUDED, AND THERE IS NO FLOW OF INCOME OR EXPENDITURE BETWEEN THE COUNTRY AND THE REST OF THE WORLD.

OVERALL, THE DISTRIBUTION OF INCOME AND WEALTH IS A COMPLEX ISSUE THAT IS INFLUENCED BY VARIOUS FACTORS IN DIFFERENT ECONOMIC MODELS. IT IS AN IMPORTANT CONSIDERATION FOR POLICYMAKERS AND ECONOMISTS WHEN ANALYZING ECONOMIC INEQUALITY AND DESIGNING POLICIES TO PROMOTE EQUITABLE DISTRIBUTION.

## INTRODUCTION

THE ECONOMIC CRISIS HAS THREATENED SRI LANKA'S SMOOTH HEALTHCARE DELIVERY SYSTEM. INCREASED FINANCIAL PRESSURES, STRETCHED GOVERNMENT RESOURCES AND INCREASED DEMAND FOR PUBLIC HEALTH SERVICES HAVE HIT THE COUNTRY'S HEALTH SYSTEM HARD. SRI LANKA IS LARGELY DEPENDENT ON IMPORTS FOR HOSPITAL CONSUMABLES AND EQUIPMENT, VACCINES AND DRUGS. LACK OF FOREIGN CURRENCY RESERVES HAS HAD A DEVASTATING EFFECT ON THE AVAILABILITY OF MEDICINES AND OTHER PHARMACEUTICAL PRODUCTS. THE PHARMACEUTICAL INDUSTRY BOARD OF SRI LANKA HAS WARNED THAT 5% OF MEDICINES ARE ALREADY OUT OF STOCK AND THE PROBLEM IS EXPECTED TO WORSEN OVER TIME.

OVER THE PAST FEW MONTHS, OUT-OF-POCKET COSTS FOR A PATIENT IN SRI LANKA HAVE SKYROCKETED, AND PATIENTS ARE NO LONGER ABLE TO GET MEDICINES FROM PRIVATE SECTOR PHARMACIES. IN THE MONTH OF APRIL 2022, THERE HAS BEEN A 40% INCREASE IN THE PRICE OF MEDICINES. THERE IS ALREADY A SHORTAGE OF MEDICINES AND CONSUMABLES IN GOVERNMENT HOSPITALS, AFFECTING ROUTINE SURGERIES AND CLINICS.

STRESS, ASSOCIATED CARDIOVASCULAR DISEASE AND MALNUTRITION ARE THE FIRST KNOCKS OF AN ECONOMIC CRISIS ON HEALTH. MOREOVER, THE INCREASED COST OF HEALTHCARE FACILITIES, DECREASED PREVENTION AND CONTROL METHODS, AND WEAKENED IMMUNE FUNCTION MAY INCREASE THE INCIDENCE OF INFECTIOUS DISEASES.

MIGRATION OF HEALTHCARE WORKERS DUE TO INCREASE IN COST OF LIVING AND HAVING TO STRUGGLE WITH ESSENTIALS SUCH AS FUEL AND ELECTRICITY IS ANOTHER REASON THAT IS LEADING TO A CRISIS IN HEALTHCARE IN THE COUNTRY THESE DAYS. ON THE OTHER HAND, THE HUGE DEMAND CREATED FOR HEALTH CARE PROFESSIONALS IN OTHER COUNTRIES HAS FURTHER ENCOURAGED THE MIGRATION OF HEALTH WORKERS.

IN ORDER TO PLAN THE FUTURE HEALTH CRISIS OF THE COUNTRY, IT IS MORE IMPORTANT TO PREDICT THE ADVERSE CONSEQUENCES THAT MAY AFFECT THE HEALTH SYSTEM AND PLAN THE FUTURE ACCORDINGLY. THIS ARTICLE WILL REVIEW THE EXISTING LITERATURE ON HEALTH SYSTEM RESPONSES TO FINANCIAL CRISES IN COUNTRIES AROUND THE WORLD TO DATE.

### IMPACT OF THE ECONOMIC CRISIS ON HEALTH- WHAT IS AFFECTED FIRST?

THE LITERATURE SHOWS THAT THE PER CAPITA EXPENDITURE ON HEALTH HAS DECREASED SIGNIFICANTLY WITH RISING FINANCIAL BURDEN AND INCREASING FINANCIAL PRESSURE ON THE PUBLIC. MOREOVER, THE GOVERNMENT'S COMMITMENT TO PUBLIC HEALTH HAS SIGNIFICANTLY DECREASED. HOWEVER, DUE TO THE UNAFFORDABILITY OF PRIVATE HEALTHCARE, THERE IS A GREATER DEMAND FOR PUBLICLY FINANCED HEALTHCARE SERVICES DURING THESE TIMES. THIS LEADS TO REDUCED HEALTH SYSTEM CAPACITY, INCLUDING PLANNING, PROCUREMENT OF DRUGS AND EQUIPMENT, AND DELIVERY OF HEALTH SERVICES. THIS IN TURN WILL LEAD TO HIGHER BURDEN OF OUT-OF-POCKET COSTS ON THE PUBLIC.

ALTHOUGH POLICY MAKERS TRY TO REDUCE PUBLIC SPENDING THROUGH CUTS TO THE HEALTH BUDGET, IT IS SHOWN THAT DURING AN ECONOMIC CRISIS THE HEALTH SYSTEM GENERALLY REQUIRES MORE RESOURCES THAN BEFORE. THE IMPACT OF THE ECONOMIC CRISIS ON HEALTH IS MULTIFACETED. IT HAS BEEN FOUND THAT THERE IS AN INCREASE IN THE INCIDENCE OF CARDIOVASCULAR DISEASES DURING AN ECONOMIC CRISIS DUE TO HIGH STRESS AND LACK OF AFFORDABILITY OF HEALTHCARE SERVICES.

FURTHERMORE, POVERTY LEADS TO MALNUTRITION WHICH CAN LEAD TO WEAK IMMUNITY WHICH INCREASES THE INCIDENCE OF HIGHLY INFECTIOUS DISEASES IN THE SOCIETY. IN ADDITION, THE RISING COST OF HEALTH FACILITIES AND THE WEAKENING OF PREVENTION AND CONTROL METHODS LEAD TO AN INCREASE IN COMMUNICABLE DISEASES IN THE SOCIETY. ANOTHER THREAT TO THE ECONOMIC CRISIS IS THE RISK OF A RESURGENCE OF VACCINE-PREVENTABLE DISEASES THAT HAVE ALREADY BEEN CONTROLLED DUE TO A POSSIBLE VACCINE SHORTAGE IN THE NATIONAL IMMUNIZATION SCHEDULE.

CONTROLLING NON-COMMUNICABLE DISEASES IN THE SOCIETY BECOMES DIFFICULT WHEN THERE IS INSUFFICIENT SUPPLY OF NECESSARY MEDICINES. WITH SHORTAGES OF INTENSIVE CARE UNIT FACILITIES, ANTIBIOTICS AND OTHER CRITICAL CARE DRUGS, THE RISING DEATH TOLL AMONG CRITICALLY ILL PATIENTS IS DIFFICULT TO STOP.

IN ADDITION TO THE NEGATIVE PHYSICAL CONSEQUENCES, PEOPLE'S MENTAL WELL-BEING IS THREATENED BY TRAVELING WITH THEM. POLITICAL INSTABILITY, SOCIAL DISRUPTION AND WIDESPREAD PROTESTS. DEPRESSION AND ANXIETY ARE COMMON PSYCHOLOGICAL CONDITIONS THAT CAN OCCUR IN SUCH COMMUNITIES, AND THESE ILLNESSES CAN OCCUR AFTER SUICIDE. MOREOVER, WITH THE INABILITY OR UNAFFORDABILITY OF MEDICATION, MENTAL ILLNESS CAN BE OUT OF CONTROL, FURTHER CRIPPLING COMMUNITIES.

### WHAT CAN THE GOVERNMENT DO?

IN RESPONSE TO THE CRISIS IN THE HEALTH CARE SYSTEM, HOSPITAL STAFF HAVE STARTED COLLECTING DRUGS, EQUIPMENT AND CONSUMABLES AS FINANCIAL DONATIONS AND DRUG DONATIONS FROM SOCIAL NETWORKS AND PROFESSIONAL ORGANIZATIONS ABROAD. HOWEVER, THE LONG-TERM SUCCESS OF THIS STRATEGY IS QUESTIONABLE. SECOND, GREATER EMPHASIS SHOULD BE PLACED ON THE COST-EFFECTIVENESS OF THE INTERVENTIONS UNDERTAKEN. THE SERIES OF STEPS SUGGESTED INCLUDE RELYING MORE ON CLINICAL JUDGMENT DURING CLINICAL PRACTICE THAN ON LABORATORY TESTS. MOREOVER, IT IS IMPORTANT TO ESTABLISH A STRONG SOCIAL SECURITY SYSTEM TO HELP THE PUBLIC COPE WITH THE EVER-INCREASING DEMAND FOR BASIC GOODS SUCH AS FOOD AND MEDICINE.



## DE DOLLARIZATION

De-dollarization reduces the US dollar's impact on foreign economies, as it remains the most frequently used reserve currency for international business. The US's economic might in response to the Ukraine conflict has worsened the backlash against the dollar. The US dollar has been the top reserve currency for over a century, held by central banks worldwide for value storage and trade.

The US's economic response to Ukraine's conflict has led to a worsening backlash against the dollar. The US dollar, the top reserve currency for centuries, has been held by central banks worldwide for value storage and international trade. As of Q1 2023, it made up 59% of allotted currency reserves, outpacing the euro and Japanese yen.

The dollar's proportion of designated currency reserves has decreased from over 70% in 2001 to less than 70%. Analysts are questioning if the world is de-dollarizing, or reducing its reliance on the dollar as its main reserve currency. Countries can use various strategies to reduce the dollar's impact on their economies, such as using an alternative reserve currency to support their domestic financial system and engage in international trade.

The dollar's share of designated currency reserves has decreased from over 70% in 2001, raising concerns about de-dollarization. Central banks must consider other currencies like the euro, yen, and British pound sterling as official reserves. Despite the dollar's depreciation, these currencies have not increased their share of reserve allocations.

China is pushing de-dollarization to establish the renminbi as a reserve currency, with a slightly increased renminbi proportion in global reserves. Russia holds around a third of renminbi reserves, and the rise in renminbi reserves accounts for a quarter of the drop in dollar distribution. increased their share of reserve allocations.

Countries are shifting reserves to smaller economies due to concerns about the yuan's viability as a reserve currency. Non-traditional reserve currencies like the Australian dollar, Canadian dollar, Swedish krona, and South Korean won have received about three-quarters of the movement away from the U.S. dollar. Central banks are also retaining their reserves in gold, with demand reaching its highest level since 1950.

Dollarization has significant consequences for the US economy, as it remains the dominant reserve currency despite a decline in central bank holdings. A prolonged shift away from the dollar could have severe effects on the global financial system, increasing borrowing costs and making it harder to obtain cash and conduct business. Additionally, the US stock market's value could decline if the dollar loses hegemonic status.



## **J.R. JAYEWARDENE'S OPEN ECONOMY CONCEPT: A CATALYST FOR ECONOMIC TRANSFORMATION**

INTRODUCTION THE CONCEPT OF AN OPEN ECONOMY, EMPHASIZING LIBERALIZATION, GLOBALIZATION, AND MARKET-ORIENTED POLICIES, HAS PLAYED A PIVOTAL ROLE IN SHAPING THE ECONOMIC LANDSCAPE OF VARIOUS NATIONS. ONE OF THE NOTABLE PROPONENTS OF THIS APPROACH WAS J.R. JAYEWARDENE, THE FORMER PRESIDENT OF SRI LANKA. JAYEWARDENE'S OPEN ECONOMY CONCEPT SOUGHT TO MODERNIZE AND TRANSFORM SRI LANKA'S ECONOMY BY EMBRACING LIBERALIZATION, ATTRACTING FOREIGN INVESTMENTS, AND FOSTERING INTERNATIONAL TRADE. THIS ESSAY DELVES INTO THE KEY ELEMENTS AND IMPACTS OF J.R. JAYEWARDENE'S OPEN ECONOMY CONCEPT ON SRI LANKA'S ECONOMIC TRAJECTORY. FOUNDATION OF THE OPEN ECONOMY CONCEPT J.R. JAYEWARDENE ASSUMED THE PRESIDENCY OF SRI LANKA IN 1977, A TIME WHEN THE NATION'S ECONOMY FACED CHALLENGES LIKE HIGH INFLATION, TRADE DEFICITS, AND LIMITED FOREIGN INVESTMENTS. IN RESPONSE, JAYEWARDENE INTRODUCED A COMPREHENSIVE ECONOMIC REFORM AGENDA CENTERED AROUND THE PRINCIPLES OF AN OPEN ECONOMY. HIS APPROACH WAS INSPIRED BY THE BELIEF THAT LIBERALIZATION AND GLOBAL INTEGRATION COULD INVIGORATE THE ECONOMY AND ELEVATE THE LIVING STANDARDS OF THE POPULATION. KEY ELEMENTS OF THE OPEN ECONOMY CONCEPT

1. TRADE LIBERALIZATION A CORNERSTONE OF JAYEWARDENE'S OPEN ECONOMY POLICY WAS THE LIBERALIZATION OF TRADE BARRIERS. HE DISMANTLED IMPORT CONTROLS, REDUCED TARIFFS, AND ENCOURAGED EXPORTS. THIS APPROACH AIMED TO EXPOSE DOMESTIC INDUSTRIES TO INTERNATIONAL COMPETITION, PROMOTING EFFICIENCY AND INNOVATION WHILE PROVIDING CONSUMERS WITH ACCESS TO A WIDER VARIETY OF GOODS.

2. FOREIGN DIRECT INVESTMENT (FDI) RECOGNIZING THE IMPORTANCE OF FOREIGN INVESTMENTS IN BOOSTING ECONOMIC GROWTH, JAYEWARDENE INITIATED POLICIES TO ATTRACT FDI. HE CREATED SPECIAL ECONOMIC ZONES AND OFFERED INCENTIVES TO FOREIGN INVESTORS TO ESTABLISH BUSINESSES IN SRI LANKA. THIS INFLUX OF FOREIGN CAPITAL FACILITATED THE TRANSFER OF TECHNOLOGY, KNOWLEDGE, AND EXPERTISE TO LOCAL INDUSTRIES.

3. EXPORT-ORIENTED INDUSTRIES TO BOLSTER THE EXPORT SECTOR, JAYEWARDENE ADVOCATED FOR THE DEVELOPMENT OF EXPORT-ORIENTED INDUSTRIES. HE PROMOTED MANUFACTURING AND AGRICULTURAL SECTORS THAT COULD PRODUCE GOODS FOR INTERNATIONAL MARKETS. THIS SHIFT AIMED TO DIVERSIFY THE ECONOMY AND REDUCE ITS RELIANCE ON TRADITIONAL SECTORS.

4. FINANCIAL SECTOR REFORMS JAYEWARDENE'S OPEN ECONOMY CONCEPT ALSO EXTENDED TO THE FINANCIAL SECTOR. HE INTRODUCED POLICIES TO MODERNIZE THE BANKING SYSTEM, FACILITATE ACCESS TO CREDIT, AND ATTRACT FOREIGN FINANCIAL INSTITUTIONS. THESE CHANGES AIMED TO SUPPORT THE GROWTH OF BUSINESSES AND STIMULATE ECONOMIC ACTIVITY. IMPACTS AND CONTROVERSIES THE OPEN ECONOMY CONCEPT INTRODUCED BY J.R. JAYEWARDENE BROUGHT ABOUT SIGNIFICANT IMPACTS ON SRI LANKA'S ECONOMIC LANDSCAPE:

1. **\*\*ECONOMIC GROWTH\*\***: THE OPEN ECONOMY POLICIES CONTRIBUTED TO HIGHER ECONOMIC GROWTH RATES. SRI LANKA EXPERIENCED IMPROVED GDP GROWTH, AND SECTORS LIKE MANUFACTURING AND SERVICES EXPANDED DUE TO INCREASED EXPORTS AND FOREIGN INVESTMENTS.

2. **\*\*GLOBAL INTEGRATION\*\***: THE NATION'S INTEGRATION INTO THE GLOBAL ECONOMY INCREASED, FOSTERING INTERNATIONAL PARTNERSHIPS AND EXPOSING DOMESTIC INDUSTRIES TO INTERNATIONAL BEST PRACTICES.

3. **EMPLOYMENT OPPORTUNITIES**: THE GROWTH OF EXPORT-ORIENTED INDUSTRIES LED TO THE CREATION OF JOB OPPORTUNITIES, BENEFITING THE LABOR FORCE AND CONTRIBUTING TO POVERTY REDUCTION.

HOWEVER, JAYEWARDENE'S OPEN ECONOMY CONCEPT WAS NOT WITHOUT ITS CONTROVERSIES:

1. **INCOME INEQUALITY** CRITICS ARGUE THAT THE BENEFITS OF ECONOMIC GROWTH WERE UNEVENLY DISTRIBUTED, LEADING TO INCREASED INCOME INEQUALITY BETWEEN DIFFERENT SEGMENTS OF SOCIETY.

2. **DEPENDENCY ON EXTERNAL FACTORS** SRI LANKA'S RELIANCE ON FOREIGN INVESTMENTS AND INTERNATIONAL MARKETS MADE THE ECONOMY VULNERABLE TO GLOBAL ECONOMIC FLUCTUATIONS.

3. **AGRICULTURAL CHALLENGES** THE SHIFT TOWARDS EXPORT-ORIENTED INDUSTRIES SOMETIMES LED TO NEGLECT OF TRADITIONAL AGRICULTURAL SECTORS, AFFECTING LOCAL FOOD SECURITY.

## CONCLUSION

J.R. JAYEWARDENE'S OPEN ECONOMY CONCEPT REPRESENTED A BOLD DEPARTURE FROM SRI LANKA'S PROTECTIONIST ECONOMIC POLICIES. BY EMBRACING LIBERALIZATION, TRADE OPENNESS, AND FOREIGN INVESTMENTS, JAYEWARDENE AIMED TO PROPEL SRI LANKA INTO A NEW ERA OF ECONOMIC GROWTH AND DEVELOPMENT. WHILE HIS POLICIES YIELDED POSITIVE OUTCOMES SUCH AS INCREASED ECONOMIC GROWTH AND GLOBAL INTEGRATION, THEY ALSO BROUGHT CHALLENGES LIKE INCOME INEQUALITY AND DEPENDENCY ON EXTERNAL FACTORS. ULTIMATELY, J.R. JAYEWARDENE'S OPEN ECONOMY CONCEPT REMAINS A SIGNIFICANT CHAPTER IN SRI LANKA'S ECONOMIC HISTORY, REFLECTING THE COMPLEX INTERPLAY BETWEEN LIBERALIZATION, GLOBALIZATION, AND DOMESTIC SOCIOECONOMIC REALITIES.



# 44 THE LIFELINE OF REMITTANCES: FUELING SRI LANKA'S ECONOMY THROUGH GLOBAL CONNECTIONS

## Introduction

In an increasingly interconnected world, the diaspora of Sri Lankan youth working abroad has emerged as a vital force in shaping the country's economic landscape. Beyond the physical borders, their remittances have become a cornerstone of the national economy, influencing consumption patterns, driving investments, and contributing to overall economic growth. This article delves into the profound impact of remittances sent by Sri Lankan youth working overseas, shedding light on how these financial flows have transformed the nation's economic trajectory.

## The Remittance Landscape

Remittances, the money earned by expatriate Sri Lankan youth and sent back home, represent a significant financial inflow for the country. According to the Central Bank of Sri Lanka, these inflows have consistently accounted for a substantial portion of the national Gross Domestic Product (GDP), indicating their crucial role in sustaining the economy. In 2021 alone, remittances contributed a staggering sum of USD X billion, making it clear that the earnings of Sri Lankan youth abroad have a resounding impact.

## Consumption: Empowering Households and Local Businesses

One of the most direct effects of remittances is their influence on consumption patterns. The influx of foreign currency enables recipient households to afford a higher standard of living, including improved access to education, healthcare, and housing. This boost in purchasing power ripples through the economy, driving demand for a diverse range of goods and services.

Local businesses reap the rewards of increased consumer spending, as families allocate funds to purchase not just necessities, but also non-essential goods. The rise in demand translates into growth for sectors such as retail, hospitality, and entertainment, creating a positive feedback loop that amplifies economic activity at the local level.

## Investment: Building for the Future

Remittances not only address immediate needs but also play a pivotal role in building a foundation for the country's future prosperity. Many Sri Lankan youth working abroad channel their earnings into long-term investments, including real estate, entrepreneurial ventures, and education. These investments bolster economic growth by injecting capital into industries that drive innovation and job creation.

Moreover, the infusion of remittance funds into real estate and property markets stimulates construction and development projects. This not only supports the construction sector but also has cascading effects on related industries, from cement production to interior design, resulting in a multiplier effect on the economy.

### **Overall Economic Growth:**

**A Multiplier Effect** The impact of remittances extends far beyond the sum of the funds themselves. The economic benefits experienced at the household and local business levels translate into broader macroeconomic effects. Increased consumption and investments lead to job creation and expansion of economic sectors, fostering sustainable growth.

Additionally, remittances provide a stabilizing effect on the Sri Lankan economy by acting as a buffer against external shocks. In times of economic downturn or uncertainty, the steady inflow of remittances can help mitigate adverse effects and contribute to maintaining stable economic indicators.

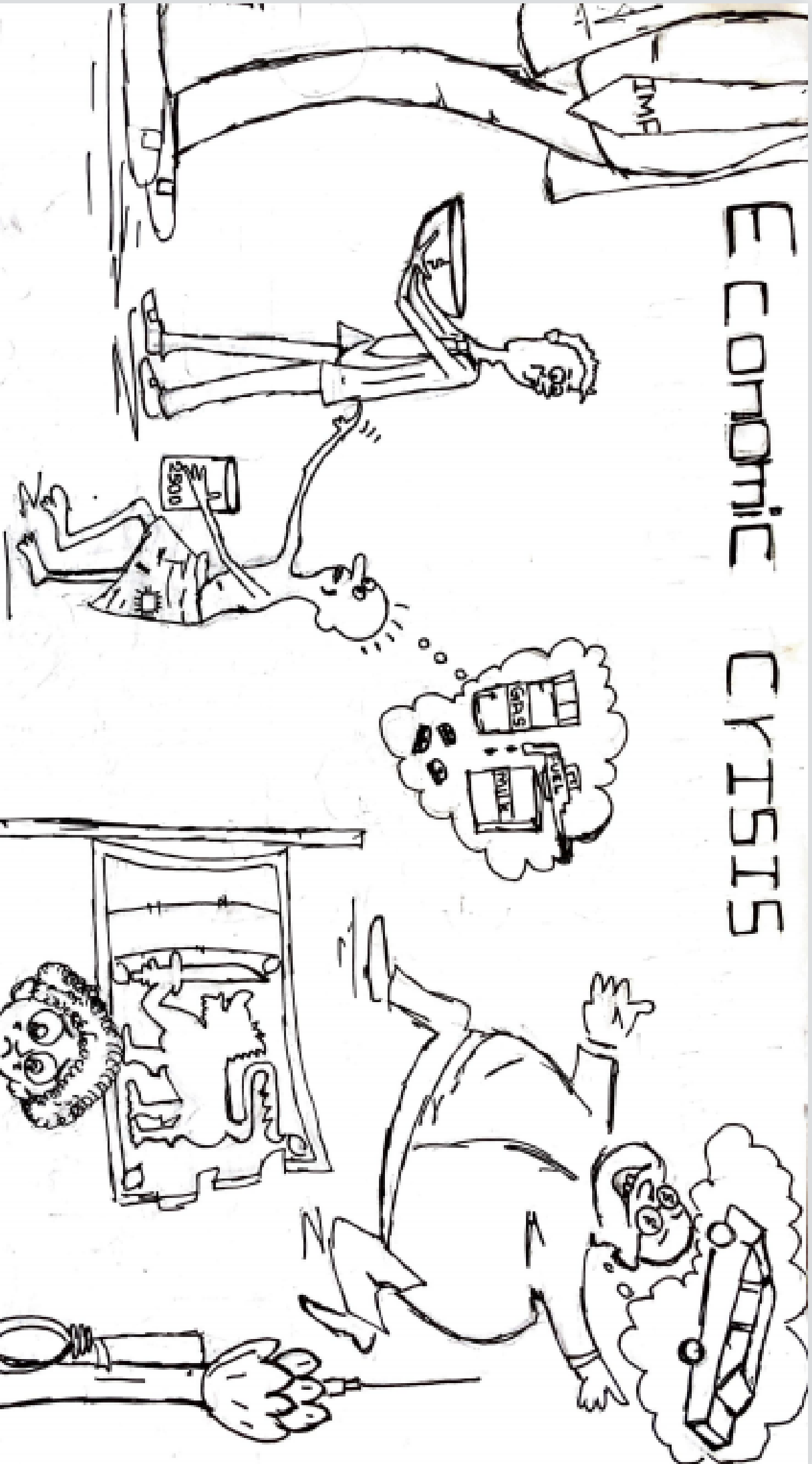
### **Conclusion**

The contributions of Sri Lankan youth working abroad extend well beyond the borders of the countries they reside in. Their remittances serve as a lifeline for families, businesses, and the nation's economy as a whole. By fueling consumption, driving investments, and fostering overall economic growth, these financial flows have transformed the trajectory of the nation. However, it is crucial to recognize that while remittances offer undeniable benefits, they are not a substitute for sustainable domestic economic development. Sri Lanka must leverage the opportunities created by remittances to invest in education, innovation, and diversified economic sectors that can ensure long-term prosperity. As the world continues to evolve, the contribution of remittances to the Sri Lankan economy underscores the significance of global connections in shaping the nation's future.

H.M.A.S.A. Herath  
2020/BS/87



# Economic Crisis



0020/85/109  
W.M. Sandupama  
02 - year

# KEYNESIAN ECONOMICS

The numerous macroeconomic theories and models of how aggregate demand (the total amount of consumer spending in the economy) significantly affects economic production and inflation are known as Keynesian economics (/kenzin/ KAYN-zee-n; occasionally known as Keynesianism). John Maynard Keynes was a British economist. According to the Keynesian perspective, the level of overall demand need not match the economy's capacity for production. Instead, it is impacted by a variety of variables that may behave erratically and have an impact on inflation, employment, and production.

Keynesian economists typically contend that because aggregate demand is unstable and erratic, market economies frequently encounter macroeconomic outcomes that are inefficient, such as recessions when demand is low or inflation when demand is strong. Furthermore, they contend that coordinated economic policy responses by the government and central bank can lessen this economic volatility. Over the course of the business cycle, the government's fiscal policy and the central bank's monetary policy, in particular, can help stabilize economic production, inflation, and unemployment. Keynesian economists often support a market economy that is regulated, with a focus on the private sector but with aggressive government intervention during recessions and depressions.

During the latter stages of the Great Depression, World War II, and the post-war economic expansion (1945–1973), Keynesian economics—a component of the neoclassical synthesis—served as the accepted macroeconomic model in industrialized countries. It was created in part to explain the Great Depression and aid economists in comprehending upcoming crises. Following the oil shock and stagflation that followed in the 1970s, it started to lose some of its sway. Later, Keynesian economics was refined as New Keynesian economics and included into the modern new neoclassical synthesis, which constitutes the mainstream macroeconomics of today. Governments all around the world have taken a fresh interest in Keynesian ideas since the onset of the financial crisis of 2007–2008.



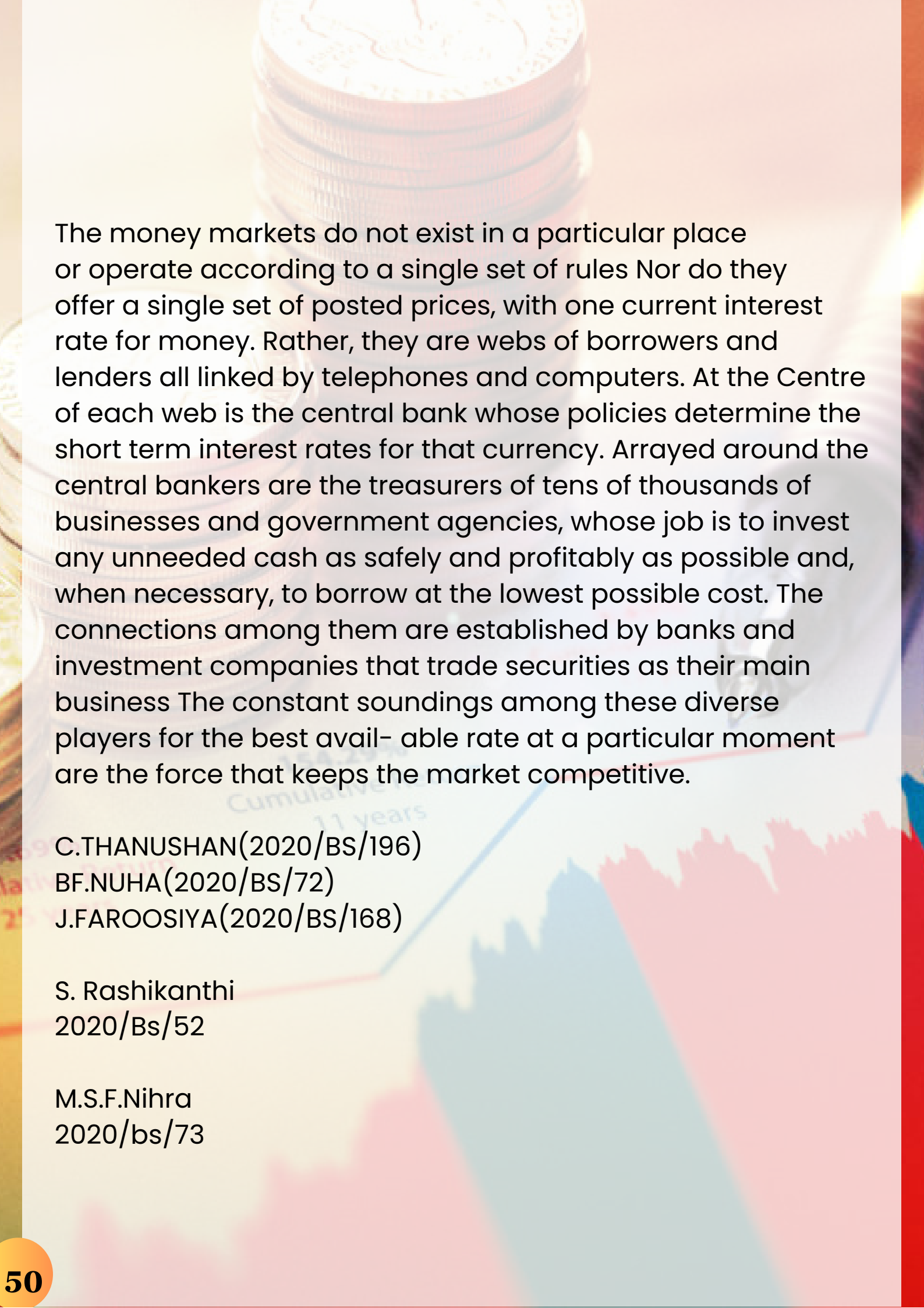
## **Money markets**

The middle or lower class people think they want rich from birth or they want to more wealth to start a business or invest but the best way to work with money market without any wealth or more rupees MONEY MARKET" refers to the network of corporations, The financial institutions investors and governments which deal with the flow of short-term capital. When a business needs cash for a couple of months until a big payment arrives, or when a bank wants to invest money that depositors may withdraw at any moment or when a government tries to meet its payroll in the face of big seasonal fluctuations in tax receipts, the short term liquidity transactions occur in the money market The money markets have expanded significantly in recent years as a result of the general outflow of money from the banking industry, a process referred to as disinter mediation. Until the start of the 1980s financial markets in almost all countries were centered on commercial banks. Savers and investors kept most of their assets on deposit with banks, either as short term demand deposits, such as cheque writing accounts, paying little or no interest, or in the form of certificates of deposit that tied up the money for years.

Drawing on this reliable supply of low cost money, banks were the main source of credit for both businesses and consumer Financial deregulation has

caused banks to lose market share in both deposit gathering and lending. This trend has been encouraged by legislation, such as the Monetary Control Act of 1980 in the United States which allowed market forces rather than regulators to determine interest rates. Investors can place their money on deposit with investment companies that offer competitive interest rates without requiring a long-term commitment Many borrowers can sell short term debt to the same sorts of entities, also at competitive rates, rather than negotiating loans from bankers. The money markets are the mechanism that brings these borrowers and investors together without the comparatively costly inter mediation of banks They make it possible for borrowers to meet short run liquidity needs and deal with irregular cash flows without resorting to more costly means of raising money. There is an identifiable money market for each currency, because interest rates vary from one currency to another. These markets are not independent, and both investors and borrowers will shift from one currency to another depending upon relative interest rates. However, regulations limit the ability of some money market investors to hold foreign currency instruments, and most money-market investors are concerned to minimize any risk of loss as a result of exchange-rate fluctuations. For these reasons most money-market transactions occur in the investor's home currency.



The background of the page features a stack of gold coins at the top center. Below the coins, there is a line graph. The graph has a red line that fluctuates and a blue shaded area underneath it. The red line starts at a low point, rises to a peak, and then falls. The blue area follows the same general trend, representing a range or volume. The overall background is a light, warm color with a subtle texture.

The money markets do not exist in a particular place or operate according to a single set of rules Nor do they offer a single set of posted prices, with one current interest rate for money. Rather, they are webs of borrowers and lenders all linked by telephones and computers. At the Centre of each web is the central bank whose policies determine the short term interest rates for that currency. Arrayed around the central bankers are the treasurers of tens of thousands of businesses and government agencies, whose job is to invest any unneeded cash as safely and profitably as possible and, when necessary, to borrow at the lowest possible cost. The connections among them are established by banks and investment companies that trade securities as their main business The constant soundings among these diverse players for the best available rate at a particular moment are the force that keeps the market competitive.

C.THANUSHAN(2020/BS/196)

BF.NUHA(2020/BS/72)

J.FAROOSIYA(2020/BS/168)

S. Rashikanthi  
2020/Bs/52

M.S.F.Nihra  
2020/bs/73

OUR  
ACTIVITIES

# FUNDRAISING PROGRAMME



**FUNDRAISING**



# **CORN SELLING**

As the first fundraising program in Econ Club, we were conducting corn selling program on the 25th of January in 2023 at the Business Studies Faculty premises from 11.00 a.m. to 1.30 p.m. We successfully completed this program with all the club members and lecturers' support.

# **OUR ACTIVITIES**



**IT'S THE CORN DAY !!**

**You can enjoy tasty corns on 25th Wednesday 2023 in front of the BS canteen from 12.30- 1.30 p.m.**

**" Don't be late "**

**ECON CLUB,  
FACULTY OF BUSINESS STUDIES  
UNIVERSITY OF VAUNIYA**





# FOOD FESTIVAL

As the fundraising program in Econ Club, we conducted a **FOOD FESTIVAL** on the 27th of July in 2023 at the Business Studies Faculty premises from 11.00 a.m. to 3.30 p.m.

There were many types of foods we had sold at this festival and all the food was prepared by the econ club students themselves. Though this event developed the student's creativity and also teamwork. We successfully completed this program with all the club members and lecturers'

# OUR ACTIVITIES





OUR  
ACTIVITIES

# COMMUNITY WORKS



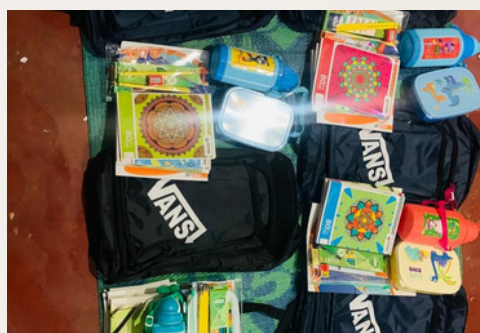


# STATIONARY DONATION

# OUR ACTIVITIES

Under the community works the Econ club donated stationary items (Books, Pencils, Erasers, Colour Pencils, Pencil cases and School bags) to the students of Selvavinayaga Vidayalam in Vauniya. Our purpose is, help to poor children and schools to develop the students' education and build up successful people in Sri Lanka.

With the active Participation and contribution of the club members and lecturers of the Econ club we successfully donated the items to the students on the 9th of August 2023 from 11.30 p.m. to 1.30 p.m. at the school of Selvavinayaga Vidayalam in Vauniya. We have used Funds from the econ Club to do this activity.



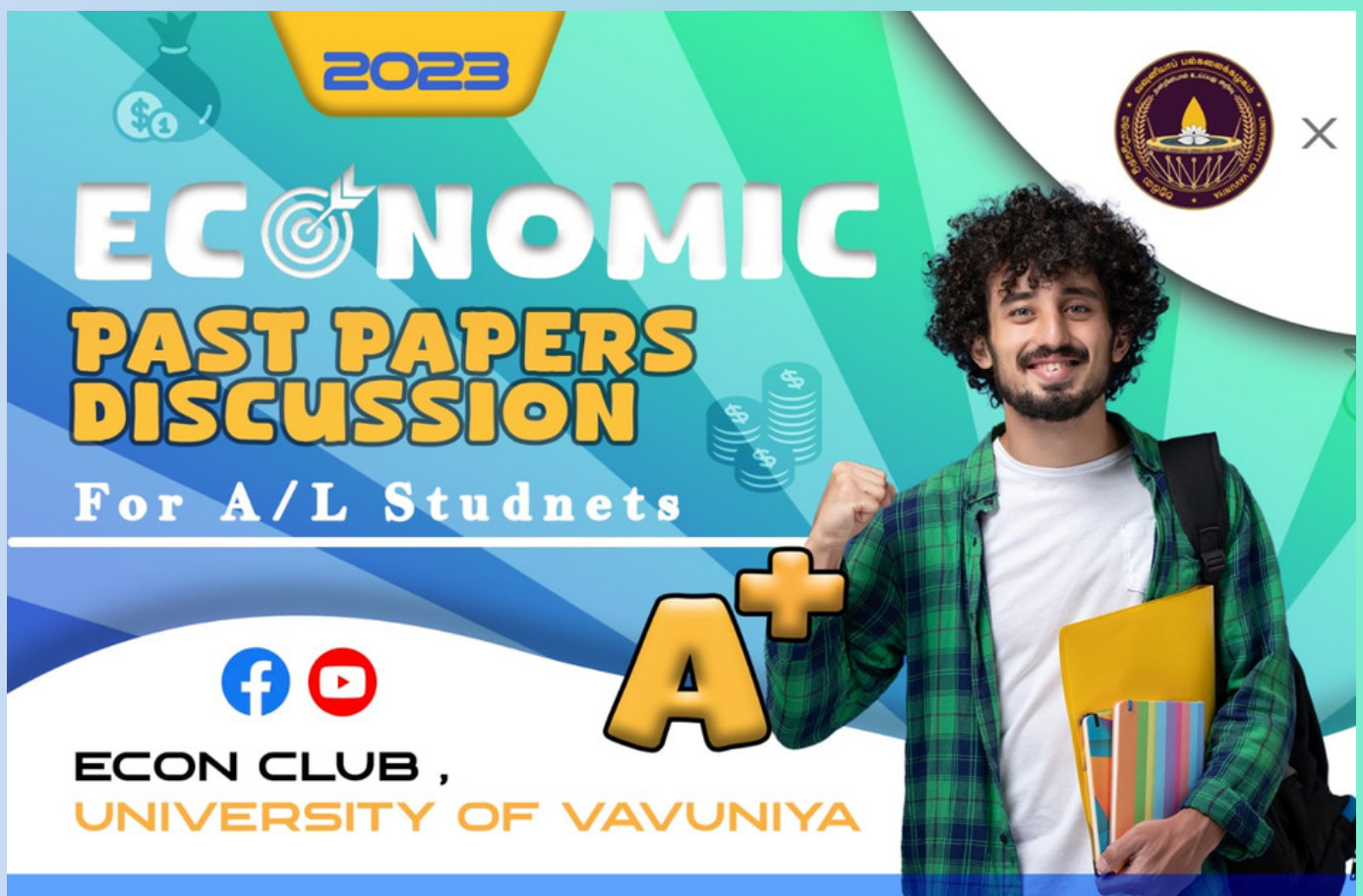


# **PAST PAPERS** **DISCUSSION**

# **OUR** **ACTIVITIES**

A/L Economics Past papers discussion program is conducted by second year econ club members, they were doing this program from 10th of August to 28th of August, after editing they announced this program through WhatsApp and Econ Club Facebook page.

The purpose of this program is to help high school students who are looking for solutions for A/L past papers, who find it difficult to go to paper class, and we think that through this program they will be able to gain some knowledge for their studies and every discussion lesson. And we hope to continue this program every year. For this, we got the guidance of Dr. N. Ravinthirakumaran, senior lecturer and senior treasure of the Econ club, and the president of P.K.G.A.Nayanakanthi. Also we were able to do this program successfully.



# CLOTHES DONATION

# OUR ACTIVITIES

Econ club has collected clothes and Shoes for donate them for the cleaning staff of the University of Vauniya on 2nd March 2023 at 12.30-1.30 pm at BH 3 hall. The project was going on as the second part of the cloth drive program. Dr. Y. Nanthagopan, Dean, Faculty of Business Studies, Mrs. Paulina Godwin Phillip, Head, Department of Business Economics, Dr. N. Ravinthirakumaran, senior lecturer and senior treasure of the Econ club, senior lecturer, Mr. Thayaparan Arupillai, and all the club members participated for this program.





**OUR  
ACTIVITIES**

# **HEALTH AND SAFETY PRACTICES**





# WELL BEING FIRST WEBINAR

As the Econ Club, under the Health and safety practices program, we conducted this webinar program on 16th August 2023 from 1.00p.m to 2.00p.m in SH 4 Hall, for all the students of the Faculty of Business Studies. The purpose of this program is that well been of the students ,mentally and physically. The name of the webinar is Well Being First and the resource person was MR.Sujan Sugumaran, who is the medical student and lecturer ,of Faculty of medicine, University of Colombo. Students learned a lot of things through this program and those things help them to build up physical and mental wellbeing of the students.



# OUR ACTIVITIES





# **DRUG PREVENTION PROGRAM**


As the Econ Club, under the Health and safety practices program, we conducted this webinar program on 15th May 2023 from 2.30p.m to 3.30p.m in SH 4 Hall, for all the students of the Faculty of Business Studies. The purpose of this program is that prevent the youth from drug abuse. The name of the webinar is Save the future generation and the resource person was Mr. M.M.G.B.M.Rashad, who is the North and East province coordinator, of National Dangerous Drugs, Control Board, Ministry of Defence. Students learned a lot of things through this program and those things help them to protect their life from drugs.

## **OUR ACTIVITIES**





## **SAVE THE FUTURE GENERATION!!!**



There will be a special programme to prevent the youth from drug abuse, on with **Mr. M.M.G.B.M.Rashad.** (North and East province coordinator, National Dangerous Drugs, control Board, Ministry of Defence.) as the resource person.

On : 15<sup>th</sup> May 2023  
In : SH 04 Hall  
From : 2.30 p.m to 3.30 p.m



**Drug Prevention Program**

**Let's take hand in hand to protect our own brothers and sisters from drug abuse.**

**OUR  
ACTIVITIES**

# **ENTREPRENEURIAL CREATION**

# **ENTREPRENEUR**

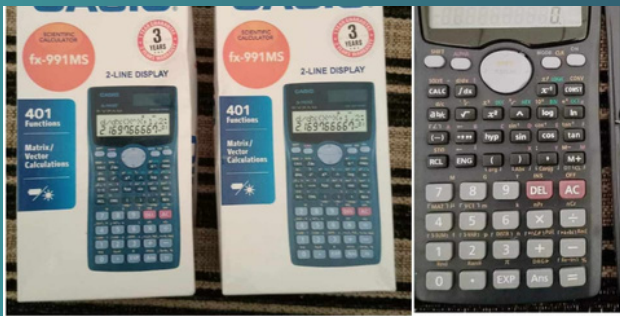


## **TOT BAG**

Econ club has organized a tot bag selling programme to encourage the young euntrepreneurs as well as to increase our club fund between July and August. From this activity we earned RS:9000 by selling 60 bags for Rs.550

## **OUR ACTIVITIES**





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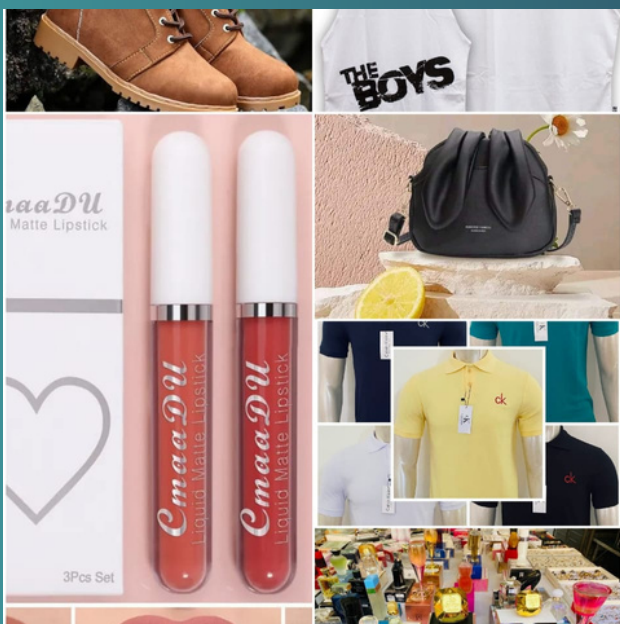
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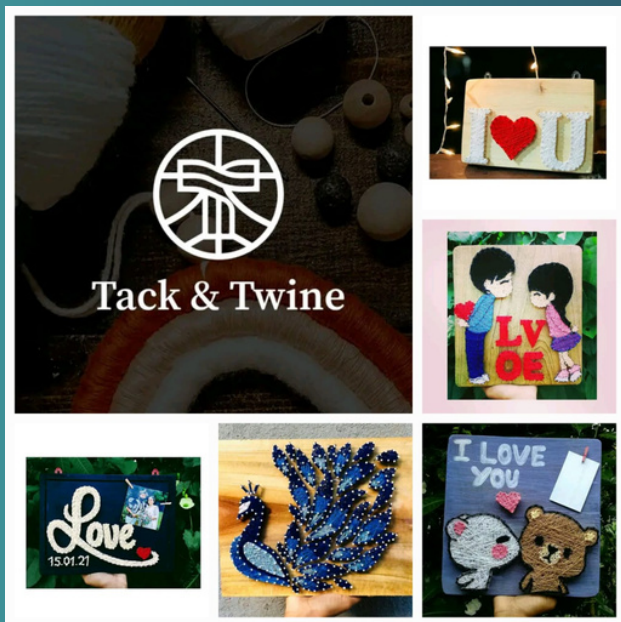
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# 5S SYSTEM





# 5S SYSTEM

# OUR ACTIVITIES

Seiri  
Seiton  
Seisou  
Seiketsu  
Shitsuke

In English, these 5S words have come to be known as:

Sort: Eliminate that which is not needed.

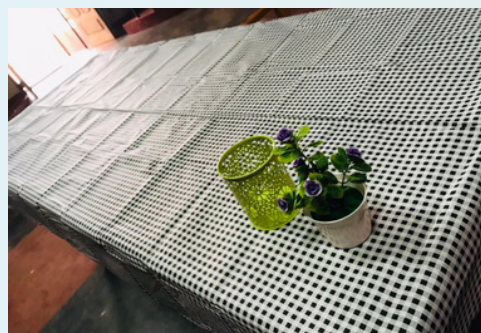
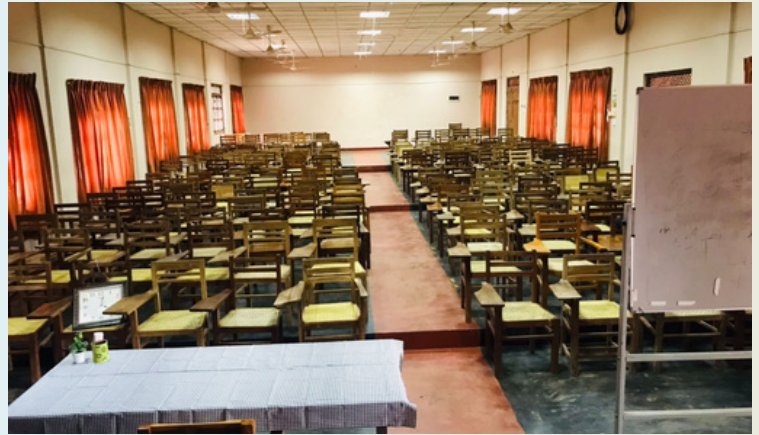
Straighten: Organize what remains after sorting.

Shine: Clean and inspect the work area.

Standardize: Write standards for 5S.

Sustain: Consistently apply the 5S standards.

At their core, these 5S activities build the discipline needed for substantial and continuous improvement by creating (and sustaining) efficient and effective work areas.



**OUR  
ACTIVITIES**

# **ENERGY-SAVING**

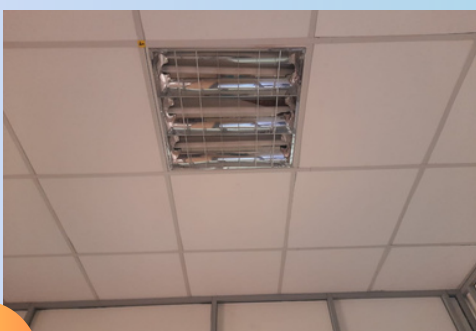




# ENERGY-SAVING

# OUR ACTIVITIES

Energy efficiency is good for you—and for the air you breathe, the water you drink, and the community in which you live. Saving energy reduces air and water pollution and conserves natural resources, which in turn creates a healthier living environment for people everywhere.



**OUR  
ACTIVITIES**

# **SEMINARS**



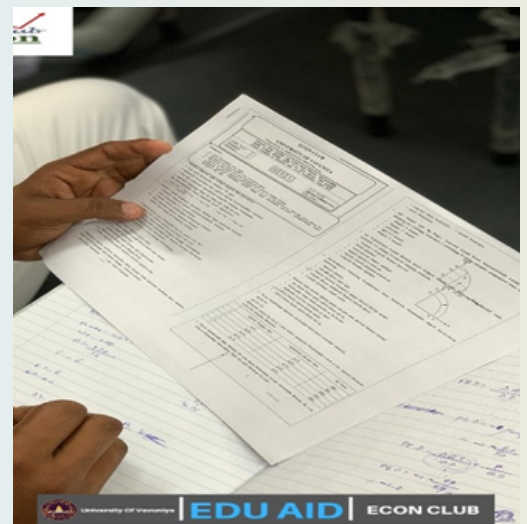
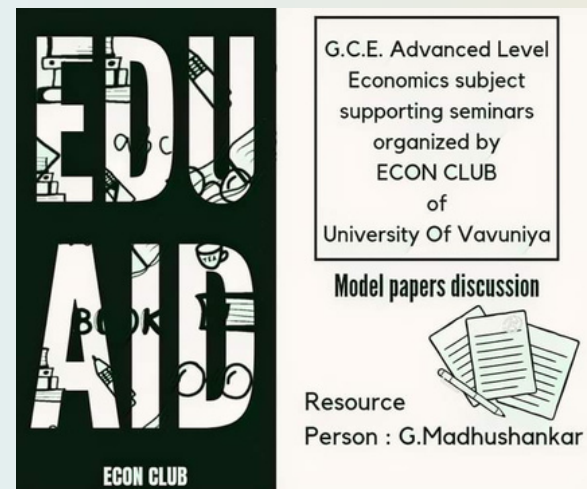


# **EDU-AID SEMINAR**

The Econ club organized an Edu -Aid seminar in Economics on 13th of October 2022 (Thursday) between from 8:30 am to 01:30 pm, at the smart classroom of Vavuniya Tamil Mathiya Maha Vidhyalayam. The discussion in this seminar was given by Mr Madhushankar, 4th year student from the Faculty of Business Studies, University of Vavuniya. Miss. Subapriya Mohanaraja president of the Econ club, Department of Business Economics chaired the session and Mr. A. Thayaparan, Senior lecturer, Department of Business Economics delivered the welcome address. Mr . Madhushankar discussed an economic model paper with students. He discussed 50 MCQ questions with the students. Hard copies of the model papers were given by the club to the students.

We received good responses from the students and staff. Also, they gave very good feedback. The teacher and school student representative thanked the Econ club for arranging Sumadura Dhamma Ceremony 2022 by Students' Union the seminar. At the end of the seminar Mr T. Sathiyaseelan, The Sumadura dhamma ceremony was organized by an Advanced Level Economic teacher, V.T.M.M. V delivered students' Union, Faculty of Business Studies on 14th the vote of thanks. He thanked the resource person, club November 2022 from 7.00p.m to 9.00p.m in LH 1, Faculty members, participants, and other officials for their active of Business Studies, University of Vavuniya. Support in making the program to be successful.

# **OUR ACTIVITIES**





## **MOU signing with IBSL**

The Institute of Bankers of Sri Lanka (IBSL) and the Department of Business Economics of the Faculty of Business Studies at the University of Vavuniya signed a Memorandum of Understanding to facilitate academic collaboration, knowledge exchange, and capacity building in order to develop competent banking, finance and economics professionals to serve the region and the nation. The MOU was signed on the 29th March 2022 at the Faculty of Business Studies, University of Vavuniya.

Dr. T. Mangaleswaran, Vice-Chancellor University of Vavuniya, Dr. Y. Nanthagopan, Dean, Faculty of Business Studies, Mrs. Paulina Godwin Phillip, Head, Department of Business Economics, Dr. N. Ravinthirakumaran, senior lecturer represented the University of Vavuniya. Mr. C. P. A. Karunatilake, Director general of IBSL, Mr. C. B. Pathberiya, Director Information Technology Operations, Mr. M. Bathiya Wickramasinghe, Deputy Director Administration and HR represented the IBSL in this MOU signing event.

This academic and professional collaboration between the University of Vavuniya and the IBSL will benefit the students, professionals and academics in the region and nation by providing access to the highly recognized professional and academic programs offered by IBSL. It will enable undergraduates, graduates and professionals with aspirations to develop their careers in the banking, finance and economics profession to sharpen their skills and expertise



# REPORT FROM SECRETARY

**N.T. MALALASEKARA**

**Department of Business Economics**



First and foremost I am Nethmi Malalasekara the secretary of Econ Club taking this chance to express my heartfelt gratitude for given me this opportunity to express my views of Econ Club of the Faculty of Business Studies of University of Vavuniya.

When the Econ Club was originally founded, Subapriya Mohanaraja was appointed as its president, and W.I.A Fernando and P.K.G.A Nayanakanthi were appointed as its first vice president and secretary, respectively, for the years 2022 and 2021. I want to remind everyone that there is a list of the members who have held the remaining posts, including junior treasurer, editor, co-editor, and batch representative members from each batch. Ms. P.K.G.A Nayanakanthi now serves as the president of the second executive committee, while Mr.J. Amalraj and Ms. N.T. Malalasekara (myself) , respectively, serve as vice president and secretary, for the years 2022–2023. I must admit that I am happy to serve as the Econ Club's secretary for this year.

As the Econ Club, we have engaged in many of the activities to develop the competencies and inner capabilities of students and to develop their engagement in extra activities. Based on numerous criteria's we started to initiate the planned activities. Especially Seminars and webinars, International day celebration events, fund raising programmes and Community works we have successfully implemented

As our very first COMMUNITY AND STUDENT'S ENGAGEMENT EVENT, "Cloth driven Programme" has been organized to donate clothes and shoes to our cleaning staff in university of Vauniya. Not only that, the Econ Club successfully organized a stationary donation programme to donate stationary items and school bags to the student of Selvavinayaga Vidyalam in vauniya.

For the purpose of promoting HEALTH AND SAFETY Dr. Sujan Sugumaran from the Colombo university held an interacting semina to our students about both mental and physical wellbeing. Also M.M.G.B.M Rashad conducted a webinar through online platform to our University students about drug prevention and drug abuse which is a biggest problem among youth in Sri Lanka.

We held a special WEBINAR SERIES to the students who are under the Econ department to increase their knowledge in specific disciplines about the degree programme ,specialization courses, importance and job field in Econ industry because the students were required to study at home from the start of club.

As a newly established students club, we as the econ Club succeeded in increasing our Club's Fund by organizing different FUND RAISING PROGRAMMES mentioned as below;

- Corn Selling Programme
- Food Festival
- Tot bag selling Programme

Also we already got the permission to sell pens and T shirts the students.

Another unique duty of the club was the publication of a MAGAZINE FOR THE FACULTY AWARDS. All of the Econ Club students were required to submit their own unique articles in order for the magazine's work to be completed. A separate magazine committee and designing team has also been established. The major goal of this developing magazine was to shift pupils' thought patterns toward innovative thoughts

Since we were given the task of implementing 5S SYSTEM in Dean Office And LH 1 Hall we have done lot of activities.

Hereby, I would like to thank our Dean of the Faculty of Business Studies, Head of the Department of BUSINESS ECONOMICS, Senior lecturers, Academic and Non-academic staffs, All the executive members who worked hard to bring the club to this level and All the Economic students from all batches who gave their extreme support to make these all events possible.

serves as a evidence to the persistent pursuit of knowledge. creativity, and collaboration that our students embody. This magazine will publish for the Faculty Awards of Students Clubs, Faculty of Business Studies. These achievements not only contribute to the holistic development of our students but also enhance the reputation of our faculty and institution.

The ECON Club has consistently shown its commitment to promoting a deeper understanding of economics and business principles, and through ECONOBLOGGER, their impact will resonate far beyond the confines of our university.

I encourage all members of the Faculty of Business Studies to engage actively with the magazine. Let us celebrate the successes of our student clubs and draw inspiration from their endeavors.

I extend my best wishes to the ECON Club and the entire editorial team of ECONOBLOGGER. May this magazine continue to be a source of inspiration, knowledge, and pride for our faculty. Let us all work together to build a brighter future through collaboration and the pursuit of excellence.





**Economics is too important  
to leave to the economists.**

Steve Keen

quotefancy



**ECON CLUB  
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