

Sri Lanka's Private Sector: Engine of *whose* Growth?

Uditha Liyanage

Abstract: The open-market policy regime introduced in the late 1970's has, by and large, continued to date, bringing forth in its wake, development in particular sectors of the economy. The marked disparity of income between the urban and rural sectors, on the one hand, and that between the urban sector and the western province, on the other, has, among other factors, given rise to the reordering of the country's social class structure. Importantly, the private sector has been called upon to drive the economy and be the engine of growth. This paper discusses the fallout of the role played by the country's formal private sector over the last two decades, and argues that its domain has been narrowly confined to particular areas and sectors of the economy, thus falling short of its ascribed role of driving the economy, at large.