

## **Effects of Inclusive Growth Policies on Economic Development in Sri Lanka**

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Inclusive growth in terms of sustainable wealth creation and inclusion of all segments of the society becomes the pivotal factor of economic development planning in many countries. As an emerging market economy, the successive governments of Sri Lanka followed this ideology and implemented various policies and programs in order to assure growth with equity and equality of opportunities accompanied by production process. It includes various programs i.e. pro-poor programs, infrastructure development, agricultural development, industrial and institutional programs, which implemented under protective and liberal policy framework over the past 70 years. Outcome of these interventions were moderate and not adequate to have a rapid development as succeeded by other Asian developing nations due to various setbacks. Therefore, the main objective of the paper is to review whether the growth policies followed by successive governments in the past were effective in attaining inclusive growth in terms of equity, equality of opportunity and protection in market and employment transitions. It also reviews implications of policy interventions on sustainable development. The methodology of the paper was based on counterfactual evaluation method of assessing pre and post situation of policy impacts during 1960-2016 period. Thus it assessed using performance indicators such as GDP growth rate, per capita income, savings, poverty and employment. The analysis was based on time series data published by Central Bank of Sri Lanka. The article consisted of five sections such as background, literature review, methodology, results, discussion and conclusion. The study revealed that it had a positive impact on increasing inclusive growth indicators i. e. GDP growth rate and per capita income. Nonetheless the pace of economic GDP growth rate is insufficient to boom the economy sustainably due to constraints such as budget deficit, savings- investment gap, deteriorating terms of trade and political instability. The study suggested strategic options that to be overcome the bindings.

**Keywords:** *GDP growth rate, per-capita income, inclusive growth, policy interventions, Sustainability*

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