LAST December I gave a lecture for Asia Financial Forum, with three scenarios for Sri Lanka’s future. Here they are.
Scenario One: “Drift”
Drift is the second scenerio of Sri Lanka two years after the end of Rajapaksa rule. This is the scenario of Sri Lanka now. Better than it was under Rajapaksa? Not quite. But not nearly as bad as it should be – not by a long chalk. regime change is not a panacea – and the governance of the Outpost can be worse than the free-for-all of the Rajapaksa era itself.

But regime change is not a panacea – and the governance of the Outpost can be worse than the free-for-all of the Rajapaksa era itself. It is the leaderless, policy-void government: a system of weak and short-sighted agencies that have no coherent policy strategy. The problems of the Outpost are not going to be solved by regime change alone. But they will be made easier to solve by better governance. Let us take a closer look at the problems of the Outpost.

First, Sri Lanka is stuck in a low-productivity trap. The potential GDP growth rate of 5% is now considered too low to support the growth projections presented by the International Monetary Fund. The government has not been able to implement policies that would boost productivity, and the lack of investment has contributed to this stagnation.

Second, Sri Lanka is facing a severe debt crisis. The government has borrowed heavily to finance its operations, and this has led to a large foreign debt burden. The government has not been able to manage its debt effectively, and the country is at risk of defaulting on its debts.

Third, Sri Lanka is facing a severe political crisis. The government has been unable to form a stable government, and this has led to a lack of political will to implement necessary reforms.

Fourth, Sri Lanka is facing a severe environmental crisis. The country is facing severe air and water pollution due to industrial and agricultural activities. The government has not been able to implement policies that would address this issue.

Finally, Sri Lanka is facing a severe social crisis. The country is facing severe unemployment and poverty, and the government has not been able to implement policies that would address this issue.

The current scenario is not sustainable, and it will not lead to the economic growth and development that the country needs.

Scenario Two: “Take-Off”
Take-Off is the scenario of Sri Lanka after the end of Rajapaksa rule. This is the scenario of a successful transition to a democratic and stable government. The government will have a clear policy strategy, and the country will be able to implement necessary reforms.

First, Sri Lanka will have a successful transition to a democratic and stable government. The government will have a clear policy strategy, and the country will be able to implement necessary reforms.

Second, Sri Lanka will have a successful transition to a democratic and stable government. The government will have a clear policy strategy, and the country will be able to implement necessary reforms.

Third, Sri Lanka will have a successful transition to a democratic and stable government. The government will have a clear policy strategy, and the country will be able to implement necessary reforms.

The government will be able to implement policies that would boost productivity, reduce the debt burden, and address the environmental and social issues.